

**VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin**

**Comprehensive Annual Financial Report
Year Ended December 31, 2014**

**Prepared by Financial Services Department
Jason A. Kaczmarek, CPA - Finance Director
Julie A. Multhauf - Financial Coordinator**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2014

Table of Contents

	<u>Page(s)</u>
Introduction:	
Transmittal Letter	1-4
Organizational Chart	5
Directory of Officials	6
Certificate of Achievement - Financial Reporting	7
Financial Section:	
Independent Auditors' Report	8-9
Management's Discussion and Analysis (required supplementary information)	10-21
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenses, and Changes in Fund Balance, General Fund	28
Statement of Net Position - Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31-32
Statement of Net Position - Fiduciary Funds	33
Notes to Financial Statements	34-75
Required Supplementary Information	
Schedule of Funding Progress of Net OPEB Obligation	76
Combining and Individual Fund Statements and Schedules:	
Comparative Balance Sheets - General Fund	77
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund	78-79
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service Fund	80
Combining Balance Sheet - Non-major Governmental Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	82
Combining Balance Sheet - Special Revenue Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds	84
Combining Balance Sheet - Capital Projects Funds	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds	86
Comparative Statements of Net Position - Water Utility	87
Comparative Statements of Revenues, Expenses and Changes in Net Position - Water Utility	88
Comparative Statements of Cash Flows - Water Utility	89-90

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2014

Table of Contents
(Continued)

	<u>Page(s)</u>
Financial Section (Continued):	
Combining and Individual Fund Statements and Schedules (Continued):	
Comparative Statements of Net Position - Sewer Utility	91
Comparative Statements of Revenues, Expenses and Changes in Net Position - Sewer Utility	92
Comparative Statements of Cash Flows - Sewer Utility	93-94
Comparative Statements of Net Position - Storm Water Utility	95
Comparative Statements of Revenues, Expenses and Changes in Net Position - Storm Water Utility	96
Comparative Statements of Cash Flows - Storm Water Utility	97-98
Comparative Statements of Net Position - Risk Management Fund	99
Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund	100
Comparative Statements of Cash Flows - Risk Management Fund	101
Combining Statements of Net Position - Fiduciary Funds	102
Statement of Changes in Assets and Liabilities - Fiduciary Funds	103
Other Supplementary Information:	
Schedule of Long-term Obligations	104-106
 Statistical Section:	
Net Position by Component	107
Changes in Net Position - Summary	108
Changes in Net Position - Expenses by Function	109
Changes in Net Position - Summary of Program Revenues by Type	110
Changes in Net Position - Charges for Services by Function	111
Changes in Net Position - Operating Grants and Contributions by Function	112
Changes in Net Position - Capital Grants and Contributions by Function	113
Changes in Net Position - General Revenues and Other Changes in Net Position	114
Fund Balances - Governmental Funds	115
Changes in Fund Balances - Governmental Funds - Summary	116
Changes in Fund Balances - Governmental Funds - Revenues	117
Changes in Fund Balances - Governmental Funds - Expenditures	118
Changes in Fund Balances - Governmental Funds - Revenues - Other Financing Sources (Uses) and Other Changes in Fund Balance	119
Assessed and Estimated Actual Value of Taxable Property	120
Property Value and Construction Data	121
Direct and Overlapping Property Tax Rates	122
Ten Largest Assessed Valuations	123
Property Tax Levies and Collections	124
Ratio of Outstanding Debt by Type to Personal Income and Property Value	125
Ratio of General Bonded Debt to Equalized Valuation and Debt Per Capita	126
Sewer Utility Revenue Bond Coverage	127
Water Utility Revenue Bond Coverage	128
Computation of Legal Debt Margin	129
Computation of Direct and Overlapping Debt	130
Demographic and Economic Statistics	131
Principal Employers	132
Full Time Equivalent Employees by Function	133
Operating Indicators and Information About Capital Assets by Function/Department	134-135

INTRODUCTION



Village of Menomonee Falls
156 N8480 Pilgrim Road
Menomonee Falls, WI 53051-3140
Telephone: (262) 532-4200
www.menomonee-falls.org

July 20, 2015

Citizens of Menomonee Falls
Members of the Board of Trustees

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The attached Comprehensive Annual Financial Report of the Village of Menomonee Falls for the fiscal year ended December 31, 2014 satisfies these requirements.

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

This report was prepared to provide the Village Board, Village staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition of Village government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Village.

This report was prepared by the Village's Financial Services Department and contains representations concerning the finances of the Village. We believe the data, as presented, is accurate in all material respects, and is organized in a manner designed to present fairly the financial position and results of operations of the Village. We also believe that all disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The financial section of this report includes Management's Discussion and Analysis (MD&A), an overview of the basic financial statements. The Village's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it.

VILLAGE PROFILE

The Village of Menomonee Falls is located in Waukesha County directly northwest of the City of Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the Village of Menomonee Falls covers approximately 33 square miles and has a population of 35,798 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

VILLAGE PROFILE (continued)

The governing and legislative body of the Village is the seven member Village Board. The Village operates under the council/manager form of government whereby the appointed Village Manager is responsible for the day-to-day operations of the Village, the appointment of administrative staff members, and the supervision of all Village employees.

The Village provides typical municipal services including: police, fire, emergency dispatch and ambulance services; public works activities such as highway and street maintenance, refuse and recycling collection; recreational activities such as parks, public library and historical center; community development activities including planning and zoning enforcement, economic development, and supportive services such as general administration and finance. The Village operates Water, Sewer and Storm Water utilities as enterprise funds. Risk management services for property liability are accounted for in the Village's Internal Service Fund.

For financial reporting purposes, all funds involved in the provision of these services are included if the Village is financially accountable. Financial accountability is determined by several different factors including fiscal dependence, ability to impose its will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal status. After careful evaluation, the Village has included in this financial report all funds of the Village, including the Water, Sewer, and Storm Water Utilities.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The Village's accounting records for governmental and agency funds are based upon the modified accrual basis, with revenues recorded when available and measurable and expenditures recorded when the services and goods are received and the liabilities are incurred. Accounting records for the Village's utilities are maintained on the accrual basis.

In developing the Village's overall accounting system, consideration was given to the adequacy of the internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial resources for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Village Board policy provides for adoption of an annual budget prepared by management. The budget, as adopted by the Board, is intended to appropriate expenditures on a program or functional basis. The Village Manager is granted authority to allow the expenditure level for a specific department to exceed the budget amount, provided that the overall program or functional appropriation is not exceeded. Amendments to the adopted General Fund Budget, at the function level or in total, require the approval of the Village Board.

The annual capital budget summarizes long range plans for infrastructure and major equipment purchases. The adopted capital budget is typically funded through a debt issuance. The Village works closely with financial advisors from Hutchinson, Schockey, Erley & Company in the management of overall debt. Additional information related to Village debt can be found in Footnote 3-F.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The fiscal health of a municipality can be assessed in several ways: current growth, preparation for the future, and the results of operations. The Village continues to forge new directions and is emerging as a regional leader in economic innovation. The Village views current low borrowing rates and lower property prices as opportunities. Using a variety of financing tools such as impact fees, tax incremental financing, municipal revenue obligations, and close partnerships with businesses, the Village is preparing for a more robust economic future.

While many of the developments in Menomonee Falls in 2014 were conceptual multi-phase developments, the Village ultimately approved three subdivisions creating a total of 132 new single-family lots. This total was more than the previous seven years combined and the best year since 2006. 2014 also saw more lots created than single-family housing starts for the first time since 2006. This fact shows that banks and developers believe that housing demand is increasing as we move further away from the 2008 recession. Menomonee Falls ranked sixth in new home starts in Waukesha County and had the second highest average value and the highest average size when considering the communities with at least 40 new home starts.

The Village aggressively uses Tax Incremental Financing Districts (TIDs) as catalysts for development. The Village Board policy of working for continued growth is evident in its commitment to capital expenditures in the TIDs. The Village's most active TID continues to be TID #8, which is located along the Hwy 41/45 corridor, just West of Pilgrim Rd. Major changes to the conceptual plan for TID #8 occurred in 2014 with the modifications of the site plan to include a new Costco building. The revised site plan for White Stone Station includes a mix of large and smaller scale commercial buildings and 318 market rate apartments known as The Junction at White Stone Station.

In 2014 the Village's equalized value (including TIDs) increased 6% which can generally be attributed to the macro economic turnaround. The total number of permits issued in 2014 was flat compared to 2013; however, large value projects contributed to the largest new construction value in the history of the Village. The Village's 4.5% unemployment rate is well below that of the State of Wisconsin's 5.5%. Additionally, the Village's manufacturing assessed real estate value in 2014 ranked third in the State. With over \$311 million in manufacturing assessed value, Menomonee Falls only trails Milwaukee and Green Bay.

Financial Policies

The Village continues to follow basic short-term and long-term planning policies. In the short-term, the Village philosophy is one of conservative stability towards budgets, taxes and utility user charges. Long range planning focuses on the maintenance and protection of Village infrastructure and a commitment towards growth.

The Village Board is committed to maintaining an unassigned General Fund balance of around 3 months of operating expenditures. As of December 31, 2014, the unassigned General Fund balance approximated 3.5 months of 2015 budgeted expenditures, providing a reasonable cushion for unanticipated emergencies.

One of the biggest impacts of the 2008 economic down turn has been in the area of earnings on investments. Although earnings on investment income are negligible compared to prior years, management continues to follow a conservative approach to investing excess funds, placing safety and liquidity before return on investment.

FACTORS AFFECTING FINANCIAL CONDITION

Financial Planning

The Village continually updates its long-range development and financial plans. The local road improvement program is based upon assessment of local road conditions together with the age and condition of the underlying utility infrastructure. The Village relies on an Overall Economic Development Plan, Comprehensive Outdoor Recreation Plan, and Impact fee studies, to provide a basis for the development of new parks, utility structures and fire stations.

The Village policy towards budget and tax stabilization prompted the development of an internal Revolving Capital Loan program which provides departments with an interest-free method of funding large equipment and vehicle purchases with amortized repayments included in the operating budget. Consolidation of the Municipal Facilities Fund with the Revolving Capital Loan Fund at the end of 2010 provided combined resources for the primary government as a whole, further evidence of the Village Board's commitment toward control of debt and user fee stabilization in the utilities.

By necessity, long range planning includes assessment of future debt issuance in conjunction with current debt service requirements. Village debt policies are designed to comply with requirements of Wisconsin State Statutes, and bond covenants, while maintaining the highest bond rating possible. Management reviews capital planning and resultant bond issuance in light of resources on hand and effect on future cash flows. The Village maintains a solid Aa2 general obligation bond rating from Moody's Investors Service, based upon its healthy fund balance, conservative financial management and aggressive debt repayment schedules.

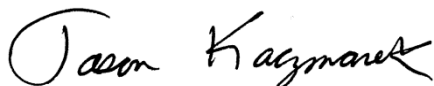
CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Menomonee Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated services of the entire staff of the Village of Menomonee Falls Finance Department and the advice of the Village's independent auditors, Reilly, Penner & Benton, LLP. Appreciation is expressed to Village employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

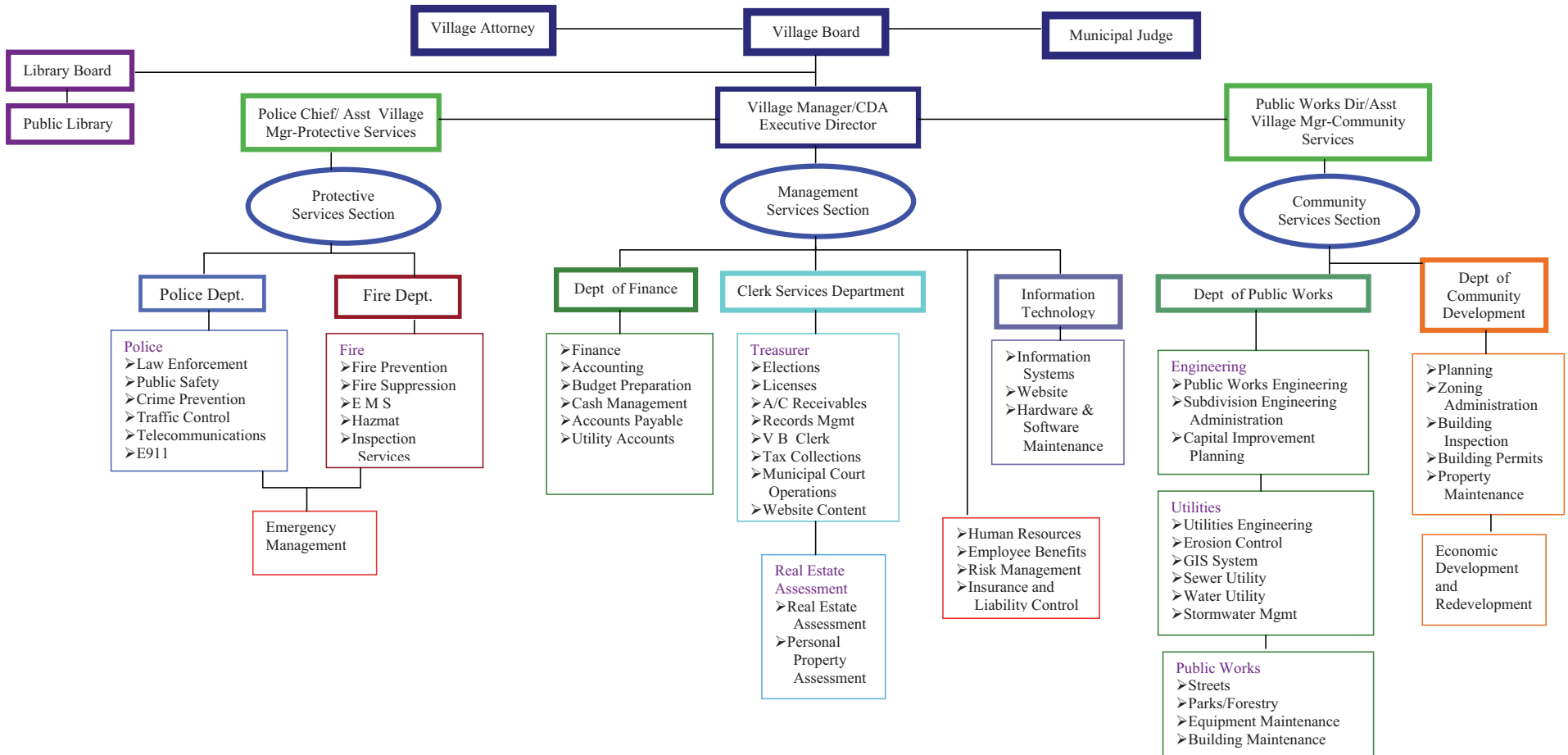
Respectfully submitted,



Jason A Kaczmarek, CPA
Finance Director

VILLAGE OF MENOMONEE FALLS

Functional Organization Chart



**VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin**

**Directory of Officials
As of December 31, 2014**

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
Randall R. Newman	President	April 2015
Katie Kress	Trustee	April 2017
Joseph Helm	Trustee	April 2017
Chris Smolik	Trustee	April 2017
Bonnie J. Lemmer	Trustee	April 2016
Jeremy Walz	Trustee	April 2016
Stephen C. Raymonds	Trustee	April 2016

Certified Public Accountants:

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

Bond Counsel:

Quarles & Brady, Milwaukee, Wisconsin

Financial Advisor:

Hutchinson, Schockey, Erley & Co., Milwaukee, Wisconsin



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Menomonee Falls
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Menomonee Falls
Menomonee Falls, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 schedule of funding progress 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 opinions on the financial statements that collectively comprise the Village of Menomonee Falls' financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, other supplementary information as listed in the table of contents and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The 2014 combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, The Village of Menomonee Falls' basic financial statements for the year ended December 31, 2013, which are not presented with the accompanying financial statements. In our report dated June 27, 2014, we expressed unqualified opinions of the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the 2013 data included in the other supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2013, taken as a whole. The introductory and statistical sections have 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 them

A handwritten signature in black ink that reads "Reilly, Penner & Benton LLP". The signature is written in a cursive, flowing style.

July 20, 2015
Milwaukee, Wisconsin

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis provides management's overview and analysis of the Village's basic financial statements for the year ended December 31, 2014. This discussion is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan.

Please read it in conjunction with the transmittal letter beginning on page 1 and the Village's financial statements, which begin on page 22.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 22 and 23) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 24. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. These statements also include information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Village as a Whole – Government-wide Financial Statements

The analysis of the Village as a whole begins on page 22. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Village's net position and changes in them. Net position is the difference between what the citizens own and what the citizens owe in liabilities at one moment in time. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health 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 (roads, buildings, water and sewer lines, etc.)

Two kinds of activities are reported in the Statement of Net Position and the Statement of Activities:

- Governmental activities include most of the Village's basic services, including police, fire, street maintenance, parks, library, and general administration. These services are supported primarily by property taxes and state revenues.
- Business-type activities include the Water, Sewer and Storm Water Utilities. The Village charges a fee to customers to help cover all or most of the cost of water and sanitary sewer utility services. The Village funds storm water activities primarily through property taxes.

Reporting the Village's Most Significant Funds - Fund Financial Statements

The analysis of the Village's major funds begins on page 24, and provides detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by state law and bond covenants. However, the Village establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like donations). The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general operations and the basic services it provides. Governmental fund information helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Reconciliations between the government-wide statements and the governmental fund statements are provided with the fund financial statements.

Proprietary Funds

Proprietary funds are financed and reported in a manner similar to normal business-type entities and are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Village uses an internal service fund (the other component of proprietary funds) to report self-insurance activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are therefore not reflected in the government-wide financial statements. The Village maintains two fiduciary funds; one which is used to record assets collected on behalf of other taxing units and the other is used to record financial activity for the Community Development Authority.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information can be found on page 76 of this report. Combining and individual fund statements and schedules begin on page 77 of this report.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Menomonee Falls, total net position was \$247 million as of December 31, 2014. The largest portion of the Village's net position (92%) reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. An additional portion of the Village's net position, 4%, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased by \$2 million or 0.9%.

Condensed Net Position

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets:						
Capital assets	\$ 160.2	\$ 156.0	\$ 134.4	\$ 131.0	\$ 294.6	\$ 287.0
Other assets	63.6	80.2	23.1	22.9	86.7	103.1
Total assets	223.8	236.2	157.5	153.9	381.3	390.1
Deferred outflows of resources:	0.1	0.1	0.1	0.2	0.2	0.3
Liabilities:						
Long-term liabilities	74.4	68.0	11.0	11.5	85.4	79.5
Other liabilities	14.8	32.0	3.1	2.6	17.9	34.6
Total liabilities	89.2	100.0	14.1	14.1	103.3	114.1
Deferred inflows of resources:	29.6	29.9	1.3	1.3	30.9	31.2
Net Position:						
Net investment in capital assets	103.4	95.0	124.0	120.6	227.4	215.6
Restricted	4.3	8.2	5.7	4.8	10.0	13.0
Unrestricted	(2.6)	3.2	12.5	13.3	9.9	16.5
Total net position	\$ 105.1	\$ 106.4	\$ 142.2	\$ 138.7	\$ 247.3	\$ 245.1

Changes in Net Position

During 2014 the net position of governmental activities decreased 1.2% to \$105 million. Restricted assets include \$1.4 million for capital projects (including Tax Incremental Financing Districts or TIDs), \$1.3 million for library operations and maintenance, and \$1.5 million for special revenue fund purposes. The unrestricted net position of governmental activities amounts to -\$2.6 million. The negative unrestricted fund balance is a result of liabilities being greater than assets. Not all debt in the TID funds is capital related, so they are a major contributor to this negative balance. These liabilities will be covered by future tax increment.

Net position of business activities totaled \$142 million as of December 31, 2014. Business-type net position totaling \$6 million are restricted for capital projects, operations and maintenance, and depreciation. The Village may use the unrestricted net position totaling \$13 million to finance continuing operations and capital projects of the utilities.

Changes in Net Position
(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7.1	\$ 6.7	\$ 14.7	\$ 14.9	\$ 21.8	\$ 21.6
Operating grants and contributions	2.9	2.3	-	-	2.9	2.3
Capital grants and contributions	6.5	1.0	5.6	1.7	12.1	2.7
General revenues:						
Property taxes	27.3	26.4	1.2	1.2	28.5	27.6
Unrestricted grants and contributions	1.5	1.1	-	-	1.5	1.1
Other revenues	0.3	2.0	-	0.1	0.3	2.1
Total revenues	<u>45.6</u>	<u>39.5</u>	<u>21.5</u>	<u>17.9</u>	<u>67.1</u>	<u>57.4</u>
Expenses:						
General government	4.7	4.6	-	-	4.7	4.6
Public safety	14.4	14.1	-	-	14.4	14.1
Public works	8.7	9.2	-	-	8.7	9.2
Culture and recreation	3.4	3.2	-	-	3.4	3.2
Conservation and development	13.2	2.1	-	-	13.2	2.1
Interest on long-term debt	2.6	2.5	-	-	2.6	2.5
Water Utility	-	-	6.6	6.8	6.6	6.8
Sewer Utility	-	-	10.1	10.1	10.1	10.1
Storm Water Utility	-	-	1.3	1.3	1.3	1.3
Total expenses	<u>47.0</u>	<u>35.7</u>	<u>18.0</u>	<u>18.2</u>	<u>65.0</u>	<u>53.9</u>
Increase (decrease) in net position	<u>(1.4)</u>	<u>3.8</u>	<u>3.5</u>	<u>(0.3)</u>	<u>2.1</u>	<u>3.5</u>
Net position, beginning of year	106.4	103.5	138.7	143.7	245.1	247.2
Prior period adjustment	0.1	(0.9)	-	(4.7)	0.1	(5.6)
Net position, end of year	<u>\$ 105.1</u>	<u>\$ 106.4</u>	<u>\$ 142.2</u>	<u>\$ 138.7</u>	<u>\$ 247.3</u>	<u>\$ 245.1</u>

Governmental activities decreased net position by \$1 million. Significant changes in revenues and expenses were as follows.

Revenues:

Charges for services totaled \$7.1 million, an increase of \$0.4 million from 2013. Nearly all of this change is due to an increase in landfill tipping fees and ambulance service revenues.

Capital grants and contributions totaled \$6.5 million, an increase of \$5.5 million from 2013. The increase is attributable to a rebounding of developer projects in the Village. Infrastructure donated to the Village is recorded as an asset and a revenue in the year contributed.

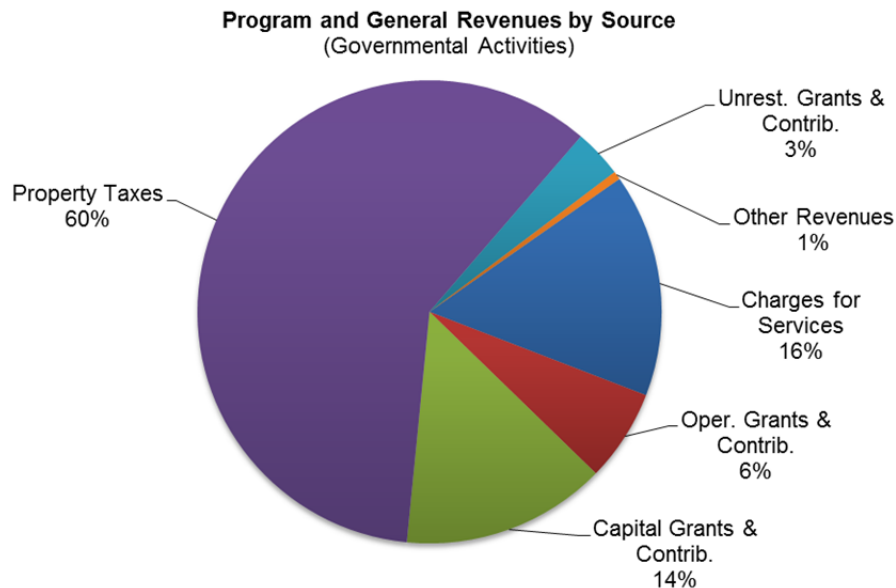
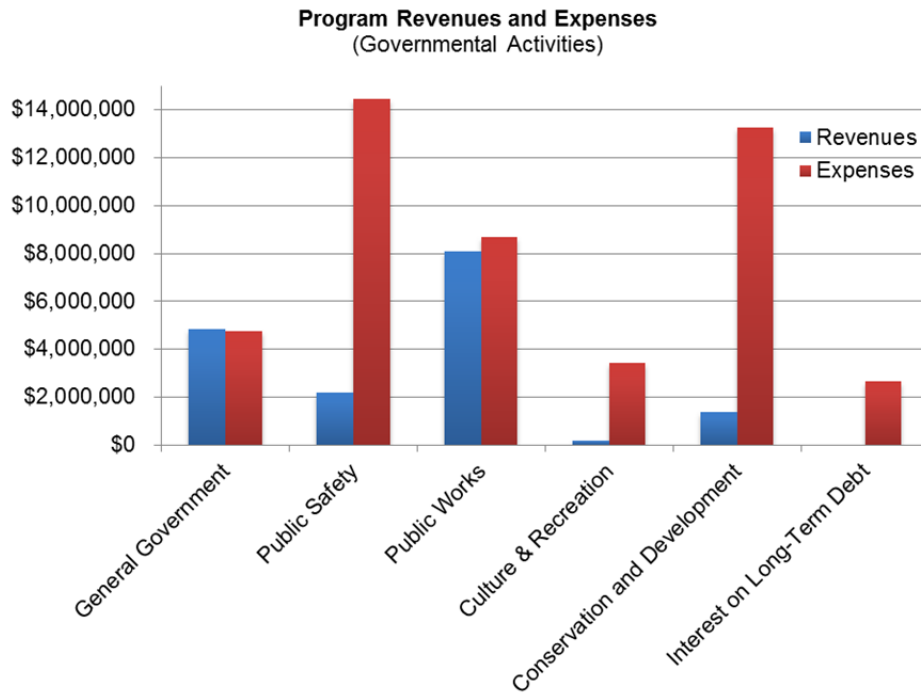
All governmental revenues other than program revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. Other revenues for 2014 are insignificant; however, were much higher in 2013. In 2013 Kohl's Corporation returned a \$2 million developer incentive previously given to them from TID #10.

Expenses:

Governmental expenses totaled \$47 million, an increase of \$11.3 million from 2013. Nearly half of this increase is related to the final reconciliation of the hotel project in TID #6. \$5 million of a previous receivable in TID #6 was written-down and refinanced. Also, approximately \$4 million in expenses were recorded for the transfer of land to developers in TID #8.

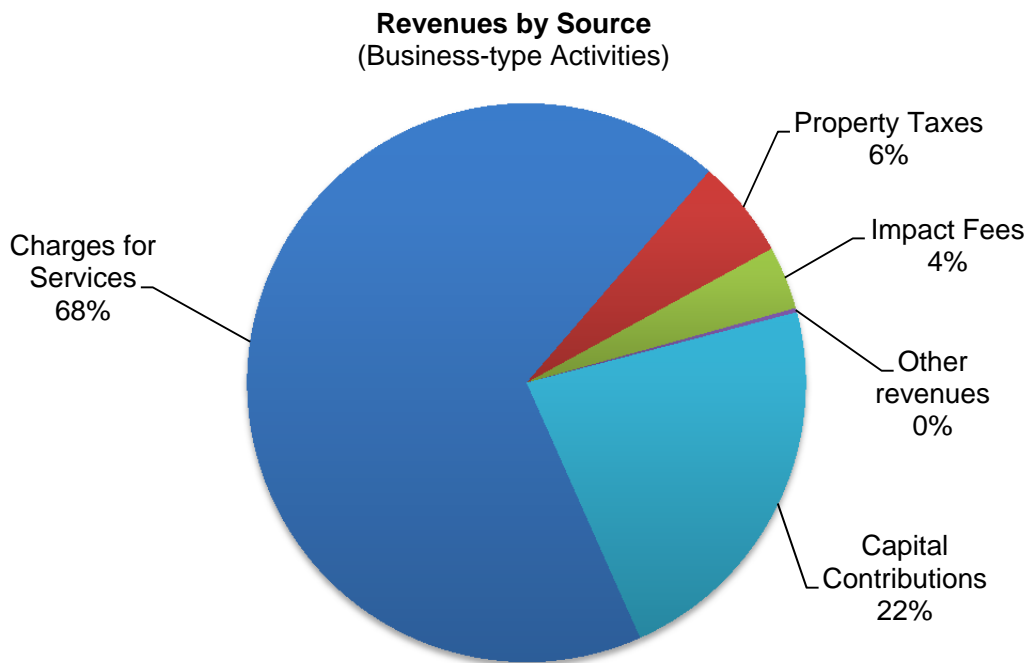
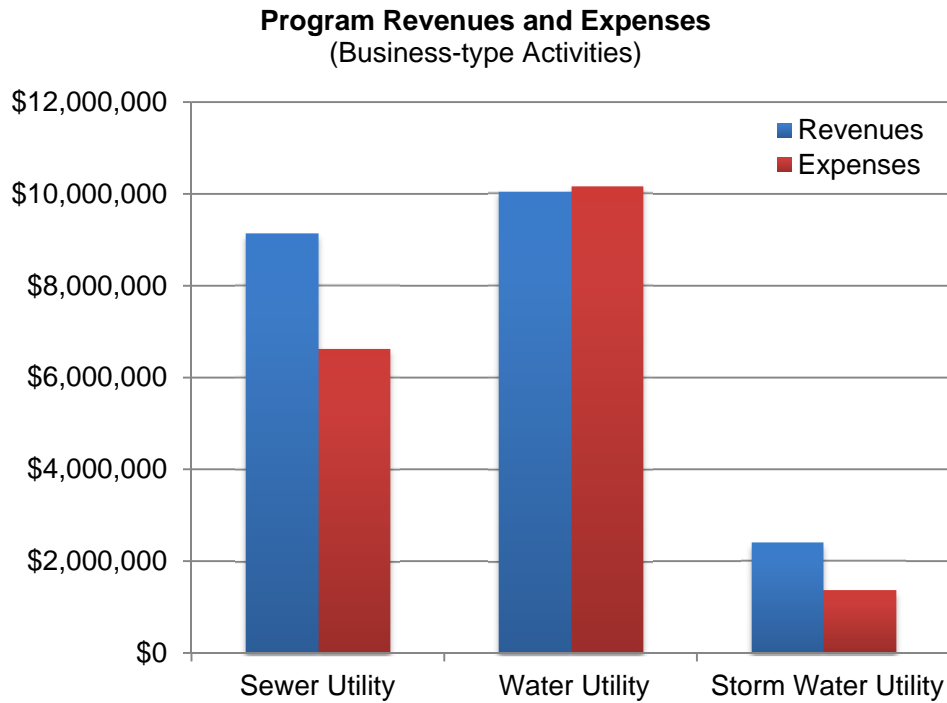
The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2014 on road construction and repairs. Funding for the construction and repairs came from the tax levy as well as the Municipal Facilities & Equipment Fund.

Governmental expenses included \$3.6 million in depreciation expense.



Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$3.4 million in the Village's net position. Total expenses exceeded charges for services by \$3.5 million. The deficit was more than offset by a tax levy of \$1.2 million and capital grants and contributions totaling \$4.8 million.



Water Utility

The Water Utility reported net operating income of \$0.1 million for 2014, no change from 2013. Operating revenues of the Water Utility totaled \$6.5 million for 2014, a 2% decrease over the \$6.6 million reported in 2013. This decrease is attributable to lower sales, due to continued water conservation efforts by Village customers. Operating expenses totaled \$6.4 million, a decrease of \$0.1 million or 1%. Real estate taxes paid to the Village in 2014 were \$0.1 million or 10% lower than in 2013. Overall 2014 net income totaled \$2.5 million, an increase of \$2.2 million over the \$0.3 million reported in 2013. Note that capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2014 were \$2 million more than in 2013 which is the major contributing factor in this year's increase in net position.

The Water Utility capitalized \$3.3 million of improvements during 2014, of which \$1.9 million were contributions from developers. The majority of the utility-paid capitalized improvements were related to the continued replacement of old utility infrastructure.

The Village purchases water from Milwaukee Water Works and supplements with water from Village deep wells. The Village paid \$1.5 million to Milwaukee Water Works in 2014, a 7% increase from 2013. Despite lower consumption, the Village paid more for water in 2014 due to rate increases. Village water rates were increased in 2014 to cover the additional supply costs.

Water Utility Activity Summary (in millions of dollars)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Charges for services	\$ 6.5	\$ 6.6	\$ (0.1)
Operating expenses	6.4	6.5	(0.1)
Operating income	<u>0.1</u>	<u>0.1</u>	<u>-</u>
Non-operating income (expenses)	0.2	(0.1)	0.3
Capital contributions	2.2	0.2	2.0
Increase in net position	<u>2.5</u>	<u>0.2</u>	<u>2.3</u>
Net position, beginning of year	<u>56.5</u>	<u>56.3</u>	<u>0.2</u>
Net position, end of year	<u>\$ 59.0</u>	<u>\$ 56.5</u>	<u>\$ 2.5</u>

Sewer Utility

The Sewer Utility reported a net operating loss of \$2 million for 2014, an additional \$0.2 million decrease from the \$1.8 million loss reported in 2013. The Utility had an overall decrease in net position totaling \$0.1 million, a \$1.1 million decrease over the net decrease in 2013 of \$1.2 million.

Charges for services decreased \$0.1 million or -1% which is due to a decrease in service volume. The Sewer Utility capitalized \$1.3 million of improvements during 2014 of which \$1 million were contributed by developers.

Operating expenses totaled \$10.0 million, consistent with 2013. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2014, the Village paid MMSD \$1.8 million for user charges and \$5.4 million for capital charges. Total payments to MMSD increased \$0.1 million a 2% increase from 2013. Despite lower volume, the Village paid more for MMSD sewer treatment in 2014 due to rate increases. The Village did not increase sewer rates in 2014.

Sewer Utility (continued)

Sewer Utility Activity Summary (in millions of dollars)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Charges for services	\$ 8.1	\$ 8.2	\$ (0.1)
Operating expenses	<u>10.1</u>	<u>10.0</u>	<u>0.1</u>
Operating income (loss)	(2.0)	(1.8)	(0.2)
Non-operating income	0.7	0.4	0.3
Capital contributions	<u>1.2</u>	<u>0.1</u>	<u>1.1</u>
Decrease in net position	(0.1)	(1.3)	1.2
Net position, beginning of year	<u>59.9</u>	<u>61.2</u>	<u>(1.3)</u>
Net position, end of year	\$ <u>59.8</u>	\$ <u>59.9</u>	\$ <u>(0.1)</u>

Storm Water Utility

The Storm Water Utility reported a net operating loss of \$0.3 million for 2014 which is similar to the \$0.2 million loss reported in 2013. The 2014 net loss (before capital contributions) totaled \$0.4 million, also similar to 2013. The overall increase in net position for 2014 is \$1 million, \$0.3 million more than the \$0.7 million increase reported in 2013. This change is nearly all attributable to more capital contributions in 2014 vs 2013. Capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village.

The Storm Water Utility capitalized \$2.4 million of improvements during 2014, of which \$1 million was contributed from developers and \$0.5 million was contributed from TIDs. Most of the infrastructure installed is attributable to the addition of new utility infrastructure.

The Storm Water Utility is funded primarily through property taxes. Operating revenues of the Storm Water Utility totaled \$1.0 million for 2014, consistent with 2013. Operating expenses totaled \$1.2 million, a slight increase from 2013.

Storm Water Utility Activity Summary (in millions of dollars)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 0.9	\$ 0.1
Operating expenses	<u>1.3</u>	<u>1.1</u>	<u>0.2</u>
Operating income (loss)	(0.3)	(0.2)	(0.1)
Non-operating expenses	(0.1)	(0.1)	-
Capital contributions	<u>1.4</u>	<u>1.1</u>	<u>0.3</u>
Increase in net position	1.0	0.8	0.2
Net position, beginning of year	<u>22.2</u>	<u>21.4</u>	<u>0.8</u>
Net position, end of year	\$ <u>23.2</u>	\$ <u>22.2</u>	\$ <u>1.0</u>

Fund Financial Analysis

Fund financial reporting, beginning on page 24, focuses on short-term spendable resources and fund balances available for future use.

Governmental Funds

As of December 31, 2014, Village governmental funds reported a combined fund balance of \$26 million, \$16 million less than last year's total of \$42 million. The significant decrease is mostly related to the final reconciliation of the hotel project in TID #6. \$9 million in principal related to the hotel debt was paid-down and \$5 million of a previous receivable in TID #6 was written-down and refinanced. Other large decreases in fund balance came from the Capital Projects Fund and TID #8. Both had fund balance decreases of around \$1 million which is simply due to the spending of borrowed funds on applicable capital projects.

General Fund

The General Fund ended the year with a \$1 million surplus which equates to 4% of the operating budget. Nearly all of this surplus was transferred to the Municipal Facilities and Equipment Fund leaving only a small increase in fund balance. The final balance of the General Fund amounted to \$9.6 million, slightly above the prior year balance of \$9.5 million. The total General Fund balance equates to 3.5 months of 2015 budgeted expenditures; which is consistent with our fund balance policy of around 3 months.

Revenues for the General Fund primarily come from property taxes and state revenues. For 2014, permit revenues from new construction increased significantly, coming in 40% higher than budgeted.

General Fund expenditures were \$0.9 million less than budgeted. Some of the larger savings include:

- A higher focus of engineering time on billable developer projects;
- Lower salt expenditures than expected;
- Open Police Department positions not immediately filled;

Debt Service Fund

There was no significant change to the Debt Service Fund balance. Annual debt service requirements were met primarily by property taxes levied of \$2 million and transfers from other governmental funds of \$16 million.

Proprietary Funds

The Water, Sewer and Storm Water Utilities were discussed in the Governmental-wide Analysis on pages 10-17.

The Village as Trustee

The Village acts as Trustee for property taxes collected on behalf of other taxing units: the State of Wisconsin, Waukesha County, Menomonee Falls School District, Hamilton School District and Waukesha County Technical College. The Village also acts as Trustee for the Community Development Authority funds. All of the Village's fiduciary activities are reported in the Statement of Net Position - Fiduciary Fund on page 33. The Village excludes these assets from other financial statements because the Village cannot use these assets to finance its operations.

Capital Assets

As of December 31, 2014, the Village had \$295 million invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located in Note 3 E.

Capital Assets (in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Non-depreciable assets:						
Land	\$ 94.3	\$ 91.6	\$ 0.6	\$ 0.6	\$ 94.9	\$ 92.2
Construction in progress	5.0	4.1	1.2	2.1	6.2	6.2
Total non-depreciable assets	<u>99.3</u>	<u>95.7</u>	<u>1.8</u>	<u>2.7</u>	<u>101.1</u>	<u>98.4</u>
Depreciable assets:						
Land improvements	4.5	4.5	1.9	1.0	6.4	5.5
Buildings and improvements	40.3	40.3	9.4	9.3	49.7	49.6
Equipment and furnishings	17.9	17.7	9.2	9.2	27.1	26.9
Infrastructure	46.3	43.2	173.5	167.0	219.8	210.2
Total depreciable assets	<u>109.0</u>	<u>105.7</u>	<u>194.0</u>	<u>186.5</u>	<u>303.0</u>	<u>292.2</u>
Less accumulated depreciation	<u>48.1</u>	<u>45.4</u>	<u>61.5</u>	<u>58.2</u>	<u>109.6</u>	<u>103.6</u>
Net depreciable assets	<u>60.9</u>	<u>60.3</u>	<u>132.5</u>	<u>128.3</u>	<u>193.4</u>	<u>188.6</u>
Total capital assets	<u>\$ 160.2</u>	<u>\$ 156.0</u>	<u>\$ 134.3</u>	<u>\$ 131.0</u>	<u>\$ 294.5</u>	<u>\$ 287.0</u>

The Village's 2014 capital budget anticipated a spending level of \$9 million for capital projects. The Village borrowed approximately \$5 million to fund these expenditures and designated \$3 million from the Municipal Facilities and Equipment Fund. Cash on hand in other funds was also earmarked to make up the balance of the budget.

The most significant changes in capital assets of governmental activities included the following (in millions):

TID #10 land parcels (returns from the Kohl's development unwinding)	\$ 4.3
Right-of-Way acquisitions in TID #8	1.1
Road construction (including developer contributions)	3.7
Land and CIP disposals (contributing to development in TID #8)	(4.8)
CIP disposals (Water, Sewer, Storm Water infrastructure included in TID #8)	(2.0)

The most significant changes in capital assets of business-type activities included the following (in millions):

Large subdivision utility infrastructure contributions from developments such as	\$ 3.3
• Silver Spring Estates;	
• Spencer's Pass West;	
• Weyerhaven	
Falls Parkway - Phase I utility infrastructure	1.0

Long-term Debt

As of December 31, 2014, long-term debt outstanding totaled \$89 million compared to \$100 million at December 31, 2013, a net decrease of \$12 million. The large decrease is mostly attributable to a significant \$9 million pay-down of principal on the TID #6 debt related to the Radisson Hotel development.

The following debt issuances occurred in 2014:

GO Debt	Refinancing of 2004 bonds in TID #5	\$	3,825,000
GO Debt	2014 Capital Budget		4,920,000
GO Debt	Refinancing of 2010 bonds in TID #6		8,450,000
GO Debt	Waukesha County Digital Radio System		<u>223,622</u>
		\$	<u>17,418,622</u>

Principal paid on outstanding debt totaled \$29 million, of which \$12 million was for refinancing, and \$17 million was paid toward principal reduction.

Information related to the 2014 Capital Budget and related borrowing is summarized as follows:

Streets and Storm Water Infrastructure	\$	2,000,000
Water Utility Infrastructure		920,000
New Fire Stations		<u>2,000,000</u>
Total debt issuance	\$	<u>4,920,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds/notes	\$ 76.7	\$ 88.3	\$ 10.2	\$ 10.3	\$ 86.9	\$ 98.6
Mortgage revenue bonds	-	-	1.6	1.8	1.6	1.8
	<u>\$ 76.7</u>	<u>\$ 88.3</u>	<u>\$ 11.8</u>	<u>\$ 12.1</u>	<u>\$ 88.5</u>	<u>\$ 100.4</u>

The Village's general obligation bond rating is Aa2 by Moody's; the highest rating the Village can receive considering our size. The outstanding Sewer Utility mortgage revenue bonds are actually clean water fund loans and are therefore not rated by Moody's.

State Statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized value. The current debt limit for the Village of Menomonee Falls is \$225 million. As of December 31, 2014 the Village had \$87 million in outstanding general obligation debt, or 39% of the limit.

For more information related to long-term debt obligations, see Note 3 F. Other long-term obligations include accrued sick leave and OPEB obligation.

Economic Factors and Next Year's Budgets and Rates

Property taxes make up a little more than 75% of the General Fund's budget and state revenues account for another 10%. Together over 85% of the General Fund's expenditures are covered by taxes and state revenues. The 2015 General Fund operating budget increased 3% from 2014. This increase is expected to be covered by multiple sources, including a 1% increase in property taxes as well as increases in tax equivalents, state revenues, and permit fees. The 1% increase in taxes was a result of new construction.

The total assessed value for the Village increased \$23 million or 0.5%. Total assessed values for 2014 and 2013 were \$4.5 billion and \$4.5 billion respectively. The ratio of assessed values to equalized values was 101% as of January 1, 2014.

Contacting Village Financial Management

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 the Director of Financial Services by email at fs@menomonee-falls.org; or by mail at Village of Menomonee Falls, W156 N8480 Pilgrim Road, Menomonee Falls, Wisconsin, 53051.

BASIC FINANCIAL STATEMENTS

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position
December 31, 2014

	Primary Government		
	Governmental Activities	Business- type Activities	Total
Assets:			
Cash and equivalents	\$ 37,882,263	\$ 9,428,321	\$ 47,310,584
Investments	529,147	---	529,147
Taxes receivable	17,962,458	1,231,250	19,193,708
Special charges on the tax roll	1,295,134	515,978	1,811,112
Intergovernmental aid receivable	1,048,219	---	1,048,219
Accounts receivable (net)	1,520,538	2,797,152	4,317,690
Internal balances	556,617	(556,617)	---
Inventories	366,169	108,065	474,234
Land held for sale	57,717	---	57,717
Prepaid items	266,302	1,886	268,188
Notes receivable	522,602	---	522,602
Special assessments	1,196,263	295,816	1,492,079
Restricted assets:			
Cash and equivalents	---	5,794,204	5,794,204
Advances to enterprise funds	354,340	(354,340)	---
Prepaid capacity charges	---	3,873,588	3,873,588
Capital assets:			
Land and construction in progress	99,344,363	1,827,977	101,172,340
Other capital assets net of accumulated depreciation	60,896,900	132,527,152	193,424,052
Total assets	223,799,032	157,490,432	381,289,464
Deferred Outflows of Resources:			
Unamortized losses on debt refunding	141,391	133,911	275,302
Liabilities:			
Accounts payable and accrued expenses	6,003,486	1,404,371	7,407,857
Incurred but not reported claims	217,950	---	217,950
Deposits	243,734	50,000	293,734
Unearned revenue	178,877	140,435	319,312
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	166,647	166,647
Accrued interest	693,577	6,945	700,522
Compensated absences - vacation due within one year	1,004,608	107,659	1,112,267
Compensated absences - sick leave due within one year	51,712	38,086	89,798
Compensated absences - sick leave more than one year	2,949,383	332,484	3,281,867
OPEB obligation	1,129,786	248,011	1,377,797
Bonds and notes - due within one year	6,409,369	1,158,584	7,567,953
Bonds and notes - due in more than one year	70,301,905	10,456,172	80,758,077
Total liabilities	89,184,387	14,109,394	103,293,781
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	27,859,717	1,231,250	29,090,967
Unamortized premium on debt	1,789,367	126,656	1,916,023
Total deferred inflows of resources	29,649,084	1,357,906	31,006,990
Net Position:			
Net investment in capital assets	103,412,007	124,026,180	227,438,187
Restricted for:			
Capital projects	1,396,475	4,568,040	5,964,515
Debt service	65,095	---	65,095
Library operations and maintenance	1,264,601	---	1,264,601
Other	1,537,242	1,108,121	2,645,363
Unrestricted	(2,568,467)	12,454,702	9,886,235
Total net position	\$ 105,106,953	\$ 142,157,043	\$ 247,263,996

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Activities
Year Ended December 31, 2014

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business- type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 4,720,166	\$ 539,299	\$ ---	\$ 4,269,900	\$ 89,033	\$ ---	\$ 89,033
Public safety	14,436,356	1,585,437	586,717	---	(12,264,202)	---	(12,264,202)
Public works	9,346,862	3,978,709	1,826,242	2,928,795	(613,116)	---	(613,116)
Culture and recreation	3,405,817	122,347	42,057	---	(3,241,413)	---	(3,241,413)
Conservation and development	13,245,448	900,213	480,141	---	(11,865,094)	---	(11,865,094)
Interest on long-term debt	2,658,305	---	---	---	(2,658,305)	---	(2,658,305)
Total governmental activities	<u>47,812,954</u>	<u>7,126,005</u>	<u>2,935,157</u>	<u>7,198,695</u>	<u>(30,553,097)</u>	<u>---</u>	<u>(30,553,097)</u>
Business-type Activities:							
Sewer Utility	10,166,494	8,114,553	---	1,606,521	---	(445,420)	(445,420)
Water Utility	6,641,515	6,535,141	---	2,583,029	---	2,476,655	2,476,655
Storm Water Utility	1,366,436	28,633	---	1,433,798	---	95,995	95,995
Total business-like activities	<u>18,174,445</u>	<u>14,678,327</u>	<u>---</u>	<u>5,623,348</u>	<u>---</u>	<u>2,127,230</u>	<u>2,127,230</u>
Total primary government	<u>\$ 65,987,399</u>	<u>\$ 21,804,332</u>	<u>\$ 2,935,157</u>	<u>\$ 12,822,043</u>	<u>(30,553,097)</u>	<u>2,127,230</u>	<u>(28,425,867)</u>
General Revenues:							
Taxes:							
Property taxes levied for general purposes					18,846,625	---	18,846,625
Property taxes levied for utility purposes					---	1,231,250	1,231,250
Property taxes levied for debt service					2,341,779	---	2,341,779
Property taxes levied for TID districts					5,077,817	---	5,077,817
Less distribution of excess TID increments upon closure					(180,477)	---	(180,477)
Payments in lieu of taxes - Water Utility					1,259,422	---	1,259,422
Grants and contributions not restricted to specific programs					1,542,891	---	1,542,891
Investment earnings					71,074	13,602	84,676
Interest on advances to utilities					12,849	---	12,849
Other revenues					178,027	33,735	211,762
Total general revenues					<u>29,150,007</u>	<u>1,278,587</u>	<u>30,428,594</u>
Change in net position					<u>(1,403,090)</u>	<u>3,405,817</u>	<u>2,002,727</u>
Net position, beginning of year					106,388,719	138,751,226	245,139,945
Prior period adjustment					121,324	---	121,324
Net position, beginning of year - as restated					<u>106,510,043</u>	<u>138,751,226</u>	<u>245,261,269</u>
Net position, end of year					<u>\$ 105,106,953</u>	<u>\$ 142,157,043</u>	<u>\$ 247,263,996</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Balance Sheet - Governmental Funds
December 31, 2014

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and equivalents	\$ 17,645,133	\$ 65,095	\$ 19,503,687	\$ 37,213,915
Certificate of deposit	529,147	---	---	529,147
Accounts receivable:				
Taxes	9,379,670	2,374,220	6,208,568	17,962,458
Special charges on the tax roll	4,295	---	1,290,839	1,295,134
Intergovernmental aid	394,833	---	653,386	1,048,219
Special assessments	---	---	1,196,263	1,196,263
Accounts	937,554	---	197,638	1,135,192
Notes	---	---	522,602	522,602
Other	---	---	339,661	339,661
Due from other funds	857,302	---	743,808	1,601,110
Prepaid items	187,694	---	---	187,694
Inventory of supplies, at cost	366,169	---	---	366,169
Land held for sale	57,717	---	---	57,717
Advance to other governmental funds	1,747,647	---	707,353	2,455,000
Long-term advances to utilities	---	---	354,340	354,340
Total assets	32,107,161	2,439,315	31,718,145	66,264,621
Liabilities:				
Accounts payable and other accrued liabilities	3,689,082	---	2,314,404	6,003,486
Accrued compensated absences	947,159	---	57,449	1,004,608
Deposits	118,296	---	125,438	243,734
Unearned revenue	424,678	---	---	424,678
Due to other funds	---	---	1,066,838	1,066,838
Long-term advances from other governmental funds	---	---	2,455,000	2,455,000
Total liabilities	5,179,215	---	6,019,129	11,198,344
Deferred Inflows of Resources:				
Unavailable special assessments	---	---	712,695	712,695
Deferred revenue - subsequent year's taxes	17,287,362	2,374,220	8,198,137	27,859,719
Unavailable revenue - notes receivable	---	---	352,126	352,126
Total deferred inflows of resources	17,287,362	2,374,220	9,262,958	28,924,540
Fund Balances:				
Nonspendable	2,375,001	---	1,232,169	3,607,170
Restricted	---	65,095	8,895,906	8,961,001
Committed	---	---	2,995,623	2,995,623
Assigned	---	---	4,487,089	4,487,089
Unassigned	7,265,583	---	(1,174,729)	6,090,854
Total fund balances	\$ 9,640,584	\$ 65,095	\$ 16,436,058	\$ 26,141,737

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

Total fund balance of governmental funds	\$ 26,141,737
Amounts reported for governmental activities in the government-wide statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	
Land and construction in progress	99,344,363
Other capital assets net of accumulated depreciation	60,896,900
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Special assessments receivable	712,695
Police fines receivable	245,801
Notes receivable	352,126
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt in the governmental funds, but amortized over the life of the debt issue on the statement of activities.	
Net unamortized losses on debt refunding	141,391
Net unamortized premiums on debt	(1,789,367)
The following long-term liabilities which are not due and payable in the current period are not reported in the funds:	
Bonds and promissory notes payable	(76,711,274)
Compensated absences payable - sick pay	(3,001,095)
OPEB obligation	(1,129,786)
Accrued interest payable on long-term bonds and notes	(693,577)
The Risk Management Fund, an internal service fund, is used by management to charge the cost of insurance to individual funds. The assets and liabilities of this fund are included in governmental activities in the statement of net assets.	
	<u>597,039</u>
Net position of governmental activities	\$ <u>105,106,953</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ 16,878,642	\$ 2,341,779	\$ 6,825,335	\$ 26,045,756
Other taxes	220,465	---	---	220,465
Payments in lieu of taxes - Water Utility	1,259,422	---	---	1,259,422
Charges for services:				
Licenses and permits	1,347,111	---	---	1,347,111
Fines and forfeitures	543,364	---	20,307	563,671
Program revenues	---	---	1,440,025	1,440,025
Tipping fees	---	---	2,663,729	2,663,729
Other charges for services	1,062,266	---	600	1,062,866
Operating grants and contributions:				
Intergovernmental	2,761,045	---	846,296	3,607,341
Donations	---	---	13,941	13,941
Capital grants and contributions:				
Special assessments and interest	---	---	192,256	192,256
Contributions from developers	---	---	1,195,572	1,195,572
Investment earnings	22,408	54	20,523	42,985
Interest on advances to governmental funds	18,745	---	686	19,431
Interest on advances to utilities	4,076	---	8,773	12,849
Other revenues	149,274	---	64,488	213,762
Total governmental revenues	<u>24,266,818</u>	<u>2,341,833</u>	<u>13,292,531</u>	<u>39,901,182</u>
Expenditures:				
Current:				
General government	3,350,589	---	559,072	3,909,661
Public safety	13,739,552	---	84,085	13,823,637
Public works	3,346,541	---	3,754,638	7,101,179
Culture and recreation	971,961	---	1,949,191	2,921,152
Conservation and development	765,591	---	721,016	1,486,607
Uncollectible accounts	---	---	5,261,620	5,261,620
Interest on advances from governmental funds	---	---	19,431	19,431
Bond expenses	---	307,729	16,970	324,699
Capital outlay	240,045	---	7,339,821	7,579,866
Debt Service:				
Principal on long-term debt	---	15,756,416	---	15,756,416
Interest and fiscal charges on long-term debt	---	2,667,067	---	2,667,067
Total expenditures	<u>22,414,279</u>	<u>18,731,212</u>	<u>19,705,844</u>	<u>60,851,335</u>
Excess (deficit) of revenues over (under) expenditures	1,852,539	(16,389,379)	(6,413,313)	(20,950,153)
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	(105,112)	---	49,818	(55,294)
Transfers in	3,636	15,898,952	5,381,991	21,284,579
Transfers out	(1,864,685)	(3,636)	(19,416,257)	(21,284,578)
Distribution upon closure of TID	---	---	(180,477)	(180,477)
Refunding bonds and notes issued	---	12,275,000	---	12,275,000
Principal payments on refunded debt	---	(12,325,000)	---	(12,325,000)
Bonds and notes issued	223,622	---	4,000,000	4,223,622
Debt issuance premiums	---	609,158	---	609,158
Total other financing sources (uses)	<u>(1,742,539)</u>	<u>16,454,474</u>	<u>(10,164,925)</u>	<u>4,547,010</u>
Net change in fund balances	110,000	65,095	(16,578,238)	(16,403,143)
Fund balance, beginning of year	9,530,584	---	32,892,972	42,423,556
Prior period adjustment	---	---	121,324	121,324
Fund balance, beginning of year, as adjusted	<u>9,530,584</u>	<u>---</u>	<u>33,014,296</u>	<u>42,544,880</u>
Fund balance, end of year	<u>\$ 9,640,584</u>	<u>\$ 65,095</u>	<u>\$ 16,436,058</u>	<u>\$ 26,141,737</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha 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	\$ (16,403,143)
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Governmental capital outlays in fund financial statements	7,579,866
Depreciation expense in government-wide financial statements	(3,595,366)
Certain capital assets acquired by the Village are contributed to the Village by outside parties. As no current financial resources were acquired by the Village as a result of these contributions, these contributions are not recorded in the governmental funds.	
	6,947,651
In the statement of activities, the net gain or loss on the sale or retirement of capital assets is reported. However, in the governmental funds, only the proceeds from the sale of capital assets provides a current financial resource to be reported. Therefore, the change in fund balance differs from the change in net position by the cost of the assets sold or retired net of the accumulated depreciation on those assets.	
	(6,668,175)
Governmental funds report proceeds from the issuance of long-term debt and capital leases as other financing sources, but issuing debt and capital leases increases long-term liabilities in the statement of net position. Repayments of long-term debt and capital lease principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net position.	
Proceeds from the issuance of debt in governmental fund financial statements	(16,498,622)
Principal payments on debt in governmental fund financial statements	36,281,415
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the statement of activities.	
Premiums on issuances of debt in governmental fund financial statements	(609,158)
Losses on refundings of debt in governmental fund financial statements	(8,199,999)
Amortization of these amounts included in interest expense in the statement of activities	467,086
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 reported as they accrue, regardless of when they are due. This is the amount by which the current accrual exceeds the prior year accrual.	
	(133,625)
The Risk Management Fund, an internal service fund, is used to allocate the cost of insurance to individual funds. The change in net position of this fund is reported under governmental activities statement of activities.	
	(213,035)
Certain revenues which do not provide current financial resources are unearned in the governmental funds, but are reported in the statement of activities.	
Decrease in special assessments receivable	(280,018)
Increase in police fines receivable	45,243
Decrease in notes receivable	(33,200)
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.	
Increase in accrued compensated absences - sick pay	(6,132)
Increase in OPEB obligation	(83,878)
Change in net position of governmental activities	\$ <u>(1,403,090)</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	Adopted Budget	Amended Budget	Actual	Variance
Revenues:				
Property taxes	\$ 16,878,312	\$ 16,878,312	\$ 16,878,642	\$ 330
Other taxes	166,500	166,500	220,465	53,965
Payments in lieu of taxes - Water Utility	1,290,000	1,290,000	1,259,422	(30,578)
Licenses and permits	1,126,200	1,126,200	1,347,111	220,911
Fines and forfeitures	621,000	621,000	543,364	(77,636)
Intergovernmental	2,779,055	2,779,055	2,761,045	(18,010)
Charges for services	950,307	950,307	1,062,266	111,959
Investment earnings	40,000	40,000	22,408	(17,592)
Interest on advances to other governmental funds	117,000	117,000	18,745	(98,255)
Interest on advances to utilities	4,076	4,076	4,076	---
Other	88,005	88,005	149,274	61,269
Total revenues	24,060,455	24,060,455	24,266,818	206,363
Expenditures:				
General government	3,827,071	3,828,018	3,508,768	319,250
Public safety	13,774,622	13,774,622	13,812,705	(38,083)
Public Works	3,738,300	4,003,300	3,346,541	656,759
Culture and recreation	918,975	918,975	980,674	(61,699)
Conservation and development	1,114,092	1,113,145	765,591	347,554
Total expenditures	23,373,060	23,638,060	22,414,279	1,223,781
Excess of revenues over expenditures	687,395	422,395	1,852,539	1,430,144
Other Financing Sources (Uses):				
Loss on Advance Waste Property	---	---	(105,111)	(105,111)
Proceeds from debt	---	---	223,622	223,622
Transfers in	30,142	30,142	3,636	(26,506)
Transfers out	(715,537)	(715,537)	(1,864,686)	(1,149,149)
Net other financing uses	(685,395)	(685,395)	(1,742,539)	(1,057,144)
Net change in fund balance	2,000	(263,000)	110,000	373,000
Fund Balance:				
Beginning of year	9,530,584	9,530,584	9,530,584	---
End of year	\$ 9,532,584	\$ 9,267,584	\$ 9,640,584	\$ 373,000

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position - Proprietary Funds
December 31, 2014

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>		<u>Internal Service Fund</u>
Assets:					
Current Assets:					
Cash and equivalents	\$ 4,547,949	\$ 3,986,149	\$ 894,223	\$ 9,428,321	\$ 668,348
Cash and equivalents - restricted (current)	118,043	---	---	118,043	---
Receivables:					
Taxes	300,000	---	931,250	1,231,250	---
Special charges on the tax roll	353,220	162,758	---	515,978	---
Utility customers	1,700,543	1,017,335	---	2,717,878	---
Special assessments	194,599	101,217	---	295,816	---
Other	27,448	50,169	1,657	79,274	45,685
Due from other funds	---	---	---	---	22,348
Prepaid items	---	1,886	---	1,886	78,608
Inventory	16,679	81,379	10,007	108,065	---
Total current assets	<u>7,258,481</u>	<u>5,400,893</u>	<u>1,837,137</u>	<u>14,496,511</u>	<u>814,989</u>
Noncurrent Assets:					
Cash and equivalents - restricted (noncurrent)	4,267,552	1,408,609	---	5,676,161	---
Prepaid capacity charge	3,873,588	---	---	3,873,588	---
Land and construction in progress	174,419	1,157,542	496,016	1,827,977	---
Other capital assets, net of accumulated depreciation	48,283,642	58,120,303	26,123,207	132,527,152	---
Total noncurrent assets	<u>56,599,201</u>	<u>60,686,454</u>	<u>26,619,223</u>	<u>143,904,878</u>	<u>---</u>
Total assets	63,857,682	66,087,347	28,456,360	158,401,389	814,989
Deferred Outflows of Resources:					
Unamortized loss on debt refunding	---	133,911	---	133,911	---
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	1,036,687	311,477	19,418	1,367,582	---
Deposits	---	---	50,000	50,000	---
Incurred but not reported insurance claims	---	---	---	---	217,950
Compensated absences - vacation due within one year	28,753	69,234	9,672	107,659	---
Compensated absences - sick due within one year	11,141	25,432	1,513	38,086	---
Unearned revenue	21,000	119,435	---	140,435	---
Current portion of general obligation notes	71,090	645,000	442,494	1,158,584	---
Current portion of revenue bonds	55,549	---	---	55,549	---
Accrued interest	989	23,745	12,055	36,789	---
Current portion of advance	85,971	---	---	85,971	---
Due to other funds	207,364	208,359	140,894	556,617	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	111,098	---	---	111,098	---
Accrued interest	6,945	---	---	6,945	---
Total current liabilities	<u>1,636,587</u>	<u>1,402,682</u>	<u>676,046</u>	<u>3,715,315</u>	<u>217,950</u>
Long-Term Liabilities:					
Compensated absences - sick pay	85,770	209,077	37,637	332,484	---
OPEB obligation	24,024	208,701	15,286	248,011	---
Advances from other funds	268,369	---	---	268,369	---
General obligation notes	273,270	5,255,000	3,505,494	9,033,764	---
Revenue bonds	1,422,408	---	---	1,422,408	---
Total long-term liabilities	<u>2,073,841</u>	<u>5,672,778</u>	<u>3,558,417</u>	<u>11,305,036</u>	<u>---</u>
Total liabilities	3,710,428	7,075,460	4,234,463	15,020,351	217,950
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	300,000	---	931,250	1,231,250	---
Unamortized premium on debt issuance	---	81,051	45,605	126,656	---
Total deferred inflows of resources	<u>300,000</u>	<u>81,051</u>	<u>976,855</u>	<u>1,357,906</u>	<u>---</u>
Net Position:					
Net investment in capital assets	48,058,151	53,296,794	22,671,235	124,026,180	---
Restricted for:					
Operations and maintenance	834,717	---	---	834,717	---
Depreciation	273,404	---	---	273,404	---
Capital projects	3,159,431	1,408,609	---	4,568,040	---
Unrestricted	7,521,551	4,359,344	573,807	12,454,702	597,039
Total net position	<u>\$ 59,847,254</u>	<u>\$ 59,064,747</u>	<u>\$ 23,245,042</u>	<u>\$ 142,157,043</u>	<u>\$ 597,039</u>

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

VILLAGE OF MEMOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2014

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>		
Operating Revenues:					
Charges for services	\$ 8,114,553	\$ 6,535,141	\$ 28,633	\$ 14,678,327	\$ ---
General property taxes	---	---	---	---	---
Total operating revenues	<u>8,114,553</u>	<u>6,535,141</u>	<u>28,633</u>	<u>14,678,327</u>	<u>---</u>
Operating Expenses:					
Operation and maintenance	7,877,277	2,594,181	367,624	10,839,082	241,949
Administrative expense	839,348	930,099	257,305	2,026,752	---
Depreciation expense	1,324,354	1,564,194	603,979	3,492,527	---
Taxes paid to Village	---	1,259,422	---	1,259,422	---
Social Security tax	37,939	63,819	12,542	114,300	---
Regulatory commission remainder assessments	---	6,206	---	6,206	---
Total operating expenses	<u>10,078,918</u>	<u>6,417,921</u>	<u>1,241,450</u>	<u>17,738,289</u>	<u>241,949</u>
Operating income (loss)	<u>(1,964,365)</u>	<u>117,220</u>	<u>(1,212,817)</u>	<u>(3,059,962)</u>	<u>(241,949)</u>
Nonoperating Revenues (Expenses):					
General property taxes	300,000	---	931,250	1,231,250	---
Investment earnings	6,801	5,093	1,708	13,602	28,914
Sale of materials	2,944	11,791	---	14,735	---
Miscellaneous revenues	18,000	---	1,000	19,000	---
Loss on retirement of property and plant	(4,650)	---	(4,172)	(8,822)	---
Donated rent	(18,000)	---	---	(18,000)	---
Fiscal charges on debt	(110)	(1,878)	(854)	(2,842)	---
Amortization of premiums, discounts and losses on refundings	---	(61,251)	5,756	(55,495)	---
Amortization of debt issuance costs	---	(14,136)	---	(14,136)	---
Impact fees	404,062	384,824	---	788,886	---
Interest on long-term debt	(56,043)	(146,329)	(121,640)	(324,012)	---
Interest on advances from governmental funds	(8,773)	---	(4,076)	(12,849)	---
Net nonoperating revenues	<u>644,231</u>	<u>178,114</u>	<u>808,972</u>	<u>1,631,317</u>	<u>28,914</u>
Net income (loss) before capital contributions	<u>(1,320,134)</u>	<u>295,334</u>	<u>(403,845)</u>	<u>(1,428,645)</u>	<u>(213,035)</u>
Capital Contributions:					
Capital Contributions	1,202,459	2,198,205	1,433,798	4,834,462	---
Total capital contributions	<u>1,202,459</u>	<u>2,198,205</u>	<u>1,433,798</u>	<u>4,834,462</u>	<u>---</u>
Increase (decrease) in net position	<u>(117,675)</u>	<u>2,493,539</u>	<u>1,029,953</u>	<u>3,405,817</u>	<u>(213,035)</u>
Net Position:					
Balance, beginning of year	<u>59,964,929</u>	<u>56,571,208</u>	<u>22,215,089</u>	<u>138,751,226</u>	<u>810,074</u>
Balance, end of year	<u>\$ 59,847,254</u>	<u>\$ 59,064,747</u>	<u>\$ 23,245,042</u>	<u>\$ 142,157,043</u>	<u>\$ 597,039</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2014

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>		<u>Internal Service Fund</u>
Cash Flows From Operating Activities:					
Receipts from customers	\$ 8,127,120	\$ 4,787,390	\$ 28,055	\$ 12,942,565	\$ ---
Payments to suppliers	(7,105,519)	(2,430,167)	(90,834)	(9,626,520)	(47,602)
Payments to and on behalf of employees	(792,043)	(1,172,116)	(543,212)	(2,507,371)	---
Internal activity - receipts from other funds	---	1,817,869	---	1,817,869	---
Internal activity - payments to other funds	(201,059)	(1,452,552)	(99,024)	(1,752,635)	(91,547)
Other receipts	2,944	12,443	932,250	947,637	---
Other payments	---	(162)	---	(162)	(31,196)
Net cash provided (used) by operating activities	<u>31,443</u>	<u>1,562,705</u>	<u>227,235</u>	<u>1,821,383</u>	<u>(170,345)</u>
Cash Flows From Noncapital Financing Activities					
Principal payments on advances	---	---	(67,933)	(67,933)	---
Net cash used by noncapital financing activities	<u>---</u>	<u>---</u>	<u>(67,933)</u>	<u>(67,933)</u>	<u>---</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from sale of property and plant	1,701	---	---	1,701	---
Payments to dispose of property and plant	---	---	---	---	---
Additions to property and plant	(123,449)	(1,015,407)	(949,999)	(2,088,855)	---
Fair value of debt issued	---	920,000	---	920,000	---
Debt issuance premiums	---	29,095	---	29,095	---
Debt issuance costs	---	(14,136)	---	(14,136)	---
Principal payments on debt	(233,153)	(590,000)	(412,494)	(1,235,647)	---
Interest on debt	(57,002)	(163,753)	(138,173)	(358,928)	---
Fiscal charges on debt	(110)	(1,878)	(854)	(2,842)	---
Advances from municipality	(84,286)	---	---	(84,286)	---
Interest on advances	(8,773)	---	(4,076)	(12,849)	---
General property taxes	300,000	---	---	300,000	---
Impact fees	404,062	384,824	---	788,886	---
Net cash provided (used) by capital and related financing activities	<u>198,990</u>	<u>(451,255)</u>	<u>(1,505,596)</u>	<u>(1,757,861)</u>	<u>---</u>
Cash Flows From Investing Activities:					
Investment earnings	6,801	5,093	1,708	13,602	28,914
Net increase (decrease) in cash and equivalents	<u>237,234</u>	<u>1,116,543</u>	<u>(1,344,586)</u>	<u>9,191</u>	<u>(141,431)</u>
Cash and equivalents, beginning of year	<u>8,696,310</u>	<u>4,278,215</u>	<u>2,238,810</u>	<u>15,213,335</u>	<u>809,779</u>
Cash and equivalents, end of year	<u>\$ 8,933,544</u>	<u>\$ 5,394,758</u>	<u>\$ 894,224</u>	<u>\$ 15,222,526</u>	<u>\$ 668,348</u>
Reconciliation to cash and cash equivalents on the statement of net assets:					
Cash and cash equivalents - unrestricted	\$ 4,547,949	\$ 3,986,149	\$ 894,223	\$ 9,428,321	\$ 668,348
Cash and cash equivalents - restricted	4,385,595	1,408,609	---	5,794,204	---
Total cash and equivalents	<u>\$ 8,933,544</u>	<u>\$ 5,394,758</u>	<u>\$ 894,223</u>	<u>\$ 15,222,525</u>	<u>\$ 668,348</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2014
(Continued)

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>		<u>Internal Service Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (1,964,365)	\$ 117,220	\$ (281,567)	\$ (2,128,712)	\$ (241,949)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,324,354	1,564,194	603,979	3,492,527	---
Depreciation charged to other accounts	---	122,529	---	122,529	---
Amortization of prepaid capacity	252,151	---	---	252,151	---
Proceeds from sales of materials	2,944	11,791	---	14,735	---
Miscellaneous revenues	---	---	1,000	1,000	---
Abandonment of CIP	4,369	---	---	4,369	---
Changes in assets and liabilities related to operations:					
Receivables	18,915	345	(578)	18,682	(10,312)
Inventory	(1,953)	12,049	(4,016)	6,080	---
Prepaid items	---	(47)	---	(47)	1,561
Due to other funds	(44,743)	(193,130)	(99,024)	(336,897)	(91,547)
Accounts payable and accrued liabilities	471,442	(68,244)	4,445	407,643	---
Compensated absences	(28,746)	(11,341)	1,357	(38,730)	---
OPEB obligation	4,075	22,736	1,639	28,450	---
Incurred but not reported claims	---	---	---	---	171,902
Unearned revenue	(7,000)	(15,397)	---	(22,397)	---
Net cash provided (used) by operating activities	<u>\$ 31,443</u>	<u>\$ 1,562,705</u>	<u>\$ 227,235</u>	<u>\$ 1,821,383</u>	<u>\$ (170,345)</u>
Noncash Capital Activities:					
Utility plant contributions	\$ 1,202,459	\$ 2,198,205	\$ 1,433,798	\$ 4,834,462	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	---	61,251	(5,756)	55,495	---

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position - Fiduciary Funds
December 31, 2014

	<u>Fiduciary Funds</u>
Assets:	
Cash and equivalents	\$ 15,846,096
Taxes receivable	42,979,052
Notes receivable	<u>304,402</u>
Total assets	\$ <u>59,129,550</u>
Liabilities:	
Accounts payable	\$ 218
Due to other taxing units	58,762,172
Due to Community Development Authority	<u>367,160</u>
Total liabilities	\$ <u>59,129,550</u>

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

NOTES TO FINANCIAL STATEMENTS

INDEX TO NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Government-Wide and Fund Financial Statements
- C. Measurement Focus and Basis of Accounting
- D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgetary Information
- B. Deposits and Investments Laws and Regulations
- C. Debt Restrictions

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES AND ACCOUNTS

- A. Cash and Investments
- B. Receivables
- C. Interfund Balances and Transfers
- D. Restricted Assets
- E. Capital Assets
- F. Long-Term Obligations
- G. Net Position and Fund Balances

NOTE 4. OTHER NOTES

- A. Employee Pension Plan
- B. Other Post-Employment Benefits
- C. Risk Management
- D. Tax Incremental Districts
- E. Contingent Liabilities
- F. Commitments
- G. Letters of Credit
- H. Regulatory Agency – Water Utility
- I. Leases as Lessor
- J. Deficit Fund Balances
- K. Accounting Pronouncements
- L. Excess of Actual Expenditures Over Budget
- M. Subsequent Events
- N. Prior-Period Adjustments

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

The Village complies with accounting principles generally accepted in the United States of America ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Financial Reporting Entity

The Village of Menomonee Falls (Village) is a municipal corporation governed by a seven-member Board of Trustees and an appointed Village Manager. 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, 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 included in its financial statements the following entities, which are not considered separate entities with corporate powers:

Water Utility
Sewer Utility
Storm Water Utility

The Village has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Under GASB No. 61, an organization should be reported as a component unit of the primary government if the primary government is financially accountable for the organization. The primary government is financially accountable for an organization if the governing board of the primary government is able to appoint a voting majority of the governing board of the organization, is able to impose will upon the organization, a financial benefit or burden relationship exists between the entities, or if the organization is fiscally dependent on the primary government.

Beginning in 2014, Village Management has elected not to report the Community Development Authority (CDA) as a discretely presented component unit. Management determined that the CDA did not meet the above criteria for being reported as a component unit of the primary government. Since the Village accounts for the assets of the CDA in a purely custodial capacity, the CDA is reported as an agency fund for the year ended December 31, 2014.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

Government-Wide Financial Statements (continued)

The statement of net position presents the governmental and business-type activities assets, deferred outflows of resources, 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 net position, which represents assets required by outside parties or legislation to be spent in a specific manner; and unrestricted net position, net position not included in the other two classifications.

The statement of activities presents the activities of the governmental and business-type activities 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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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.
- 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 (other than debt accounted for in the Proprietary Funds).

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

Major Proprietary Funds

- Sewer Utility – accounts for the operations of the Village’s sanitary sewer system.
- Water Utility – accounts for the operations of the Village’s water distribution system.
- Storm Water Utility – accounts for the operations of the Village’s storm water management system.

Non-major Governmental Funds

- Special Revenue Funds – are used to account for revenues requiring separate accounting because of legal or regulatory provisions, and consist of the following individual funds:

Revolving Loan Fund	Teen Court
Police Department	Cable TV
Fire Department	Unallocated
Park Department	Solid Waste Collection
Community Development	Library Operations and Maintenance
Library	TID #9 EDMF
Community Grant	

- Capital Projects Funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds), and consist of the following individual funds:

General Capital Projects	Tax Incremental Financing District #8
Municipal Facilities and Equipment Fund	Tax Incremental Financing District #9
Tax Incremental Financing District #2	Tax Incremental Financing District #10
Tax Incremental Financing District #4	Tax Incremental Financing District #11
Tax Incremental Financing District #5	Tax Incremental Financing District #12
Tax Incremental Financing District #7	Special Assessments

Non-major Proprietary Funds

- Risk Management Fund – an internal service fund used to allocate the cost of insurance to the individual funds. Internal service funds are always non-major funds and are eliminated in the preparation of the government-wide statements.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

Fiduciary (Agency) Funds

- Agency funds – are used to account for assets held by the Village in a purely custodial capacity. 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 government, these funds are not included in the preparation of the government-wide statements. The Village’s agency funds consist of the following:
 - Taxing Jurisdiction Fund – accounts for assets collected for other taxing jurisdictions
 - Community Development Authority – accounts for assets held by the Village for the Community Development Authority, which promotes urban renewal and community and economic development within the Village

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, liabilities, and deferred inflows/outflows 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.
- b) The proprietary fund utilizes an “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/outflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c) 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.

VILLAGE OF MENOMONEE FALLS
Waukesha 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 government-wide statement of net position and statement of activities, both governmental and business-type 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 and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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.

All proprietary funds utilize 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.

Operating revenues and expenses for proprietary funds are those that result from providing services and production and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Generally, property tax revenues of proprietary funds are considered nonoperating revenues; however, the Village's Storm Water Utility Fund does not charge user fees. The Village has determined that the portion of Storm Water Utility tax revenue budgeted to cover the cost of operations should be reported as nonoperating revenue and the portion of Storm Water Utility tax revenue budgeted to cover capital related costs should also be reported as nonoperating revenue. The Village's proprietary funds include both enterprise funds and an internal service fund, as further described below.

Enterprise Funds

Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds consist of the Water, Sewer and Storm Water Utilities.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost-reimbursement basis. The Internal Service Fund consists of the Risk Management Fund which accounts for and finances the Village's uninsured risks of loss.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Investments

For the purpose of the statement of net position and for the purpose of the statement of cash flows – Proprietary Funds “cash and cash equivalents”: include all demand, savings and money market accounts, and monies invested in the Wisconsin Local Government Investment Pool. Investments are carried at fair value.

Receivables

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled to 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, police fines, ambulance fees, special assessments, notes and pledges. Business-type activities report utility fees as their major receivables.

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.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as 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 position – Fiduciary (Agency) Fund. Taxes are levied in December on the assessed value as of the prior January 1.

Property Tax Calendar – 2014 Tax Roll:

Levy date	December 2014
Lien date	September 1, 2015
Tax bills mailed	December 2014
Payment in full, or	February 2, 2015
First installment due	February 2, 2015
Second installment due	July 31, 2015
Personal property taxes due in full	February 2, 2015
Tax Settlement with other governmental units:	
First settlement	February 2, 2015
Second settlement	February 20, 2015
Final settlement	August 20, 2015
Tax sale by County - 2014 delinquent real estate taxes	October 2018

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

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 reflected as “internal balances” on the government-wide financial statements. Long-term interfund loans are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Inventories and Prepaid Items

Inventories of Governmental and Proprietary Funds consist of supplies and are valued at cost using the first in/first out method, and are reported in both the government-wide and fund financial statements.

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

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. These restrictions are the result of bond covenants and legislation.

Prepaid Capital Charges

The prepaid capital charges in the enterprise funds represent the Sewer Utility’s share of construction costs for collection systems and treatment facilities shared with other municipalities and located outside of the municipal boundaries. Although the Village has no direct ownership of these facilities, it is entitled to a percentage of each facility’s capacity. These costs are being amortized using the straight-line method over the expected life of the facilities.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Capital Assets

The accounting treatment related to capital assets depends on whether the assets are used in governmental operations or proprietary fund operations and 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 \$50,000 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.

In addition to the purchased cost of capital assets, business-type activities also capitalize interest incurred on debt during construction of capital assets financed through long-term debt when such costs are significant. No interest was capitalized during the current year.

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 position. 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 and improvements	40 years
Improvements other than buildings	20 years
Equipment and furnishings	4-25 years
Infrastructure	25-80 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. Fixed assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Updated Water Utility Depreciation Rates

The Water Utility depreciation rates are set by the Public Service Commission of Wisconsin ("PSC"). Effective January 1, 2010, certain capital asset depreciation rates were updated to agree with the PSC ruling on docket 3580-WR-103.

Compensated Absences

The accounting treatment for compensated absences depends on whether the pay is expected to be paid from current resources or if the benefit is considered long-term in nature. The compensated absences consist of accumulated sick and vacation pay earned but unused by Village employees.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Compensated Absences (continued)

Accumulated Vacation Pay

Employees accumulate vacation pay based on various factors but are generally required to use all vacation earned annually. Accordingly, the liability for accumulated vacation pay is expected to be paid from current resources. The liability for vacation pay is recorded in both the government-wide statement and fund financial statements for all fund types.

Accumulated Sick Pay

The Village's policies regarding sick leave permit employees to accumulate sick leave to an unlimited amount. Upon retirement or death, a maximum of 880 hours will be paid to the retiree or beneficiary.

The liability for accumulated sick pay is 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 only report this liability in the fund financial statements if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). The proprietary funds record this liability as it is incurred in the same manner as it is recorded on the government-wide financial statements.

Long-term Obligations and Conduit Debt

The reporting of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The long-term debt consists of general obligation notes and bonds, revenue bonds, and unamortized debt discounts.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Premiums and discounts on issuance and gains and losses on debt refundings are deferred and amortized over the life of the debt. Debt issuance costs are expensed when incurred.

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. Discounts on issuance are reported as other financing uses. Payments of principal and interest, losses on debt refundings, as well as costs of issuance are reported as expenditures. The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2014 was \$38,531,636.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

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 net position – Consists of net position 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 net position – All other net position that does 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 MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position 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 – Includes amounts that cannot be spent because they are either not in spendable form (i.e. convertible into cash) or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale and long-term receivables.
- b. Restricted – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- c. Committed – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Village's highest level of decision-making authority. Fund balance amounts are committed through a formal action of the Village. An ordinance and resolution are equally binding. The formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. Assigned – Amounts that are constrained by the Village's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body or by an official to whom that authority has been given. The Village Manager and the Finance Director are the only individuals that have been granted authority, through policy of the governing body, to authorize the assignment of fund balance. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- e. Unassigned – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Amounts noted as committed relate to constraints approved by the Village Board. Amounts noted as assigned relate to constraints approved by the Village Manager or the Finance Director.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Deferred Outflows of Resources

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to assets, the statement of net position, and the proprietary funds statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has only one item that qualifies for reporting in this category. It is the unamortized loss on refunding reported in the statement of net position and the proprietary funds statements of net position. An unamortized loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to liabilities, the statement of net position, balance sheet governmental funds, and the statement of net position proprietary funds 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 two 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. The unamortized premium on debt issuance is reported as a deferred inflow of resources in the statements of net position. Unamortized premium on debt issuance results from the difference between the par-value or face-value of a bond and the price above this face value, at which the bond has been issued. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Village adopts annual budgets for the General and Debt Service Funds. These annual appropriations lapse at year end. A comparison of budget to actual is presented in the basic financial statements for the General Fund.

Annual budgets are adopted in accordance with state statutes, and are adopted on a GAAP basis with the exception of including planned additions to or deductions from fund balances as other financing sources and uses. Budgets are prepared by department heads and forwarded to the Village Manager, who develops a preliminary budget for submission to the Village Board. Adoption of annual budgets usually takes place in October.

Once the annual budget is adopted, appropriations may only be modified with the approval of a two-thirds majority of the Village Board, including transfers between appropriations. Appropriations (or functions, such as general government, public safety, etc.) represent the level of expenditures which cannot be exceeded without approval of the Village Board. Transfers within appropriations can be made with the approval of the Village Manager. The budgetary data presented in the statement of revenues, expenditures and changes in fund balances – budget to actual – General Fund reflects the original approved budget and subsequent revisions/transfers as authorized by the Village Board or Village Manager under Village policy.

The Village does not record encumbrances.

B. Deposits and Investment Laws and Regulations

The Village invests its funds in accordance with the provisions of applicable Wisconsin Statutes. In accordance with these provisions, the Village may invest any of its funds not immediately needed in any of the following:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Repurchase agreements secured by federal bonds or securities with public depositories.
7. Bonds issued by local exposition districts.
8. Bonds issued by local professional baseball park districts and professional football stadium districts.
9. Bonds issued by the University of Wisconsin Hospitals and Clinic Authority.
10. The Local Government Investment Pool Fund ("LGIP").

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

2. Stewardship, Compliance, and Accountability (continued)

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 \$86,903,622 in general obligation debt, or 36.68% of the total debt limit.

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:

	Custodial Balance	Carrying Amount
Primary Government:		
Cash and Equivalents:		
Demand deposits	\$ 6,867,591	\$ 6,807,525
State of Wisconsin Local Government Investment Pool	62,141,598	62,141,598
Petty cash	---	1,761
Total cash and equivalents	69,009,189	68,950,884
Investments – certificates of deposit	529,147	529,147
Total cash and investments	\$ 69,538,336	\$ 69,480,031
 Reconciliation to Financial Statements:		
Cash and equivalents:		
Per statement of net position:		
Cash and equivalents		\$ 47,310,584
Restricted assets – cash and equivalents		5,794,204
Per statement of net position – Fiduciary fund		15,846,096
Total cash and equivalents		68,950,884
Investments per statement of net position		529,147
Total cash and investments		\$ 69,480,031

The Village had no significant type of investment during the year not included in the above schedule.

Custodial Credit Risk - Cash and Investments

Demand deposits held by the Village at December 31, 2014 have associated custodial credit risks. The Village's investment policies do not address these risks. The Village's investment policies are discussed in Note 2.B.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it.

As of December 31, 2014, the Village's demand deposits were exposed to custodial credit risk in that \$6,301,193 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

A. Cash and Investments (continued)

Custodial Credit Risk - Cash and Investments (continued)

Additionally, the Village's certificates of deposit were exposed to custodial credit risk in that \$279,147 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

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.

The uninsured balance of bank deposits at year end is significantly higher than at other times of the year due to the collection of property taxes during December.

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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value on an investment. As of December 31, 2014, the Village's investments were comprised of investments in the LGIP. The weighted average maturity is 88 days.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

B. Receivables

The following schedules provide detail on receivables, related allowances, and amounts not expected to be collected within one year:

Governmental Activities

	<u>Gross Receivable</u>	<u>Allowance Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2015</u>
Taxes	\$ 17,993,694	\$ 31,326	\$ 17,962,458	\$ ---
Special charges on tax roll	1,295,134	---	1,295,134	---
Intergovernmental aid	1,048,220	---	1,048,220	---
Accounts	1,839,413	318,875	1,520,538	470,000
Notes	522,602	---	522,602	409,990
Special assessments	1,196,263	---	1,196,263	1,100,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$313,839 and for ambulance billings of \$5,036.

Business-type Activities

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2015</u>
Taxes	\$ 1,231,250	\$ ---	\$ 1,231,250	\$ ---
Special charges on tax roll	515,978	---	515,978	---
Accounts	2,830,465	33,313	2,797,152	---

Fiduciary (Agency) Funds

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2015</u>
Taxes	\$ 42,979,052	\$ ---	\$ 42,979,052	\$ ---

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

C. Interfund Balances and Transfers

Internal Balances (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	Sewer Utility	\$ 129,215
General Fund	Water Utility	114,201
General Fund	Storm Water Utility	259,561
General Fund	Risk Management Fund	13,976
General Fund	Other governmental funds	855,050
Other governmental funds	Other governmental funds	618,877

Advances

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to TID #6, TID #7, TID #9 and TID #12 for planning related expenditures, with interest charged at the average LGIP rate plus 1 percent outstanding balances.

The Municipal Facilities and Equipment Fund has advanced funds to the General Capital Projects Fund to pay off a prior advance from the Sewer Utility. The proceeds of the previous advance were used to pay off the governmental funds portion of the unfunded pension liability to the Wisconsin Retirement System. Interest is charged on this advance at the average rate offered by the State of Wisconsin Local Government Investment Pool for the first eleven months of the year. The average rate for 2014 was .09%.

The Municipal Facilities and Equipment Fund has advanced funds to TID #9 for planning-related expenditures.

The Municipal Facilities and Equipment Fund has advanced funds to the Sewer Utility that was provided to pay off a bond issue. Interest is being charged at 2% on the outstanding advances.

Aggregated balances outstanding for these advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TID #6	\$ 1,387,166
General Fund	TID #7	229,066
General Fund	TID #9	121,407
General Fund	TIF #12	10,009
Other governmental funds	Other governmental funds	707,353
Other governmental funds	Sewer Utility	354,340

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

C. Interfund Balances and Transfers (continued)

Transfers

Transfers between governmental funds are summarized as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Debt Service Fund	Other governmental funds	\$ 15,898,952
Other governmental funds	General Fund	951,511
Other governmental funds	Other governmental funds	2,715,326
General Fund	Debt Service Fund	3,636

These transfers were made for the following purposes:

- Transfers to the Debt Service Fund from other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to the other governmental funds from the General Fund were made in the amounts of \$455,565 to provide funding for capital projects and \$495,946 to subsidize solid waste collection expenditures.
- Transfers between other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.
- Transfers from the Debt Service Fund to the General Fund consisted of a \$3,636 transfer of excess property tax revenue originally allocated to the General Fund.

Certain payments between funds have been recorded as revenues and expenses of the related funds, as opposed to transfers, as they represent payment for services provided. Principal examples include:

- The payment in lieu of taxes from the Water Utility to the General Fund.
- Public Fire Protection charges from the General Fund to the Water Utility.
- Interest paid on advances between various funds.
- Reimbursements for depreciation of meters, the return on investment in meters, and the tax equivalent on meters from the Sewer Utility to the Water Utility.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

D. Restricted Assets

Cash and equivalents of the water and sewer utilities as described below are restricted for specific purposes. These restrictions are the result of covenants of debt issuances and ordinances enacted related to the interceptor sewer tax and impact fees charged to developers, and are summarized as follows:

Restricted cash and equivalents:	Sewer Utility	Water Utility	Total
Interceptor sewer reserve	\$ 1,518,603	\$ ---	\$ 1,518,603
Impact fee reserve	1,640,830	1,408,608	3,049,438
Special redemption reserve	118,042	---	118,042
Operation and maintenance reserve	834,717	---	834,717
Depreciation reserve	273,404	---	273,404
Total	\$ <u>4,385,596</u>	\$ <u>1,408,608</u>	\$ <u>5,794,204</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

E. Capital Assets

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

Governmental Activities

	Balance January 1, 2014	Additions	Transfers	Disposals	Balance December 31, 2014
Nondepreciable capital					
Land	\$ 91,591,720	\$ 5,695,419	\$ ---	\$ (2,987,473)	\$ 94,299,666
Construction in progress	<u>4,102,764</u>	<u>4,773,843</u>	<u>(151,208)</u>	<u>(3,680,702)</u>	<u>5,044,697</u>
Total nondepreciable capital assets	95,694,484	10,469,262	(151,208)	(6,668,175)	99,344,363
Depreciable capital assets:					
Land improvements	4,489,846	---	---	---	4,489,846
Buildings and improvements	40,309,101	8,713	---	---	40,317,814
Equipment and furnishings	17,700,665	469,681	---	(238,946)	17,931,400
Infrastructure	<u>43,162,656</u>	<u>3,579,861</u>	<u>151,208</u>	<u>(618,830)</u>	<u>46,274,895</u>
Total depreciable capital assets	105,662,268	4,058,255	151,208	(857,776)	109,013,955
Less accumulated depreciation:					
Land improvements	1,963,833	215,950	---	---	2,179,783
Buildings and improvements	11,854,666	962,179	---	---	12,816,845
Equipment and furnishings	14,047,874	734,002	---	(238,946)	14,542,930
Infrastructure	<u>17,513,092</u>	<u>1,683,235</u>	<u>---</u>	<u>(618,830)</u>	<u>18,577,497</u>
Total accumulated depreciation	<u>45,379,465</u>	<u>3,595,366</u>	<u>---</u>	<u>(857,776)</u>	<u>48,117,055</u>
Net depreciable capital assets	<u>60,282,803</u>	<u>462,889</u>	<u>151,208</u>	<u>---</u>	<u>60,896,900</u>
Net total capital assets	<u>\$ 155,977,287</u>	<u>\$ 10,932,151</u>	<u>\$ ---</u>	<u>\$ (6,668,175)</u>	<u>\$ 160,241,263</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 583,168
Public safety	512,193
Public works	2,014,582
Culture and recreation	485,423
Total depreciation	<u>\$ 3,595,366</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

E. Capital Assets (continued)

Business-type Activities

	Balance January 1, 2014	Additions	Transfers	Disposals	Balance December 31, 2014
Nondepreciable capital assets:					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	<u>2,088,794</u>	<u>1,665,574</u>	<u>(2,524,564)</u>	<u>(10,380)</u>	<u>1,219,424</u>
Total nondepreciable capital assets	2,697,347	1,665,574	(2,524,564)	(10,380)	1,827,977
Depreciable capital assets:					
Land improvements	1,041,812	107,927	763,470	---	1,913,209
Buildings and improvements	9,348,494	---	---	---	9,348,494
Equipment and furnishings	9,229,156	388,655	---	(345,905)	9,271,906
Infrastructure	<u>166,997,854</u>	<u>4,794,367</u>	<u>1,761,094</u>	<u>(105,193)</u>	<u>173,448,122</u>
Total depreciable capital assets	186,617,316	5,290,949	2,524,564	(451,098)	193,981,731
Less accumulated					
Land improvements	411,459	38,739	---	---	450,198
Buildings and improvements	4,098,940	373,439	---	---	4,472,379
Equipment and furnishings	5,800,918	417,414	---	(345,905)	5,872,427
Infrastructure	<u>47,974,791</u>	<u>2,779,451</u>	<u>---</u>	<u>(94,667)</u>	<u>50,659,575</u>
Total accumulated depreciation	<u>58,286,108</u>	<u>3,609,043</u>	<u>---</u>	<u>(440,572)</u>	<u>61,454,579</u>
Net depreciable capital assets	<u>128,331,208</u>	<u>1,681,906</u>	<u>2,524,564</u>	<u>(10,526)</u>	<u>132,527,152</u>
Net total capital assets	<u>\$ 131,028,555</u>	<u>\$ 3,347,480</u>	<u>\$ ---</u>	<u>\$ (20,906)</u>	<u>\$ 134,355,129</u>
Depreciation was charged to proprietary functions as follows:					
Sewer Utility					\$ 1,324,354
Water Utility					1,680,710
Storm Water Utility					<u>603,979</u>
Total depreciation					<u>\$ 3,609,043</u>

Depreciation expense is different from additions because of joint metering and internal allocations.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt	\$ 88,294,068	\$ 16,498,622	\$ (28,081,416)	\$ 76,711,274	\$ 16,459,369
Other liabilities:					
Accumulated unpaid sick pay	<u>2,994,964</u>	<u>531,248</u>	<u>(525,117)</u>	<u>3,001,095</u>	<u>51,712</u>
Total governmental long-term obligations	<u>\$ 91,289,032</u>	<u>\$ 17,029,870</u>	<u>\$ (28,606,533)</u>	<u>\$ 79,712,369</u>	<u>\$ 16,511,081</u>
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 1,751,118	\$ ---	\$ (162,063)	\$ 1,589,055	\$ 166,647
General obligation debt	<u>10,345,392</u>	<u>920,000</u>	<u>(1,073,044)</u>	<u>10,192,348</u>	<u>1,158,584</u>
Total long-term debt	<u>12,096,510</u>	<u>920,000</u>	<u>(1,235,107)</u>	<u>11,781,403</u>	<u>1,325,231</u>
Other liabilities:					
Accumulated unpaid sick pay	<u>401,347</u>	<u>5,800</u>	<u>(36,577)</u>	<u>370,570</u>	<u>38,086</u>
Total business-type long-term obligations	<u>\$ 12,497,857</u>	<u>\$ 925,800</u>	<u>\$ (1,271,684)</u>	<u>\$ 12,151,973</u>	<u>\$ 1,363,317</u>

Accumulated vacation pay is considered earned and payable and thus, is recorded as a current liability.

Activity related to accumulated unpaid sick pay is summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
Balance, beginning of year	\$ 2,994,964	\$ 401,347	\$ 3,396,311
Sick leave benefit earned – current year	531,248	5,800	537,048
Sick leave used – current year	(325,691)	(36,577)	(362,268)
Sick leave paid upon retirement	<u>(199,426)</u>	<u>---</u>	<u>(199,426)</u>
Balance, end of year	<u>\$ 3,001,095</u>	<u>\$ 370,570</u>	<u>\$ 3,371,665</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations (continued)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village, and will be retired by resources derived from various sources, including property tax levies, special assessments, tipping fees, park impact fees, and tax increments. Details of general obligation debt are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/14</u>
Bonds:	06/17/13	06/01/23	2.28%	\$ 1,930,000	\$ 1,755,000
Notes:	07/01/05	06/01/15	3.87%	3,780,000	600,000
	09/01/06	06/01/16	4.21%	2,660,000	775,000
	06/01/07	06/01/17	4.32%	1,750,000	875,000
	07/01/08	12/01/18	4.10%	3,800,000	2,100,000
	06/01/09	05/01/19	3.35%	3,320,000	2,150,000
	06/01/10	06/01/20	3.16%	3,955,000	2,950,000
	10/05/10	12/01/19	3.06%	11,800,000	7,625,000
	06/06/11	06/01/21	2.80%	6,830,000	5,625,000
	10/18/11	10/01/19	2.03%	1,800,000	700,000
	07/02/12	06/01/22	2.90%	4,610,000	4,085,000
	07/02/12	03/01/21	3.42%	6,400,000	5,150,000
	07/02/12	03/01/22	3.34%	7,950,000	7,000,000
	09/28/12	09/01/19	2.43%	1,850,000	1,850,000
	09/28/12	09/01/15	3.00%	10,025,000	10,025,000
	02/28/13	10/01/16	1.75%	1,280,000	1,280,000
	06/17/13	06/01/23	2.99%	2,370,000	2,265,000
	06/17/13	12/01/16	1.15%	7,175,000	7,175,000
	09/30/13	10/01/16	2.00%	5,500,000	5,500,000
	03/17/14	10/01/18	2.00%	3,825,000	3,825,000
	06/05/14	12/01/24	2.50%	4,920,000	4,920,000
	10/20/14	11/01/30	3.42%	8,450,000	8,450,000
	11/17/14	02/15/22	0.00%	223,622	223,622
Total general obligation debt					\$ <u>86,903,622</u>
Governmental activity debt					\$ 76,711,274
Business-type activity debt					<u>10,192,348</u>
Total general obligation debt					\$ <u>86,903,622</u>

During the year ended December 31, 2014, the Village paid off one general obligation bond through a current refunding. The refinanced principal of the refundings issued totaled \$3,875,000. As a result of the current refunding the Village decreased its future debt service requirements by \$308,422, and resulted in an economic gain of \$16,268.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations (continued)

General Obligation Debt (continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. As of December 31, 2014, the Village has used 38.68% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2014:

Equalized Value January 1, 2014	\$ <u>4,493,874,800</u>
Debt limit (5% of equalized value)	\$ <u>224,693,740</u>

General Obligation Debt by Funding Source:

Tax levy	\$ 22,602,067
Tipping fees	14,150,000
Special assessments	705,152
TID increments	37,665,000
Utility user fees	11,781,403
Total General Obligation debt	\$ <u>86,903,622</u>

Ratio of applicable general obligation debt to debt limit	<u>38.68 %</u>
---	----------------

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations (continued)

Revenue Bonds

Water and Sewer Utility revenue bonds are payable solely from revenues generated by the respective utilities. A statutory mortgage lien upon the water and sewerage system and any additions, improvements, and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the resolutions authorizing the mortgage revenue bond issues. The earnings of both the Water and Sewer Utilities remain subject to the lien until payment in full of the principal and interest on the bonds.

Details of revenue bonds outstanding are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/14</u>
Business-type Activities:					
Clean Water Fund Loans:					
Sewer Utility	02/19/01	05/01/20	2.97%	\$ 217,231	\$ 82,236
	12/17/01	05/01/16	3.21%	791,035	128,305
	08/22/07	05/01/27	2.55%	1,887,778	<u>1,378,514</u>
Total business-type					<u>\$ 1,589,055</u>

Subsequent Debt Issuances

In March 2015, the Village Board approved the issuance and sale of \$1,280,000 general obligation promissory notes. The debt was issued on March 30, 2015. The proceeds from the issuance will be used to fund construction projects in TID #12. The loan has a maturity life of 1.92 years, with an average interest rate of 2.25%.

In March 2015, the Village Board approved the issuance and sale of \$4,300,000 general obligation promissory notes. The debt was issued on March 30, 2015. The proceeds from the issuance will be used to fund 2015 construction projects in TID #8. The loan has a maturity life of 8.158 years, with an average interest rate of 3.11%.

In March 2015, the Village Board approved the issuance and sale of \$7,850,000 general obligation promissory notes. The debt was issued on March 30, 2015. The proceeds from the issuance will be used to fund 2015 construction projects in TID #8. The loan has a maturity life of 8.095 years, with an average interest rate of 2.95%.

In May 2015, the Village Board approved the issuance and sale of \$3,110,000 general obligation promissory notes. The debt was issued on May 4, 2015. The proceeds from the issuance will be used to fund 2015 capital projects in TID #8. The loan has a maturity life of 8.135 years, with an average interest rate of 2.86%.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations (continued)

Debt Maturities

Debt service requirements to maturity for long-term debt are as follows:

Governmental Activities:

Year	General Obligation Debt		Anticipation Notes		Total
	Principal	Interest	Principal	Interest	
2015	\$ 16,459,369	\$ 2,166,460	\$ ---	\$ ---	\$ 18,625,829
2016	20,514,369	1,644,786	---	---	22,159,155
2017	6,835,863	1,253,603	---	---	8,089,466
2018	7,125,863	1,061,205	---	---	8,187,068
2019	6,531,953	860,915	---	---	7,392,868
2020-2024	13,768,857	2,099,399	---	---	15,868,256
2025-2029	4,475,000	673,220	---	---	5,148,220
2030-2034	1,000,000	20,000	---	---	1,020,000
Totals	\$ 76,711,274	\$ 9,779,588	\$ ---	\$ ---	\$ 86,490,862

Business-type Activities:

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2015	\$ 1,158,584	\$ 279,189	\$ 166,647	\$ 39,309	\$ 1,643,729
2016	1,103,584	239,433	171,361	34,527	1,548,905
2017	1,127,090	211,465	108,957	30,687	1,478,199
2018	1,162,090	183,048	111,790	27,818	1,484,746
2019	1,176,000	151,723	114,696	24,874	1,467,293
2020-2024	4,465,000	335,679	556,372	81,150	5,438,201
2025-2029	---	---	359,232	13,877	373,109
2030-2034	---	---	---	---	---
Totals	\$ 10,192,348	\$ 1,400,537	\$ 1,589,055	\$ 252,242	\$ 13,434,182

Total Primary Government:

Year	General Obligation Debt		Anticipation Notes and Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2015	\$ 17,617,953	\$ 2,445,649	\$ 166,647	\$ 39,309	\$ 20,269,558
2016	21,617,953	1,884,219	171,361	34,527	23,708,060
2017	7,962,953	1,465,068	108,957	30,687	9,567,665
2018	8,287,953	1,244,253	111,790	27,818	9,671,814
2019	7,707,953	1,012,638	114,696	24,874	8,860,161
2020-2024	18,233,857	2,435,078	556,372	81,150	21,306,457
2025-2029	4,475,000	673,220	359,232	13,877	5,521,329
2030-2034	1,000,000	20,000	---	---	---
Totals	\$ 86,903,622	\$ 11,180,125	\$ 1,589,055	\$ 252,242	\$ 98,905,044

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

F. Long-Term Obligations (continued)

Premiums, Discounts, and Gains and Losses on Refundings

Governmental Activities:

Premiums and discounts on issuance, and gains and losses on refundings are recognized in the year in which they occur in the fund financial statements, but are deferred and amortized using the straight-line method over the life of the debt issue in the government-wide statements.

Business-type Activities:

Premiums and discounts on issuance, and gains and losses on refundings are deferred and amortized using the straight-line method over the life of the debt issue in both the fund statements and the government-wide statements.

Activity for the year ended December 31, 2014 is summarized as follows:

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Amortization Expense (Benefit)</u>	<u>Balance December 31, 2014</u>
Governmental Activities	\$ 1,505,904	\$ 542,890	\$ (486,915)	\$ 1,561,879
Business-type Activities:				
Storm Water Utility	\$ (51,362)	\$ ---	\$ 5,756	\$ (45,606)
Water Utility	143,206	---	(90,345)	52,861
Total business-type activities	<u>\$ 91,844</u>	<u>\$ ---</u>	<u>\$ (84,589)</u>	<u>\$ 7,255</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

G. Net Position and Fund Balances

Government-wide Financial Statement Net Position

Governmental Activities

Governmental net position consists of the following:

Net Investment in Capital Assets:

Land and construction in progress	\$	99,344,363	
Other capital assets net of accumulated depreciation		60,896,900	
Less related long-term debt		<u>(56,829,256)</u>	
Total net investment in capital assets			\$ 103,412,007

Restricted for:

Capital Projects:

Park development and land acquisition		1,148,432	
Library facilities		180,473	
Tax Incremental District projects		<u>67,570</u>	
Total restricted for capital projects			1,396,475

Debt service			65,095
Library operations and maintenance			1,264,601

Other:

Community development		1,126,291	
Public safety programs		227,484	
Library compensated absences		178,116	
Parks operations		<u>5,351</u>	
Total restricted for other			1,537,242

Unrestricted			<u>(2,568,467)</u>
Total governmental net position			\$ <u>105,106,953</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

G. Net Position and Fund Balances (continued)

Government-wide Financial Statement Net Position (continued)

Business-type Activities

Business-type net position consists of the following:

Net Investment in Capital Assets:

Land and construction in progress	\$	1,827,977	
Other capital assets net of accumulated depreciation		132,527,152	
Less related long-term debt		<u>(10,328,949)</u>	
Total net investment in capital assets			\$ 124,026,180

Restricted for:

Capital Projects:

Interceptor sewer improvements		1,518,602	
Other sewer infrastructure improvements		1,640,830	
Other water infrastructure improvements		<u>1,408,608</u>	
Total restricted for capital projects			4,568,040

Other:

Operation and maintenance – sewer		834,717	
Depreciation fund – sewer		<u>273,404</u>	
Total restricted for other			1,108,121

Unrestricted

		<u>12,454,702</u>	
Total business-type net position			\$ <u>142,157,043</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

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

G. Net Position and Fund Balances (continued)

Fund Financial Statements

Governmental fund balances consist of the following:

General Fund:

Nonspendable:		
Prepaid items	\$ 187,694	
Advances to other funds	1,747,647	
Delinquent personal property taxes receivable	15,774	
Inventory of supplies	366,169	
Land held for sale	<u>57,717</u>	
Total nonspendable		\$ 2,375,001
Unassigned		<u>7,265,583</u>
Total General Fund		<u>\$ 9,640,584</u>

Debt Service:

Restricted for debt service		<u>\$ 65,095</u>
-----------------------------	--	------------------

Non-major Funds:

Nonspendable:		
Advances to other funds	\$ <u>1,232,169</u>	
Total nonspendable		\$ 1,232,169

Restricted:

Revolving loans for community development	762,155	
Public safety programs	227,484	
Park development and land acquisition	1,148,432	
Parks operations	5,351	
Library facilities	180,473	
Library operations and maintenance	1,264,601	
TIF District Improvements and Debt Service	<u>4,500,143</u>	
Total restricted		8,088,639

Committed:

Community grants	9,933	
Cable TV programs	62,583	
Capital projects	<u>2,923,107</u>	
Total committed		2,995,623

Assigned:

Special revenue projects	12,419	
Capital projects	<u>4,474,670</u>	
Total assigned		4,487,089

Unassigned		<u>(367,462)</u>
Total non-major funds		<u>\$ 16,436,058</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes

A. Employee Pension Plan

All eligible Village of Menomonee Falls employees participate in the Wisconsin Retirement System (“WRS”), a cost-sharing multiple-employer, defined benefit, public employee retirement system (“PERS”). All employees expected to work at least 600 hours a year and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

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 General category employees, including Teachers, and 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 contributions unless provided by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives & 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 employees covered by the WRS for the year ended December 31, 2014 was \$12,593,512; the employer’s total payroll was \$13,781,297. The total required contribution for the year ended December 31, 2014 was \$1,946,576, which consisted of \$1,065,030, or 8.5% of payroll from the employer and \$881,546, or 7.0% of payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$1,814,319 and \$1,670,698, 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 MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

B. Other Post-Employment Benefits

Plan Description

The Village allows employees eligible to retire under the WRS pension plan to remain on the Village's health insurance plan after retirement. As a requirement of continued coverage, the retirees are required to contribute a blended premium rate that is an average of the cost of premiums for active and retired employees. This contribution is less than the actual cost of the age-adjusted retiree premiums. Under GASB 45, this circumstance is considered to be an other post-employment benefit ("OPEB") for the retirees, commonly referred to as an implicit rate subsidy.

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 towards the costs of this obligation is the current period's implied subsidy, or the difference between the retiree contribution and the actual age-adjusted cost of retiree premiums paid by the Village. Employees participating in the OPEB benefit consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees	19
Active	<u>161</u>
Number of participating employees	<u>180</u>

Annual OPEB Cost and Net OPEB 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	\$	241,510
Interest on net OPEB obligation		50,620
Adjustment to annual required contribution		<u>(50,297)</u>
Annual OPEB cost (expense)		241,833
Contributions made		<u>(129,505)</u>
Increase in net OPEB obligation		112,328
Net OPEB obligation – beginning of year		<u>1,265,469</u>
Net OPEB obligation – end of year	\$	<u>1,377,797</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

B. Other Post-Employment Benefits (continued)

Trend Information

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 411,369	\$ 141,501	34%	\$ 270,138
2009	466,165	138,784	29%	598,155
2010	567,199	301,784	53%	863,570
2011	641,284	468,061	73%	1,036,793
2012	543,218	445,044	82%	1,134,967
2013	445,322	314,820	71%	1,265,469
2014	241,833	129,505	54%	1,377,797

Funding Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability ("UAAL") of \$2,535,426. The covered payroll (annual payroll of active employees covered by the plan) was \$12,290,831 and the ratio of the UAAL to covered payroll was 20.6%.

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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Methods and Assumptions

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.

Additional information for the OPEB plan as of the latest actuarial valuation follows:

Actuarial valuation date	1/1/2014
Actuarial cost method	Entry Age Normal - Level % of Salary
Amortization method	30 year level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical care trend*	7.0% reduced by decrements down to 5.0%

* Implicit in these rates is an assumed rate of inflation of 3.00%

C. Risk Management

The Village is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; and errors and omissions, natural disasters and workers' compensation. The Village purchases general, automobile and workers' compensation insurance from the Cities and Villages Mutual Insurance Company. The Village purchases commercial insurance for all other risks. There have been no significant reductions in insurance for any risk of loss in the past year. No claims have significantly exceeded the commercial coverage in the past three years.

In 1993, the Village joined the Wisconsin Municipal Insurance Commission ("WMIC"). The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Villages Mutual Insurance Company ("CVMIC"). The CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. The CVMIC was formed to provide insurance to Wisconsin municipalities as of January 1, 1988.

The CVMIC provides the Village with \$5,000,000 of liability coverage for losses over their self-insurance retention of \$100,000 per occurrence with \$300,000 aggregate stop loss.

The Village's annual cost is the sum of the principal and interest on its general obligation bonds, its annual premiums, claims and other operating expenses. The CVMIC pays dividends to the Village based on a schedule designed to enable the Village to partially or fully finance the Village's related debt service requirements. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The Village and other participants are subject to cover loss experiences that exceed predictions through retrospective assessments.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

C. Risk Management (continued)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The municipality does not exercise any control over the activities of the agencies beyond the election of the officers and board.

The Village's Risk Management Fund was established in 1991 as an Internal Service Fund to account for and finance the Village's uninsured risk of loss. At December 31, 2014, this fund had net position totaling \$588,667 which is available to pay future claims. Additionally, a liability of \$217,950 for claims incurred but not yet reported has been recorded, representing the discounted present value of expected losses using an expected future investment yield assumption of 7%. The following is a summary of the changes in this liability account:

<u>Fiscal Year</u>	<u>Balance January 1,</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance December 31,</u>
2014	\$ 46,048	\$ 192,786	\$ (20,884)	\$ 217,950
2013	76,759	1,281	(31,992)	46,048

Payments to WMIC for current year insurance coverage are reflected in the statement of revenues, expenses and changes in net position – Proprietary Funds. The Village's share of assets, liabilities and fund equity was approximately 2% as of December 31, 2014. Percentage participation will be affected by acceptance of new members to the CVMIC.

Summary financial information for CVMIC and WMIC for the year ended December 31, 2014 is available from the CVMIC offices. As of December 31, 2014, the CVMIC had assets of \$50,426,025 and a policyholders' surplus of \$30,028,221.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

D. Tax Incremental Districts

Tax increment financing district (“TID”), as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the Village can recover its development and public improvement costs in TID designated areas. These costs are recovered from the increase in property tax revenue which results from the increased valuation in the designated area. The Village finances development and public improvement costs in its TID through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects fund expenditures. Tax increments are reported as capital projects fund revenues and are used to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. Certain details related to each of the Village’s tax incremental districts are listed below. For complete details of financial activity related to any of the tax incremental districts, compilation reports are available for viewing in the Village’s Financial Services Department.

T.I.D. #4 – Heritage Reserve

On May 6, 1996, the Village created Tax Incremental District #4 (“TID #4”). TID #4 has a statutory life of 23 years which will expire May 6, 2019. On April 15, 2002, the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On December 17, 2009, the project plan was amended by the addition of certain provisions. After repayment in full of outstanding project costs, including but not limited to bonds issued for project costs, the balance in TID #4 shall be transferred to a separate Reserve Fund which will be paid to the overlying taxing jurisdictions and to the general fund of the Village upon the termination of TID #4 at the end of its maximum life. Future tax increments are to be allocated as follows: (1) \$1 million to fund future TID #4 costs allowed by the project plan, and (2) the remainder attributable to TID #8 – Richfield Way. The last date to incur project costs was May 6, 2014. 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>
\$ 56,085,164	\$ 25,330,389	\$ 56,085,164	\$ 23,478,105	---

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

D. Tax Incremental Districts (continued)

T.I.D. #5 – Westbrook Corporate Park

On June 14, 1999, the Village created Tax Incremental District #5 (“TID #5”). TID #5 has a statutory life of 23 years which will expire June 14, 2022. On December 18, 2000, the original project plan was amended to increase certain planned project expenditures. On July 16, 2001, the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. The last date to incur project costs is June 14, 2017. 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>
\$ 20,527,977	\$ 11,884,059	\$ 20,527,977	\$ 17,403,370	\$ 6,475,000

T.I.D. #6 – Main Street

On April 17, 2006, the Village created Tax Incremental District #6 (“TID #6”). TID #6 has a statutory life of 27 years which will expire April 17, 2033. The last date to incur project costs is April 17, 2028. On July 21, 2008, the original project plan was amended to change the original plan boundaries. 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>
\$ 26,760,500	\$ 1,002,084	\$ 26,760,500	\$ 12,243,875	\$ 11,992,166

T.I.D. #7 – First Park

On February 18, 2008, the Village created Tax Incremental District #7 (“TID #7”). TID #7 has a statutory life of 20 years which will expire February 18, 2028. The last date to incur project costs is February 18, 2023. 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>
\$ 11,096,724	\$ 1,749,027	\$ 11,096,724	\$ 1,970,091	\$ 229,065

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

D. Tax Incremental Districts (continued)

T.I.D. #8 – Falls Parkway

On July 8, 2008, the Village created Tax Incremental District #8 (“TID #8”). TID #8 has a statutory life of 27 years which will expire July 8, 2035. On December 17, 2009, the project plan was amended by the addition of certain provisions and to provide transfers in from TID #4. The last date to incur project costs is July 8, 2030. 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>
\$ 58,945,750	\$ 7,517,379	\$ 58,945,750	\$ 22,833,132	\$ 15,660,000

T.I.D. #9 – Appleton Avenue Corridor

On January 18, 2010, the Village created Tax Incremental District #9 (“TID #9”). TID #9 has a statutory life of 27 years which will expire January 18, 2037. The last date to incur project costs is January 18, 2032. 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>
\$ 23,481,963	\$ 452,044	\$ 23,481,963	\$ 819,284	\$ 411,407

T.I.D. #10 – Appleton Avenue

On August 17, 2011, the Village created Tax Incremental District #10 (“TID #10”). TID #10 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. 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>
\$ 40,307,876	\$ 2,318,402	\$ 40,307,876	\$ 14,345,983	\$ 14,125,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

D. Tax Incremental Districts (continued)

T.I.D. #11 – Wacker Neuson

On August 17, 2011, the Village created Tax Incremental District #11 (“TID #11”). TID #11 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. 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>
\$ 4,501,500	\$ 222,945	\$ 4,501,500	\$ 702,183	\$ 525,000

T.I.D. #12 – Lilly Road

On September 14, 2014, the Village created Tax Incremental District #12 (“TID #12”). TID #12 has a statutory life of 20 years which will expire September 15, 2034. The last date to incur project costs is September 15, 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 debt as of 12/31/14</u>
\$ 4,157,250	---	\$ 4,157,250	\$ 29,158	\$ 10,009

E. Contingent Liabilities

The Village has identified the following items as potential liabilities not recorded in the financial statements:

- The Village participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Audits under the Single Audit Act have been conducted when applicable but final acceptance is still pending. Accordingly, the Village's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Village expects such amounts, if any, to be immaterial.
- The Village is periodically engaged in the courts defending and prosecuting cases over a wide range of possible situations. The ultimate outcome of these claims has not been determined. In the opinion of management, after considering the Village's insurance coverage, potential payment of claims by other parties, and the statutory limitation on claims against Wisconsin municipalities, the likelihood of material impact on the Village's financial statements upon resolution of these matters is remote.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

E. Contingent Liabilities (continued)

- The Village has been advised by the Wisconsin Department of Natural Resources that the Village is considered to be a responsible party with respect to property owned by the Village and formerly operated by others as a landfill known as the Bruce Landfill. The Village continues to monitor site contamination in accordance with an agreement with the Wisconsin Department of Natural Resources. Currently, there are no requirements for remediation activities, and the Village is unable to say at this time what, if any, remediation activities might be required in future periods. In the event that the Village is determined to have any liability with respect to the Bruce Landfill, the Village may have rights against third parties.
- The Village has entered into employment contracts with two non-represented Village employees. The terms of these contracts include salary continuation benefits for the employees in the event that the employees are terminated without cause. The length of salary continuation benefits is six months for each employee.

F. Commitments

During 2008, the Village entered into an agreement with the City of Milwaukee wherein the Village agrees to purchase all of the water supplied to a portion of the Village from Milwaukee Water Works for a period of ten years from the effective date of the agreement. Charges under this agreement are approximately \$120,000 per month.

The Village has issued municipal revenue obligations ("MRO") from TID #5, TID #7, TID #10 and TID #11 as part of development agreements. The principal amount of the MRO's are \$3,100,000, \$5,100,000, \$2,500,000 and \$500,000, and are payable solely from tax increments collected by the TID #5, TID #7, TID #10 and TID #11, respectively. The payment schedules vary. The TID #7 MRO carries an 8.5% interest rate, while all of the others maintain a 0% interest rate. The obligation does not constitute a charge upon any funds of the Village. The increments collected by the Districts are pledged in their entirety. If the tax increments collected by the Districts during the life of the Districts are insufficient to pay the principal and interest on the MRO's, the obligations terminate with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligations are not reported as a liability in the accompanying financial statements. The balance of the maximum potential commitments at December 31, 2014 was approximately \$11,885,250.

G. Letters of Credit

The Village enters into a number of contracts for land development in conjunction with contractors and developers. The developers finance these construction projects under letters of credit, whereby the Village is reimbursed for any expenditure up to the limit of the letter of credit. Any over-expenditures on the projects would be paid by the Village.

H. Regulatory Agency - Water Utility

The Utility operates under service rules established by the Public Service Commission of Wisconsin ("PSCW"). Rates charged are regulated by the PSCW and the accounting records of the Utility are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

I. Leases as Lessor

The Village has entered a lease agreement with a local school district, wherein the Village has agreed to allow the use of Village property for the purpose of the school district's operations. Revenue from this activity totaled \$32,780 for the year ended December 31, 2014. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2015	\$ 32,780
2016	32,780
2017	32,780
2018	32,780
2019 – 2020	<u>46,438</u>
Total	\$ <u>177,558</u>

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. Payments received on these leases totaled \$34,530 for the year ended December 31, 2014. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2015	\$ <u>9,966</u>
Total	\$ <u>9,966</u>

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Payments received on these leases totaled \$212,414 for the year ended December 31, 2014. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2015	\$ 170,524
2016	58,293
2017	<u>30,258</u>
Total	\$ <u>259,075</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2014

4. Other Notes (continued)

J. Deficit Fund Balances

As of December 31, 2014, the following non-major individual funds had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Capital Projects Funds:	
T.I.D. #6	\$ 636,791
T.I.D. #7	221,064
T.I.D. #9	117,420
T.I.D. #12	29,158

The deficits are anticipated to be funded with future tax increments or long-term borrowing.

K. Excess of Actual Expenditures Over Budget

The following major fund functions had an excess of actual expenditures over budget for the year ended December 31, 2014:

<u>General Fund:</u>	
Public Safety	\$ 38,083
Culture and Recreation	61,699

The excess expenditures were funded by greater than anticipated revenues, as well as lower expenditures in other areas.

L. Accounting Pronouncements

The Government Accounting Standards Board has issued Statement No. 68 which will require the Village to disclose their net pension liability on their statement of net position, effective for the year ending December 31, 2015. GASB Statement No. 68 defines the liability as the difference between the total pension liability and the value of assets set aside to pay benefits. The Wisconsin Retirement System (WRS) will provide net pension liability using a measurement date no earlier than the end of the Village's prior fiscal year. The WRS will allocate the net pension liability to all employers based on their proportionate share of the employer contributions. This statement will have a material effect on the Village's pension liability compared to what is disclosed under current standards

M. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (July 20, 2015). Other than the debt transactions disclosed in note 3.F., there is one subsequent additional event which requires disclosure. Subsequent to year end, in July 2015, the Village received a reimbursement of approximately \$274,000 for right of way costs paid in 2014.

N. Prior-Period Adjustments

A prior period adjustment was made in the amount of \$121,324 in the Special Assessment Fund to adjust down the deferred revenue account which had been overstated in the prior year.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information

Schedule of Funding Progress of Net OPEB Obligation
December 31, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2007	\$ ---	\$ 3,755,942	\$ 3,755,942	---	\$ 12,923,158	29.1%
December 31, 2009	---	5,312,851	5,312,851	---	12,641,585	42.0%
December 31, 2011	---	4,745,889	4,745,889	---	11,523,749	41.2%
January 1, 2014	---	2,535,426	2,535,426	---	12,290,831	20.6%

Notes:

1. 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.

Schedule of Employer Contributions
December 31, 2014

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2008	\$ 411,639	\$ -	0%
2009	411,639	-	0%
2010	578,795	-	0%
2011	606,741	-	0%
2012	509,519	-	0%
2013	529,050	-	0%
2014	241,510	-	0%

See independent auditors' report.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GENERAL FUND

This Fund accounts for the financial resources of the Village which are not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, fines and penalties, intergovernmental revenues, public charges for services, investment earnings and a property tax equivalent charged to the Water Utility. Primary expenditures are for public safety, public works, culture, recreation and education, community development, and general administration.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Balance Sheets - General Fund
December 31, 2014 and 2013

	2014	2013
Assets:		
Cash and equivalents	\$ 17,645,133	\$ 17,030,199
Certificate of deposit	529,147	524,947
Accounts receivable:		
Taxes	9,379,670	9,271,963
Special charges on the tax roll	4,295	3,120
Intergovernmental aid	394,833	358,353
Accounts	937,554	917,795
Due from other funds	857,302	806,539
Prepaid items	187,694	198,876
Inventory	366,169	189,463
Land held for sale	57,717	---
Advance to other governmental funds	1,747,647	1,718,902
Advances to utilities	---	67,933
	32,107,161	31,088,090
Liabilities:		
Accounts payable and other accrued liabilities	3,689,082	3,084,001
Compensated absences	947,159	941,579
Deposits	118,296	97,476
Unearned revenue	424,678	288,763
	5,179,215	4,411,819
Deferred Inflows of Resources:		
Deferred revenue - subsequent year's taxes	17,287,362	17,145,687
	17,287,362	17,145,687
Fund Balances:		
Nonspendable	2,375,001	2,189,844
Unassigned	7,265,583	7,340,740
	9,640,584	9,530,584
Total fund balances	\$ 9,640,584	\$ 9,530,584

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
Years Ended December 31, 2014 and 2013

	2014	2013	Change
Revenues:			
Property taxes	\$ 16,878,642	\$ 16,612,057	\$ 266,585
Other taxes	220,465	179,500	40,965
Payments in lieu of taxes - Water Utility	1,259,422	1,393,941	(134,519)
Licenses and permits	1,347,111	1,187,601	159,510
Fines and forfeitures	543,364	724,411	(181,047)
Intergovernmental	2,761,045	2,732,566	28,479
Charges for services	1,062,266	979,017	83,249
Investment earnings	22,408	26,211	(3,803)
Interest on advances to governmental funds	18,745	191,968	(173,223)
Interest on advances to utilities	4,076	8,746	(4,670)
Other	149,274	115,140	34,134
Total revenues	24,266,818	24,151,158	115,660
Expenditures:			
General Government:			
Village board	46,970	46,323	647
Village manager	59,643	73,042	(13,399)
Clerk services	612,820	605,581	7,239
Human resources	101,546	92,581	8,965
Assessment of property	179,456	261,629	(82,173)
Building maintenance	401,897	441,891	(39,994)
Insurance and benefits	69,689	84,543	(14,854)
Judicial	205,966	175,304	30,662
Legal services	340,650	414,991	(74,341)
Financial services	311,309	293,958	17,351
Communications and information services	1,020,643	907,480	113,163
Capital outlay	158,179	77,846	80,333
Total general government	3,508,768	3,475,169	33,599
Public Safety:			
Police	7,896,418	7,785,369	111,049
Emergency dispatch	941,759	892,877	48,882
Fire	3,214,498	2,895,905	318,593
Fire protection services	1,647,366	1,659,499	(12,133)
Weed control	20,106	34,468	(14,362)
Emergency government	1,009	4,964	(3,955)
Other protection services	18,396	30,118	(11,722)
Capital outlay	73,153	57,186	15,967
Total public safety	13,812,705	13,360,386	452,319

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
Years Ended December 31, 2014 and 2013
(Continued)

	2014	2013	Change
Public Works:			
Street and alley repair	\$ 2,708,688	\$ 3,175,329	\$ (466,641)
Equipment maintenance	536,741	407,019	129,722
Municipal garages	101,112	91,259	9,853
Total public works	3,346,541	3,673,607	(327,066)
Culture and Recreation:			
Historical society and museum	18,519	27,158	(8,639)
Parks operations	854,703	719,317	135,386
Parks projects	14,874	22,326	(7,452)
Community quality of life	83,865	81,338	2,527
Capital outlay	8,713	---	8,713
Total culture and recreation	980,674	850,139	130,535
Conservation and Development:			
Conservation	---	---	---
Community development	40,596	46,814	(6,218)
Building inspection	465,956	421,126	44,830
Engineering	(31,013)	22,923	(53,936)
Planning	290,052	261,423	28,629
Capital outlay	---	---	---
Total conservation and development	765,591	752,286	13,305
Total general fund expenditures	22,414,279	22,111,587	302,692
Excess of revenues over expenditures	1,852,539	2,039,571	(187,032)
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	(105,111)	---	(105,111)
Proceeds from debt	223,622	---	223,622
Transfers in	3,636	312,529	(308,893)
Transfers out	(1,864,686)	(2,087,100)	222,414
Net other financing uses	(1,742,539)	(1,774,571)	32,032
Net change in fund balance	110,000	265,000	(155,000)
Fund Balance:			
Beginning of year	9,530,584	9,265,584	265,000
End of year	\$ 9,640,584	\$ 9,530,584	\$ 110,000

See independent auditors' report.

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 (other than debt accounted for in the Proprietary Funds).

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service Fund
Year Ended December 31, 2014

	Adopted Budget	Amended Budget	Actual
Revenues:			
Property taxes	\$ 2,341,779	\$ 2,341,779	\$ 2,341,779
Investment earnings	---	---	54
Total revenues	2,341,779	2,341,779	2,341,833
Expenditures:			
Principal	24,206,416	24,206,416	15,756,416
Interest and fiscal charges	2,735,498	2,735,498	2,667,067
Debt issuance costs	60,000	60,000	307,729
Total expenditures	27,001,914	27,001,914	18,731,212
Deficit of revenues under expenditures	(24,660,135)	(24,660,135)	(16,389,379)
Other Financing Sources:			
Transfers in	24,600,135	24,600,135	15,898,952
Transfers out	---	---	(3,636)
Refunding bonds and notes issued	3,875,000	3,875,000	12,275,000
Principal payments on refunded debt	(3,875,000)	(3,875,000)	(12,325,000)
Bonds and notes issued	---	---	---
Bond premiums	60,000	60,000	609,158
Net other financing sources	24,660,135	24,660,135	16,454,474
Net change in fund balance	---	---	65,095
Fund Balance:			
Beginning of year	8,372,105	8,372,105	---
End of year	\$ 8,372,105	\$ 8,372,105	\$ 65,095

See independent auditors' report.

**COMBINING STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
Assets:			
Cash and equivalents	\$ 3,814,949	\$ 15,688,738	\$ 19,503,687
Accounts receivable:			
Taxes	1,734,838	4,473,730	6,208,568
Special charges on tax roll	1,236,082	54,757	1,290,839
Intergovernmental aid	---	653,386	653,386
Special assessments	---	1,196,263	1,196,263
Accounts	188	197,450	197,638
Notes	352,126	170,476	522,602
Other	---	339,661	339,661
Due from other funds	---	743,808	743,808
Advance to other governmental funds	---	707,353	707,353
Long-term advances to utilities	---	354,340	354,340
	7,138,183	24,579,962	31,718,145
Liabilities:			
Accounts payable and other accrued liabilities	72,147	2,242,257	2,314,404
Accrued compensated absences	57,449	---	57,449
Deposits	---	125,438	125,438
Due to other funds	---	1,066,838	1,066,838
Long-term advances from other governmental funds	---	2,455,000	2,455,000
	129,596	5,889,533	6,019,129
Deferred Inflows of Resources:			
Unavailable special assessments	---	712,695	712,695
Deferred revenue - subsequent year's taxes	2,971,020	5,227,117	8,198,137
Unavailable revenue - notes receivable	352,126	---	352,126
	3,323,146	5,939,812	9,262,958
Fund Balances:			
Nonspendable	---	1,232,169	1,232,169
Restricted	3,600,506	5,295,400	8,895,906
Committed	72,516	2,923,107	2,995,623
Assigned	12,419	4,474,670	4,487,089
Unassigned	---	(1,174,729)	(1,174,729)
	\$ 3,685,441	\$ 12,750,617	\$ 16,436,058

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Property taxes	\$ 1,747,518	\$ 5,077,817	\$ 6,825,335
Charges for services:			
Fines and forfeitures	20,307	---	20,307
Program revenues	1,440,025	---	1,440,025
Tipping fees	---	2,663,729	2,663,729
Other charges for services	---	600	600
Operating grants and contributions:			
Intergovernmental	132,694	713,602	846,296
Donations	13,941	---	13,941
Capital grants and contributions:			
Special assessments and interest	---	192,256	192,256
Contributions from developers	856,766	338,806	1,195,572
Investment earnings	3,576	16,947	20,523
Interest earned on advances to governmental funds	---	686	686
Interest earned on advances to utilities	---	8,773	8,773
Other revenues	12,040	52,448	64,488
Total governmental revenues	4,226,867	9,065,664	13,292,531
Expenditures:			
Current:			
General government	---	559,072	559,072
Public safety	59,807	24,278	84,085
Public works	1,840,440	1,914,198	3,754,638
Culture and recreation	1,862,717	86,474	1,949,191
Conservation and development	16,477	704,539	721,016
Uncollectible accounts	---	5,261,620	5,261,620
Interest on advances to governmental funds	---	19,431	19,431
Bond expenses	---	16,970	16,970
Capital outlay	72,927	7,266,894	7,339,821
Total expenditures	3,852,368	15,853,476	19,705,844
Excess (deficit) of revenues over (under) expenditures	374,499	(6,787,812)	(6,413,313)
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	---	49,818	49,818
Transfers in	495,946	4,886,045	5,381,991
Transfers out	(801,979)	(18,614,278)	(19,416,257)
Distribution upon TID closure	---	(180,477)	(180,477)
Bonds and notes issued	---	4,000,000	4,000,000
Total other financing sources (uses)	(306,033)	(9,858,892)	(10,164,925)
Net change in fund balances	68,466	(16,646,704)	(16,578,238)
Fund balance, beginning of year	3,616,975	29,275,997	32,892,972
Prior period adjustment	---	121,324	121,324
Fund balance, beginning of year, as adjusted	3,616,975	29,397,321	33,014,296
Fund balance, end of year	\$ 3,685,441	\$ 12,750,617	\$ 16,436,058

See independent auditors' report.

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than major capital projects) that are restricted or reserved to expenditures for specific purposes.

Revolving Loan Fund - To account for the loans issued and receivable under a program initially subsidized by the State of Wisconsin. Loans are approved by the Village Board and administered by the Southeastern Wisconsin Regional Planning Commission.

Police Department - To account for the financing and expenditures of programs such as state grant programs, Federal Asset Forfeiture program, D.A.R.E., a fund set up to fight vandalism in the community and contributions from citizens for crime prevention and block watch programs.

Fire Department - To account for the financing and expenditures of programs such as state grant programs, tank inspection and hazardous materials programs, and contributions from citizens for fire safety education and other programs.

Park Department - To account for expenditures for trees and park equipment financed primarily by donations.

Community Development - To account for the financing and expenditures of platting fees and park impact fees.

Library - To account for the financing and expenditures related to library memorials and building funds with funding provided by donations and investment earnings.

Community Grant - To account for grants to community not-for-profit organizations.

Teen Court - To account for the financing and expenditures for teen court operations funded by donations.

Solid Waste Collection - To account for the revenues and expenditures related to solid waste collection and disposal.

Library Operations and Maintenance - To account for the operations and maintenance costs related to the library, and the revenues needed to support them.

VILLAGE OF MENOMOMNEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2014

Non-major Special Revenue Funds

	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Senior Bus	Cable TV	Unallocated	Solid Waste Collection	Library Operations and Maintenance	TID #9 EDMF	Total Non-major Special Revenue Funds
Assets:															
Cash and equivalents	\$ 762,155	\$ 171,100	\$ 46,705	\$ 5,351	\$ 1,148,432	\$ 180,473	\$ 9,933	\$ 9,805	\$ ---	\$ 62,583	\$ 35,693	\$ (88)	\$ 1,370,797	\$ 12,010	\$ 3,814,949
Receivables:															
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	1,734,838	---	1,734,838
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	---	1,236,082	---	---	1,236,082
Accounts	---	---	---	---	---	---	---	---	---	---	---	188	---	---	188
Notes	290,008	---	---	---	---	---	---	---	---	---	---	---	---	62,118	352,126
Total assets	1,052,163	171,100	46,705	5,351	1,148,432	180,473	9,933	9,805	---	62,583	35,693	1,236,182	3,105,635	74,128	7,138,183
Liabilities:															
Accounts payable and other accrued liabilities	---	---	---	---	---	---	---	126	---	---	23,274	---	48,747	---	72,147
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	---	---	57,449	---	57,449
Total liabilities	---	---	---	---	---	---	---	126	---	---	23,274	---	106,196	---	129,596
Deferred Inflows of Resources:															
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	---	---	1,236,182	1,734,838	---	2,971,020
Unavailable revenue - notes receivable	290,008	---	---	---	---	---	---	---	---	---	---	---	---	62,118	352,126
Total deferred inflows of resources	290,008	---	---	---	---	---	---	---	---	---	---	1,236,182	1,734,838	62,118	3,323,146
Fund Balances:															
Restricted	762,155	171,100	46,705	5,351	1,148,432	180,473	---	9,679	---	---	---	---	1,264,601	12,010	3,600,506
Committed	---	---	---	---	---	---	9,933	---	---	62,583	---	---	---	---	72,516
Assigned	---	---	---	---	---	---	---	---	---	---	12,419	---	---	---	12,419
Total fund balances	\$ 762,155	\$ 171,100	\$ 46,705	\$ 5,351	\$ 1,148,432	\$ 180,473	\$ 9,933	\$ 9,679	\$ ---	\$ 62,583	\$ 12,419	\$ ---	\$ 1,264,601	\$ 12,010	\$ 3,685,441

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

Non-major Special Revenue Funds

	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Senior Bus	Cable TV	Unallocated	Solid Waste Collection	Library Operations and Maintenance	TID #9 EDMF	Total Non-major Special Revenue Funds
Revenues:															
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,747,518	\$ ---	\$ 1,747,518
Public charges for services:															
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	---	---	20,307	---	20,307
Program revenue	37,566	22,920	15,645	---	---	---	---	1,050	---	90,000	---	1,264,119	---	8,725	1,440,025
Operating grants and contributions:															
Intergovernmental	---	2,247	8,924	---	---	400	---	---	---	---	---	79,919	41,204	---	132,694
Donations	---	13,040	448	---	---	293	---	---	---	---	---	---	160	---	13,941
Capital grants and contributions:															
Platting fees	---	---	---	---	145,064	---	---	---	---	---	---	---	---	---	145,064
Impact fees	---	---	376,704	---	334,998	---	---	---	---	---	---	---	---	---	711,702
Investment earnings	---	102	499	---	723	---	---	---	---	---	205	456	1,591	---	3,576
Other revenues	---	---	---	---	---	---	---	---	---	---	---	---	12,040	---	12,040
Total revenues	<u>37,566</u>	<u>38,309</u>	<u>402,220</u>	<u>---</u>	<u>480,785</u>	<u>693</u>	<u>---</u>	<u>1,050</u>	<u>---</u>	<u>90,000</u>	<u>205</u>	<u>1,344,494</u>	<u>1,822,820</u>	<u>8,725</u>	<u>4,226,867</u>
Expenditures:															
Current:															
Public safety	---	35,620	21,294	---	---	---	---	2,893	---	---	---	---	---	---	59,807
Public works	---	---	---	---	---	---	---	---	---	---	---	1,840,440	---	---	1,840,440
Culture, recreation and education	---	---	---	---	29,333	552	---	---	---	90,000	---	---	1,742,832	---	1,862,717
Conservation and development	1,344	---	---	---	---	---	---	---	---	---	---	---	---	15,133	16,477
Capital outlay	---	25,358	---	---	47,569	---	---	---	---	---	---	---	---	---	72,927
Total expenditures	<u>1,344</u>	<u>60,978</u>	<u>21,294</u>	<u>---</u>	<u>76,902</u>	<u>552</u>	<u>---</u>	<u>2,893</u>	<u>---</u>	<u>90,000</u>	<u>---</u>	<u>1,840,440</u>	<u>1,742,832</u>	<u>15,133</u>	<u>3,852,368</u>
Excess (deficit) of revenues over (under) expenditures	<u>36,222</u>	<u>(22,669)</u>	<u>380,926</u>	<u>---</u>	<u>403,883</u>	<u>141</u>	<u>---</u>	<u>(1,843)</u>	<u>---</u>	<u>---</u>	<u>205</u>	<u>(495,946)</u>	<u>79,988</u>	<u>(6,408)</u>	<u>374,499</u>
Other Financing Sources (Uses):															
Transfers in	---	---	---	---	---	---	---	---	---	---	---	495,946	---	---	495,946
Transfers out	---	---	(801,979)	---	---	---	---	---	---	---	---	---	---	---	(801,979)
Net change in fund balances	<u>36,222</u>	<u>(22,669)</u>	<u>(421,053)</u>	<u>---</u>	<u>403,883</u>	<u>141</u>	<u>---</u>	<u>(1,843)</u>	<u>---</u>	<u>---</u>	<u>205</u>	<u>---</u>	<u>79,988</u>	<u>(6,408)</u>	<u>68,466</u>
Fund Balance - beginning of year	725,933	193,769	467,758	5,351	744,549	180,332	9,933	11,522	---	62,583	12,214	---	1,184,613	18,418	3,616,975
Fund Balance - end of year	<u>\$ 762,155</u>	<u>\$ 171,100</u>	<u>\$ 46,705</u>	<u>\$ 5,351</u>	<u>\$ 1,148,432</u>	<u>\$ 180,473</u>	<u>\$ 9,933</u>	<u>\$ 9,679</u>	<u>\$ ---</u>	<u>\$ 62,583</u>	<u>\$ 12,419</u>	<u>\$ ---</u>	<u>\$ 1,264,601</u>	<u>\$ 12,010</u>	<u>\$ 3,685,441</u>

See independent auditors' report.

NON-MAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the financing and construction of the Village's economic development and capital improvement projects. Also included is the special assessment fund. The main sources of revenue for these funds are tax increments, special assessments and interest thereon, intergovernmental aid, and investment earnings.

General Projects - To account for the financing and construction of general street, bridge, and park projects and some equipment.

Municipal Facilities and Equipment Fund - A no-interest internal loan fund to finance equipment purchases.

Tax Incremental Financing District #2 - To account for the financing and rehabilitation of the Village Centre.

Tax Incremental Financing District #4 - To account for the financing and construction of Heritage Reserve Park.

Tax Incremental Financing District #5 - To account for the financing and construction of Westbrook Corporate Park.

Tax Incremental Financing District #7 - To account for the financing and construction of the planned Quad/Graphics, Inc. distribution center.

Tax Incremental Financing District #8 - To account for the financing and construction of the planned Falls Parkway.

Tax Incremental Financing District #9 - To account for the financing and construction of the planned Appleton Avenue Corridor.

Tax Incremental Financing District #10 - To account for the financing and construction of the planned projects within the District.

Tax Incremental Financing District #11 - To account for the financing and construction of the planned projects within the District.

Tax Incremental Financing District #12 - To account for the financing and construction of the planned projects within the District.

Special Assessments - To account for the special assessments levied in conjunction with sewer, water, sidewalk and curb projects, and to record related debt service.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Capital Projects Funds
December 31, 2014

Non-major Capital Projects Funds

	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	T.I.D. #12	Special Assessments	Total Non-major Capital Projects Funds
Assets:														
Cash and equivalents	\$ 3,236,229	\$ 3,888,912	\$ ---	\$ 2,262,734	\$ 1,273,232	\$ 1,337,385	\$ 8,001	\$ 672,370	\$ 44,237	\$ 2,205,392	\$ 45,763	\$ 2,236	\$ 712,247	\$ 15,688,738
Receivables:														
Taxes	---	---	---	1,782,631	1,483,676	193,706	394,211	255,826	---	279,288	84,392	---	---	4,473,730
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	---	---	54,757	54,757
Intergovernmental aid	---	---	---	332,924	186,274	4,846	767	73	11,529	67,426	49,547	---	---	653,386
Special assessments	---	---	---	---	---	---	---	---	---	---	---	---	1,196,263	1,196,263
Accounts	---	197,450	---	---	---	---	---	---	---	---	---	---	---	197,450
Notes receivable	---	---	---	---	---	170,476	---	---	---	---	---	---	---	170,476
Other	339,661	---	---	---	---	---	---	---	---	---	---	---	---	339,661
Due from other funds	---	526,213	---	---	---	---	---	217,595	---	---	---	---	---	743,808
Advances to other capital project funds	---	707,353	---	---	---	---	---	---	---	---	---	---	---	707,353
Advance to utilities	---	354,340	---	---	---	---	---	---	---	---	---	---	---	354,340
Total assets	3,575,890	5,674,268	---	4,378,289	2,943,182	1,706,413	402,979	1,145,864	55,766	2,552,106	179,702	2,236	1,963,267	24,579,962
Liabilities:														
Accounts payable and other accrued liabilities	382,147	136,733	---	---	8,514	650,000	---	545,719	---	---	---	---	519,144	2,242,257
Deposits	109,547	1,172	---	---	---	---	---	---	11,169	---	---	---	3,550	125,438
Due to other funds	221,614	---	---	410,450	309,029	7,486	---	---	70	96,804	---	21,385	---	1,066,838
Advances from other capital projects funds	667,353	---	---	---	---	---	---	---	40,000	---	---	---	---	707,353
Advances from municipality	---	---	---	---	---	1,387,166	229,065	---	121,407	---	---	10,009	---	1,747,647
Total liabilities	1,380,661	137,905	---	410,450	317,543	2,044,652	229,065	545,719	161,477	107,973	---	31,394	522,694	5,889,533
Deferred Inflows of Resources:														
Unavailable special assessments	---	---	---	---	---	---	---	---	---	---	---	---	712,695	712,695
Deferred revenue - subsequent year's taxes	---	---	---	2,115,555	1,669,950	298,552	394,978	255,899	11,529	346,714	133,940	---	---	5,227,117
Total deferred inflows of resources	---	---	---	2,115,555	1,669,950	298,552	394,978	255,899	11,529	346,714	133,940	---	712,695	5,939,812
Fund Balances:														
Nonspendable	---	1,061,693	---	---	---	170,476	---	---	---	---	---	---	---	1,232,169
Restricted	---	---	---	1,852,284	955,689	---	---	344,246	---	2,097,419	45,762	---	---	5,295,400
Committed	2,195,229	---	---	---	---	---	---	---	---	---	---	---	727,878	2,923,107
Assigned	---	4,474,670	---	---	---	---	---	---	---	---	---	---	---	4,474,670
Unassigned	---	---	---	---	---	(807,267)	(221,064)	---	(117,240)	---	---	(29,158)	---	(1,174,729)
Total fund balances	\$ 2,195,229	\$ 5,536,363	\$ ---	\$ 1,852,284	\$ 955,689	\$ (636,791)	\$ (221,064)	\$ 344,246	\$ (117,240)	\$ 2,097,419	\$ 45,762	\$ (29,158)	\$ 727,878	\$ 12,750,617

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	Non-major Capital Projects Funds													Total Non-major Capital Projects Funds
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	T.I.D. #12	Special Assessments	
Revenues:														
Tax increment	\$ ---	\$ ---	\$ 599,730	\$ 1,899,527	\$ 1,669,905	\$ 164,564	\$ 385,716	\$ 48,839	\$ ---	\$ 225,358	\$ 84,178	\$ ---	\$ ---	\$ 5,077,817
Public charges for services:														
Program revenues	600	---	---	---	---	---	---	---	---	---	---	---	---	600
Tipping fees	---	2,663,729	---	---	---	---	---	---	---	---	---	---	---	2,663,729
Operating grants and contributions:														
Intergovernmental	---	---	346	421,403	136,416	6,743	318	73	14,447	56,368	77,488	---	---	713,602
Capital grants and contributions:														
Special assessments and interest	---	---	---	---	---	---	---	---	---	---	---	---	192,256	192,256
Contributions from developers	338,806	---	---	---	---	---	---	---	---	---	---	---	---	338,806
Investment earnings	3,906	2,795	133	2,810	1,230	1,800	194	1,130	12	2,367	51	---	519	16,947
Interest on advances to governmental funds	---	686	---	---	---	---	---	---	---	---	---	---	---	686
Interest on advances to utilities	---	8,773	---	---	---	---	---	---	---	---	---	---	---	8,773
Other revenue	---	5,625	---	---	---	---	---	---	46,823	---	---	---	---	52,448
Total revenues	343,312	2,681,608	600,209	2,323,740	1,807,551	173,107	386,228	50,042	61,282	284,093	161,717	---	192,775	9,065,664
Expenditures:														
Current:														
General government	30,132	12,816	4,355	8,415	5,915	273,520	7,015	136,267	20,225	46,723	6,555	7,134	---	559,072
Public safety	---	24,278	---	---	---	---	---	---	---	---	---	---	---	24,278
Public works	1,713,265	---	---	---	---	---	---	177,708	---	1,210	---	22,015	---	1,914,198
Culture, recreation and education	86,474	---	---	---	---	---	---	---	---	---	---	---	---	86,474
Conservation and development	---	---	---	---	281,925	---	375,947	(609,265)	---	571,697	84,235	---	---	704,539
Uncollectible accounts	---	---	---	---	---	5,261,620	---	---	---	---	---	---	---	5,261,620
Interest on advances from governmental funds	686	---	---	---	---	14,957	2,470	---	1,309	---	---	9	---	19,431
Interest and fiscal charges	---	1,627	---	---	807	2,033	---	1,457	57	534	133	---	10,322	16,970
Capital Outlay	1,345,499	3,830,843	---	---	422,165	---	---	1,668,387	---	---	---	---	---	7,266,894
Total expenditures	3,176,056	3,869,564	4,355	8,415	710,812	5,552,130	385,432	1,374,554	21,591	620,164	90,923	29,158	10,322	15,853,476
Excess (deficit) of revenues over (under) expenditures	(2,832,744)	(1,187,956)	595,854	2,315,325	1,096,739	(5,379,023)	796	(1,324,512)	39,691	(336,071)	70,794	(29,158)	182,453	(6,787,812)
Other Financing Sources (Uses):														
Proceeds from sales of capital assets	---	49,818	---	---	---	---	---	---	---	---	---	---	---	49,818
Transfers in	95,000	2,075,720	---	---	---	400,000	---	2,315,325	---	---	---	---	---	4,886,045
Transfers out	(400,000)	(1,845,000)	(587,938)	(2,315,325)	(1,072,047)	(9,803,685)	---	(1,904,875)	(6,813)	(382,978)	(10,529)	---	(285,088)	(18,614,278)
Distribution upon TID closure	---	---	(180,477)	---	---	---	---	---	---	---	---	---	---	(180,477)
Bonds and notes issued	2,000,000	2,000,000	---	---	---	---	---	---	---	---	---	---	---	4,000,000
Total other financing sources (uses)	1,695,000	2,280,538	(768,415)	(2,315,325)	(1,072,047)	(9,403,685)	---	410,450	(6,813)	(382,978)	(10,529)	---	(285,088)	(9,858,892)
Net change in fund balances	(1,137,744)	1,092,582	(172,561)	---	24,692	(14,782,708)	796	(914,062)	32,878	(719,049)	60,265	(29,158)	(102,635)	(16,646,704)
Fund balance, beginning of year	3,332,973	4,443,781	172,561	1,852,284	930,997	14,145,917	(221,860)	1,258,308	(150,118)	2,816,468	(14,503)	---	709,189	29,275,997
Prior period adjustment	---	---	---	---	---	---	---	---	---	---	---	---	---	121,324
Fund balance, beginning of year, as adjusted	3,332,973	4,443,781	172,561	1,852,284	930,997	14,145,917	(221,860)	1,258,308	(150,118)	2,816,468	(14,503)	---	830,513	29,397,321
Fund balance, end of year	\$ 2,195,229	\$ 5,536,363	\$ ---	\$ 1,852,284	\$ 955,689	\$ (636,791)	\$ (221,064)	\$ 344,246	\$ (117,240)	\$ 2,097,419	\$ 45,762	\$ (29,158)	\$ 727,878	\$ 12,750,617

See independent auditors' report.

PROPRIETARY FUNDS

Enterprise Funds:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Utility Fund - The Water Utility accounts for all activities necessary to provide cost effective water services to residents of the Village in accordance with current "safe drinking water" standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, financing and related debt service.

Sewer Utility Fund - The Sewer Utility accounts for all activities necessary to provide cost effective sanitary sewer services to residents of the Village in accordance with current "treated effluent discharge" standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, system expansion and financing and related debt service.

Storm Water Utility Fund - The Storm Water Utility accounts for all activities necessary for a system of storm and surface water management. Fund activities include administration, operations and maintenance, system expansion, financing, and related debt services. The Storm Water Utility is funded primarily by real estate taxes.

Internal Service Funds - Risk Management Fund:

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Risk Managements Fund which accounts for and finances the Village's uninsured risk of loss.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Water Utility
December 31, 2014 and 2013

	2014	2013
Assets:		
Current Assets:		
Cash and equivalents	\$ 3,986,149	\$ 3,255,460
Receivables:		
Special charges on the tax roll	162,758	185,316
Utility customers	1,017,335	1,042,031
Special assessments	101,217	101,217
Other	50,169	3,260
Prepaid items	1,886	1,839
Inventory	81,379	93,428
Total current assets	5,400,893	4,682,551
Cash and equivalents - restricted (noncurrent)	1,408,609	1,022,755
Land and construction in progress	1,157,542	1,837,544
Other capital assets, net of depreciation	58,120,303	55,873,780
Total noncurrent assets	60,686,454	58,734,079
Total assets	66,087,347	63,416,630
Deferred outflows of resources:		
Unamortized loss on debt refunding	133,911	203,777
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	311,477	340,089
Compensated absences - vacation due within one year	69,234	70,575
Compensated absences - sick due within one year	25,432	25,432
Unearned revenue	119,435	134,832
Due to other funds	208,359	401,489
Current portion of general obligation notes and BANS	645,000	590,000
Accrued interest	23,745	41,169
Total current liabilities	1,402,682	1,603,586
Long-Term Liabilities:		
Compensated absences - sick pay	209,077	219,077
OPEB obligation	208,701	185,965
General obligation notes and BANS	5,255,000	4,980,000
Total long-term liabilities	5,672,778	5,385,042
Deferred inflows of resources:		
Unamortized premium on debt issuance	81,051	60,571
Net Position:		
Net investment in capital assets	53,296,794	52,080,753
Restricted	1,408,609	1,022,755
Unrestricted	4,359,344	3,467,700
Total net position	\$ 59,064,747	\$ 56,571,208

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Water Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Charges for services	\$ 6,535,141	\$ 6,641,814
Operating Expenses:		
Operation and maintenance	2,594,181	2,497,351
Administrative expense	930,099	979,888
Depreciation expense	1,564,194	1,560,395
Taxes paid to Village	1,259,422	1,393,941
Social Security tax	63,819	65,628
Regulatory commission remainder assessments	6,206	7,120
Total operating expenses	6,417,921	6,504,323
Operating income	117,220	137,491
Nonoperating Revenues (Expenses):		
Investment earnings	5,093	5,070
Sale of materials	11,791	12,907
Gain on retirement of property and plant	---	9,270
Impact fees	384,824	160,390
Fiscal charges on debt	(1,878)	(68,420)
Amortization of debt issuance premiums, discounts and losses on refundings	(61,251)	(45,071)
Debt issuance costs	(14,136)	---
Interest on long-term debt	(146,329)	(166,772)
Net nonoperating revenues (expenses)	178,114	(92,626)
Net income before capital contributions	295,334	44,865
Capital Contributions:		
Capital contributions	2,198,205	207,171
Total capital contributions	2,198,205	207,171
Increase in net position	2,493,539	252,036
Net position:		
Balance, beginning of year	56,571,208	56,319,172
Balance, end of year	\$ 59,064,747	\$ 56,571,208

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Receipts from customers	\$ 4,787,390	\$ 4,959,302
Payments to suppliers	(2,430,167)	(2,087,530)
Payments to and on behalf of employees	(1,172,116)	(1,130,307)
Internal activity - receipts from other funds	1,817,869	1,823,667
Internal activity - payments to other funds	(1,452,552)	(1,894,133)
Other receipts	12,443	13,304
Other payments	(162)	---
Net cash provided by operating activities	1,562,705	1,684,303
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	---	9,270
Additions to property and plant	(1,015,407)	(1,378,354)
Fair value of debt issued	920,000	3,050,000
Debt issuance premiums	29,095	27,812
Debt issuance costs	(14,136)	---
Loss on defeasance of debt	---	(139,216)
Principal payments on debt	(590,000)	(3,080,000)
Interest on debt	(163,753)	(154,395)
Fiscal charges on debt	(1,878)	(68,420)
Impact fees	384,824	160,390
Net cash used by capital and related financing activities	(451,255)	(1,572,913)
Cash Flows From Investing Activities:		
Investment earnings	5,093	5,070
Net cash provided by investing activities	5,093	5,070
Net increase in cash and equivalents	1,116,543	116,460
Cash and equivalents, beginning of year	4,278,215	4,161,755
Cash and equivalents, end of year	\$ 5,394,758	\$ 4,278,215
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 3,986,149	\$ 3,255,460
Cash and cash equivalents - restricted	1,408,609	1,022,755
Total cash and equivalents	\$ 5,394,758	\$ 4,278,215

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2014 and 2013
(Continued)

	2014	2013
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 117,220	\$ 137,491
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,564,194	1,560,395
Depreciation charged to other accounts	122,529	144,919
Proceeds from sales of materials	11,791	12,907
Changes in assets and liabilities related to operations:		
Receivables	345	47,483
Prepaid items	(47)	(45)
Inventory	12,049	66
Due from other funds	(193,130)	(500,192)
Accounts payable and accrued liabilities	(68,244)	249,436
Compensated absences	(11,341)	(123)
OPEB obligation	22,736	25,874
Unearned revenue	(15,397)	6,092
Net cash provided by operating activities	\$ <u>1,562,705</u>	\$ <u>1,684,303</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 2,198,205	\$ 207,171
Amortization of debt issuance premiums, discounts and losses on refundings	61,251	45,071

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Sewer Utility
December 31, 2014 and 2013

	2014	2013
Assets:		
Current Assets:		
Cash and equivalents	\$ 4,547,949	\$ 4,805,875
Cash and equivalents - restricted (current)	118,043	115,751
Receivables:		
Taxes	300,000	300,000
Special charges on the tax roll	353,220	372,877
Utility customers	1,700,543	1,712,101
Special assessments	194,599	194,599
Other	27,448	15,148
Inventory	16,679	14,726
Total current assets	7,258,481	7,531,077
Noncurrent Assets:		
Restricted assets:		
Cash and equivalents (noncurrent)	4,267,552	3,774,684
Prepaid capacity charge	3,873,588	4,125,739
Land and construction in progress	174,419	122,163
Other capital assets net of depreciation	48,283,642	48,345,064
Total noncurrent assets	56,599,201	56,367,650
Total assets	63,857,682	63,898,727
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	1,036,687	565,245
Compensated absences - vacation due within one year	28,753	35,572
Compensated absences - sick due within one year	11,141	11,844
Unearned revenue	21,000	28,000
Current portion of advance	85,971	84,286
Due to other funds	207,364	252,107
Current portion of general obligation notes and BANS	71,090	71,090
Current portion of revenue bonds	55,549	54,021
Accrued interest	989	1,185
Liabilities payable from restricted assets:		
Current portion of revenue bonds	111,098	108,043
Accrued interest	6,945	7,708
Total current liabilities	1,636,587	1,219,101
Long-Term Liabilities:		
Compensated absences - sick pay	85,770	106,994
OPEB obligation	24,024	19,949
Advances from other funds	268,369	354,340
General obligation notes and BANS	273,270	344,360
Revenue bonds	1,422,408	1,589,054
Total long-term liabilities	2,073,841	2,414,697
Total liabilities	3,710,428	3,633,798
Deferred inflows of resources:		
Deferred revenue - subsequent year's taxes	300,000	300,000
Net Position:		
Net investment in capital assets	48,058,151	48,051,777
Restricted	4,267,552	3,774,684
Unrestricted	7,521,551	8,138,468
Total net position	\$ 59,847,254	\$ 59,964,929

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Sewer Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Charges for services	\$ 8,114,553	\$ 8,229,711
Operating Expenses:		
Operation and maintenance	7,877,277	7,786,655
Administrative expense	839,348	879,225
Depreciation expense	1,324,354	1,314,033
Social Security tax	37,939	36,685
Total operating expenses	10,078,918	10,016,598
Operating loss	(1,964,365)	(1,786,887)
Nonoperating Revenues (Expenses):		
General property taxes	300,000	300,000
Investment earnings	6,801	6,972
Sale of materials	2,944	1,263
Miscellaneous revenues	18,000	18,038
Gain (loss) on retirement of property and plant	(4,650)	---
Donated rent	(18,000)	(18,000)
Fiscal charges on debt	(110)	(80)
Interest on long-term debt	(56,043)	(63,905)
Impact fees	404,062	164,719
Interest on advances	(8,773)	(10,425)
Net nonoperating revenues	644,231	398,582
Net loss before capital contributions	(1,320,134)	(1,388,305)
Capital Contributions:		
Capital contributions	1,202,459	143,863
Decrease in net position	(117,675)	(1,244,442)
Net Position:		
Balance, beginning of year	\$ 59,964,929	\$ 61,209,371
Balance, end of year	\$ 59,847,254	\$ 59,964,929

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Receipts from customers	\$ 8,127,120	\$ 8,301,757
Payments to suppliers	(7,105,519)	(7,167,960)
Payments to and on behalf of employees	(792,043)	(791,449)
Internal activity - receipts from other funds	---	---
Internal activity - payments to other funds	(201,059)	(251,526)
Other payments	---	---
Other receipts	2,944	1,301
Net cash provided by operating activities	31,443	92,123
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	1,701	---
Additions to property and plant	(123,449)	(126,789)
Principal payments on debt	(233,153)	(320,585)
Interest on debt	(57,002)	(65,331)
Fiscal charges on debt	(110)	(80)
Advances from municipality	(84,286)	(82,633)
Interest on advances	(8,773)	(10,425)
General property taxes	300,000	300,000
Impact fees	404,062	164,719
Net cash provided (used) by capital and related financing activities	198,990	(141,124)
Cash Flows From Investing Activities:		
Investment earnings	6,801	6,972
Net cash provided by investing activities	6,801	6,972
Net increase (decrease) in cash and equivalents	237,234	(42,029)
Cash and equivalents, beginning of year	<u>8,696,310</u>	<u>8,738,339</u>
Cash and equivalents, end of year	\$ 8,933,544	\$ 8,696,310
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 4,547,949	\$ 4,805,875
Cash and cash equivalents - restricted	4,385,595	3,890,435
Total cash and equivalents	\$ 8,933,544	\$ 8,696,310

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2014 and 2013
(Continued)

	2014	2013
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating loss	\$ (1,964,365)	\$ (1,786,887)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,324,354	1,314,033
Amortization of prepaid capacity	252,151	252,152
Miscellaneous revenues	---	38
Abandonment of CIP	4,369	---
Proceeds from sales of materials	2,944	1,263
Changes in assets and liabilities related to operations:		
Receivables	18,915	73,682
Inventory	(1,953)	1,932
Due from other funds	(44,743)	(99,699)
Accounts payable and accrued liabilities	471,442	331,022
Unearned revenue	(7,000)	(7,000)
Compensated absences	(28,746)	4,027
OPEB obligation	4,075	7,560
Net cash provided by operating activities	\$ 31,443	\$ 92,123
 Noncash Capital Activities:		
Utility plant contributions	\$ 1,202,459	\$ 143,863

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Storm Water Utility
December 31, 2014 and 2013

	2014	2013
Assets:		
Current Assets:		
Cash and equivalents	\$ 894,223	\$ 2,238,810
Receivables:		
Taxes	931,250	931,250
Other	1,657	1,079
Inventory	10,007	5,991
Total current assets	1,837,137	3,177,130
Noncurrent Assets:		
Land and construction in progress	496,016	737,640
Other capital assets, net of depreciation	26,123,207	24,112,364
Total noncurrent assets	26,619,223	24,850,004
Total assets	28,456,360	28,027,134
Liabilities:		
Accounts payable and accrued liabilities	19,418	21,400
Deposits	50,000	50,000
Compensated absences - vacation due within one year	9,672	9,465
Compensated absences - sick due within one year	1,513	1,567
Current portion of advance	---	67,933
Due to other funds	140,894	239,918
Current portion of general obligation notes and BANS	442,494	412,494
Accrued interest	12,055	28,588
Total current liabilities	676,046	831,365
Long-Term Liabilities:		
Compensated absences - sick pay	37,637	36,433
OPEB obligation	15,286	13,647
General obligation notes and BANS	3,505,494	3,947,988
Total long-term liabilities	3,558,417	3,998,068
Total liabilities	4,234,463	4,829,433
Deferred inflows of resources:		
Unamortized debt premiums	45,605	51,362
Deferred revenue - subsequent year's taxes	931,250	931,250
Net Position:		
Net investment in capital assets	22,671,235	20,499,057
Unrestricted	573,807	1,716,032
Total net position	\$ 23,245,042	\$ 22,215,089

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Storm Water Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Charges for services	\$ 28,633	\$ 27,926
Operating Expenses:		
Operation and maintenance	367,624	338,625
Administrative expense	257,305	240,007
Depreciation expense	603,979	559,125
Social Security tax	12,542	12,083
Total operating expenses	1,241,450	1,149,840
Operating loss	(1,212,817)	(1,121,914)
Nonoperating Revenues (Expenses):		
General property taxes	931,250	931,250
Investment earnings	1,708	2,519
Sale of materials	---	45
Miscellaneous revenues	1,000	1,200
Loss on retirement of property and plant	(4,172)	(4,092)
Fiscal charges on debt	(854)	(21,237)
Amortization of debt issuance premiums, discounts and losses on refundings	5,756	4,191
Interest on long-term debt	(121,640)	(114,340)
Interest on advances	(4,076)	(8,746)
Net nonoperating revenues	808,972	790,790
Net loss before capital contributions	(403,845)	(331,124)
Capital contributions	1,433,798	1,079,191
Increase in net position	1,029,953	748,067
Net Position:		
Balance, beginning of year	22,215,089	21,467,022
Balance, end of year	\$ 23,245,042	\$ 22,215,089

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Receipts from customers	\$ 28,055	\$ 29,074
Payments to suppliers	(90,834)	(100,266)
Payments to and on behalf of employees	(543,212)	(481,794)
Internal activity - receipts from other funds	---	14,367
Internal activity - payments to other funds	(99,024)	---
Other receipts	932,250	932,495
Net cash provided by operating activities	227,235	393,876
Cash Flows From Noncapital Financing Activities		
Principal payments on advances	(67,933)	(77,829)
Net cash used by noncapital financing activities	(67,933)	(77,829)
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(949,999)	(873,482)
Fair value of debt issued	---	1,250,000
Debt issuance discounts	---	31,039
Principal payments on debt	(412,494)	(388,494)
Interest on debt	(138,173)	(104,445)
Fiscal charges on debt	(854)	(21,237)
Interest on advances	(4,076)	(8,746)
Net cash used by capital and related financing activities	(1,505,596)	(115,365)
Cash Flows From Investing Activities:		
Investment earnings	1,708	2,519
Net cash provided by investing activities	1,708	2,519
Net increase (decrease) in cash and equivalents	(1,344,586)	203,201
Cash and equivalents, beginning of year	2,238,810	2,035,609
Cash and equivalents, end of year	\$ 894,224	\$ 2,238,810

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2014 and 2013
(Continued)

	2014	2013
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (281,567)	\$ (190,664)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	603,979	559,125
Proceeds from sales of materials	---	45
Miscellaneous revenues	1,000	1,200
Abandonment of construction in progress	---	15,830
Changes in assets and liabilities related to operations:		
Receivables	(578)	1,148
Inventory	(4,016)	6,846
Due to or from other funds	(99,024)	14,367
Accounts payable and accrued liabilities	4,445	(17,997)
Compensated absences	1,357	1,813
OPEB obligation	1,639	2,163
Net cash provided by operating activities	\$ <u>227,235</u>	\$ <u>393,876</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 1,433,798	\$ 1,079,191
Amortization of debt issuance premiums, discounts and losses on refundings	(5,756)	(4,191)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Risk Management Fund
December 31, 2014 and 2013

	2014	2013
Assets:		
Cash and equivalents	\$ 668,348	\$ 809,779
Receivables	45,685	35,373
Prepaid items	78,608	80,169
Due from other funds	22,348	---
Total assets	814,989	925,321
Liabilities:		
Incurred but not reported claims	217,950	46,048
Due to other funds	---	69,199
Total liabilities	217,950	115,247
Net Position:		
Unrestricted	597,039	810,074
Total net position	\$ 597,039	\$ 810,074

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Charges for services	\$ ---	\$ ---
Operating Expenses:	241,949	45,334
Operating loss	(241,949)	(45,334)
Nonoperating Revenues:		
Investment earnings	589	802
Dividend on investment in CVMIC	28,325	17,651
Net nonoperating revenues	28,914	18,453
Decrease in net assets	(213,035)	(26,881)
Net Position:		
Balance, beginning of year	810,074	836,955
Balance, end of year	\$ 597,039	\$ 810,074

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (47,602)	\$ (131,594)
Internal activity - receipts from other funds	---	92,596
Internal activity - payments to other funds	(91,547)	---
Other payments	(31,196)	(25,723)
Other receipts	---	4,091
Net cash used by operating activities	(170,345)	(60,630)
Investment earnings	28,914	18,453
Net cash provided by investing activities	28,914	18,453
Net decrease in cash and equivalents	(141,431)	(42,177)
Cash and equivalents, beginning of year	809,779	851,956
Cash and equivalents, end of year	\$ 668,348	\$ 809,779
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:		
Operating loss	\$ (241,949)	\$ (45,334)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	(10,312)	4,988
Prepaid items	1,561	(80,169)
Due to/from other funds	(91,547)	92,596
Accounts payable and accrued liabilities	---	(2,000)
Incurred but not reported claims	171,902	(30,711)
Net cash used by operating activities	\$ (170,345)	\$ (60,630)

See independent auditors' report.

FIDUCIARY FUNDS

The taxing jurisdiction fund accounts for assets held by the Village 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.

The Community Development Authority fund accounts for assets held by the Village for the Community Development Authority. The primary mission of the Community Development Authority is to promote urban renewal and community and economic development within the Village. Separately issued financial statements for the Community Development Authority may be obtained from the Financial Services Department of the Village

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statements of Net Position - Fiduciary Funds
December 31, 2014

	Taxing Jurisdictions	Community Development Authority	Total Fiduciary Funds
Assets:			
Cash and equivalents	\$ 15,783,120	\$ 62,976	\$ 15,846,096
Taxes receivable	42,979,052	---	42,979,052
Notes receivable	---	304,402	304,402
Total assets	\$ 58,762,172	\$ 367,378	\$ 59,129,550
 Liabilities:			
Accounts payable	\$ ---	\$ 218	\$ 218
Due to other taxing units	58,762,172	---	58,762,172
Due to Community Development Authority	---	367,160	367,160
Total liabilities	\$ 58,762,172	\$ 367,378	\$ 59,129,550

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Changes in Assets and Liabilities - Fiduciary Funds
Year Ended December 31, 2014

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2014</u>
<u>Taxing Jurisdiction Fund</u>				
Assets:				
Cash and equivalents	\$ 16,256,783	\$ 61,715,526	\$ (62,189,189)	\$ 15,783,120
Taxes receivable	45,932,406	58,762,172	(61,715,526)	42,979,052
Total assets	\$ <u>62,189,189</u>	\$ <u>120,477,698</u>	\$ <u>(123,904,715)</u>	\$ <u>58,762,172</u>
Liabilities:				
Due to other taxing units	\$ <u>62,189,189</u>	\$ <u>58,762,172</u>	\$ <u>(62,189,189)</u>	\$ <u>58,762,172</u>
 <u>Community Development Authority Fund</u>				
Assets:				
Cash and equivalents	\$ 174,521	\$ 37,507	\$ (149,052)	\$ 62,976
Notes receivable	337,216	19,152	(51,966)	304,402
Total assets	\$ <u>511,737</u>	\$ <u>56,659</u>	\$ <u>(201,018)</u>	\$ <u>367,378</u>
Accounts payable	\$ 1,081	\$ (863)	\$ ---	\$ 218
Due to Community Development Authority	510,656	57,522	(201,018)	367,160
Total liabilities	\$ <u>511,737</u>	\$ <u>56,659</u>	\$ <u>(201,018)</u>	\$ <u>367,378</u>

See independent auditors' report.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2014

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2014	New Issues	Payments	Balance Outstanding December 31, 2014	Interest Paid 2014	Principal Due 2015	Interest Due 2015
General Fund :												
2003 G.O. Notes	08/01/03	3.56%	06/01	06/01 & 12/01	\$ 2,110,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	2,668,000	843,000	---	(372,000)	471,000	26,280	471,000	9,420
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	2,045,000	865,500	---	(213,500)	652,000	31,551	213,500	22,210
2007 G.O. Notes	06/01/07	4.32%	06/01	06/01 & 12/01	1,590,000	1,011,000	---	(184,000)	827,000	39,861	184,000	32,041
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	1,900,000	---	(220,000)	1,680,000	75,306	295,000	64,822
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	1,507,800	---	(251,300)	1,256,500	47,119	251,300	38,732
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	4,105,000	---	(220,000)	3,885,000	109,815	345,000	104,165
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	1,335,000	1,330,000	---	(65,000)	1,265,000	37,075	---	36,588
2014 G.O. Notes	06/16/14	2.91%	06/01	06/01 & 12/01	2,000,000	---	2,000,000	---	2,000,000	---	---	87,500
Total General Fund						<u>\$ 13,894,300</u>	<u>\$ 2,000,000</u>	<u>\$ (1,901,800)</u>	<u>\$ 13,992,500</u>	<u>\$ 439,979</u>	<u>\$ 1,950,800</u>	<u>\$ 455,940</u>
Municipal Facilities and Equipment Fund:												
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	\$ 6,400,000	\$ 5,800,000	\$ ---	\$ (650,000)	\$ 5,150,000	\$ 171,000	\$ 650,000	\$ 157,750
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	7,950,000	7,800,000	---	(800,000)	7,000,000	224,000	800,000	206,000
2014 G.O. Notes	06/16/14	2.91%	06/01	06/01 & 12/01	2,000,000	---	2,000,000	---	2,000,000	---	200,000	71,917
2014 G.O. Notes	11/17/14	0.00%	02/15	N/A	223,622	---	223,622	---	223,622	---	27,953	---
Total Municipal Facilities Fund						<u>\$ 13,600,000</u>	<u>\$ 2,223,622</u>	<u>\$ (1,450,000)</u>	<u>\$ 14,373,622</u>	<u>\$ 395,000</u>	<u>\$ 1,677,953</u>	<u>\$ 435,667</u>
Special Assessment Fund:												
2004 G.O. Notes	09/01/04	3.60%	09/01	03/01 & 09/01	\$ 508,264	\$ 75,000	\$ ---	\$ (75,000)	\$ ---	\$ 3,000	\$ ---	\$ ---
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	272,000	57,000	---	(28,000)	29,000	1,720	29,000	580
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	250,059	75,018	---	(25,006)	50,012	2,641	25,006	1,547
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	160,000	64,000	---	(16,000)	48,000	2,420	16,000	1,740
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	294,550	---	(58,910)	235,640	11,118	58,910	8,725
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	106,200	---	(17,700)	88,500	3,319	17,700	2,728
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	70,000	65,000	---	(5,000)	60,000	1,688	5,000	1,600
Total Special Assessment Fund						<u>\$ 959,768</u>	<u>\$ ---</u>	<u>\$ (254,616)</u>	<u>\$ 705,152</u>	<u>\$ 32,031</u>	<u>\$ 180,616</u>	<u>\$ 22,311</u>
TID District #2:												
2010 G.O. Notes	02/01/10	2.15%	09/01	03/01 & 09/01	\$ 2,800,000	\$ 575,000	\$ ---	\$ (575,000)	\$ ---	\$ 12,938	\$ ---	\$ ---
Total TID District #2						<u>\$ 575,000</u>	<u>\$ ---</u>	<u>\$ (575,000)</u>	<u>\$ ---</u>	<u>\$ 12,938</u>	<u>\$ ---</u>	<u>\$ ---</u>
TID District #5:												
2004 G.O. Refunding Bonds	05/15/04	4.92%	05/01	05/01 & 11/01	\$ 7,225,000	\$ 4,675,000	\$ ---	\$ (4,675,000)	\$ ---	\$ 119,297	\$ ---	\$ ---
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	900,000	850,000	---	(50,000)	800,000	22,563	50,000	21,688
2012 Refi #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	1,850,000	1,850,000	---	---	1,850,000	44,125	100,000	44,125
2014 Go Notes Refund #87	04/01/14	1.95%	04/01	04/01 & 10/01	3,825,000	---	3,825,000	---	3,825,000	36,062	875,000	65,563
Total TID District #5						<u>\$ 7,375,000</u>	<u>\$ 3,825,000</u>	<u>\$ (4,725,000)</u>	<u>\$ 6,475,000</u>	<u>\$ 222,047</u>	<u>\$ 1,025,000</u>	<u>\$ 131,375</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2014

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2014	New Issues	Payments	Balance Outstanding December 31, 2014	Interest Paid 2014	Principal Due 2015	Interest Due 2015
TID District #6:												
2010 G.O. Notes	05/17/10	4.25%	11/01	05/01 & 11/01	\$ 17,650,000	\$ 17,650,000	\$ ---	\$ (17,650,000)	\$ ---	\$ 750,125	\$ ---	\$ ---
2010 G.O. NAN	10/05/10	2.50%	03/01	03/01 & 09/01	1,280,000	---	---	---	---	---	---	---
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	875,000	---	---	---	---	---	---	---
2013 GO Refund 108	02/28/13	1.75%	10/01	04/01 & 10/01	1,280,000	1,280,000	---	---	1,280,000	22,400	---	22,400
2013 GO Refund 111	09/30/13	2.00%	10/01	04/01 & 10/01	875,000	875,000	---	---	875,000	17,549	---	17,500
2014 GO Hotel Debt Refinance	10/30/14	4.00%	05/01	05/01 & 11/01	8,450,000	---	8,450,000	---	8,450,000	---	---	333,361
Total TID District #6						<u>\$ 19,805,000</u>	<u>\$ 8,450,000</u>	<u>\$ (17,650,000)</u>	<u>\$ 10,605,000</u>	<u>\$ 790,074</u>	<u>\$ ---</u>	<u>\$ 373,261</u>
TID District #8:												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 8,850,000	\$ ---	\$ (1,125,000)	\$ 7,725,000	\$ 272,156	\$ 1,300,000	\$ 246,125
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	1,000,000	---	(400,000)	600,000	20,813	275,000	14,813
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	160,000	---	---	160,000	4,394	---	4,394
2013 G.O. Notes	06/17/13	1.15%	06/01	06/01 & 12/01	7,175,000	7,175,000	---	---	7,175,000	82,513	---	82,513
Total TID District #8						<u>\$ 17,185,000</u>	<u>\$ ---</u>	<u>\$ (1,525,000)</u>	<u>\$ 15,660,000</u>	<u>\$ 379,875</u>	<u>\$ 1,575,000</u>	<u>\$ 347,844</u>
TID District #9:												
2012 G.O. Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 250,000	\$ 250,000	\$ ---	\$ ---	\$ 250,000	\$ 6,813	\$ ---	\$ 6,813
TID District #10:												
2012 G.O. Notes	09/28/12	3.00%	09/01	03/01 & 09/01	\$ 10,025,000	\$ 10,025,000	\$ ---	\$ ---	\$ 10,025,000	\$ 300,750	\$ 10,025,000	\$ 300,750
2013 G.O. Notes	09/30/13	2.00%	10/01	04/01 & 10/01	4,100,000	4,100,000	---	---	4,100,000	82,228	---	82,000
Total TID District #10						<u>\$ 14,125,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,125,000</u>	<u>\$ 382,978</u>	<u>\$ 10,025,000</u>	<u>\$ 382,750</u>
TID District #11:												
2013 G.O. Notes	09/30/13	2.00%	10/01	04/01 & 10/01	\$ 525,000	\$ 525,000	\$ ---	\$ ---	\$ 525,000	\$ 10,529	\$ ---	\$ 10,500

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2014

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2014	New Issues	Payments	Balance Outstanding December 31, 2014	Interest Paid 2014	Principal Due 2015	Interest Due 2015
Water Utility :												
2005 G.O. Notes	07/01/05	3.87%	06/01	06/01 & 12/01	\$ 840,000	\$ 200,000	\$ ---	\$ (100,000)	\$ 100,000	\$ 6,000	\$ 100,000	\$ 2,000
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	790,000	575,000	---	(75,000)	500,000	16,916	80,000	14,735
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	690,000	---	(80,000)	610,000	16,943	80,000	15,343
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	1,055,000	---	(110,000)	945,000	26,469	110,000	24,544
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	1,120,000	---	(50,000)	1,070,000	45,641	50,000	30,200
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	1,930,000	---	(175,000)	1,755,000	51,784	175,000	34,144
2014 G.O. Notes	06/16/14	2.91%	06/01	06/01 & 12/01	920,000		920,000	---	920,000	---	50,000	36,427
Total Water Utility						<u>\$ 5,570,000</u>	<u>\$ 920,000</u>	<u>\$ (590,000)</u>	<u>\$ 5,900,000</u>	<u>\$ 163,753</u>	<u>\$ 645,000</u>	<u>\$ 157,392</u>
Sewer Utility:												
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	\$ 217,231	\$ 94,592	\$ ---	\$ (12,356)	\$ 82,236	\$ 2,626	\$ 12,723	\$ 2,253
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	791,035	189,483	---	(61,178)	128,305	5,094	63,140	3,101
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	1,467,043	---	(88,529)	1,378,514	36,238	90,784	33,955
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	230,450	---	(46,090)	184,360	8,700	46,090	6,828
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	185,000	---	(25,000)	160,000	4,344	25,000	3,844
Total Sewer Utility						<u>\$ 2,166,568</u>	<u>\$ ---</u>	<u>\$ (233,153)</u>	<u>\$ 1,933,415</u>	<u>\$ 57,002</u>	<u>\$ 237,737</u>	<u>\$ 49,981</u>
Storm Water Utility:												
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 109,482	\$ ---	\$ (36,494)	\$ 72,988	\$ 3,855	\$ 36,494	\$ 2,258
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	886,000	---	(81,000)	805,000	29,025	106,000	25,900
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	435,000	---	(55,000)	380,000	12,836	60,000	11,218
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	1,005,000	---	(115,000)	890,000	24,675	115,000	22,375
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	675,000	---	(70,000)	605,000	16,950	70,000	15,725
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	1,250,000	---	(55,000)	1,195,000	50,831	55,000	33,650
Total Storm Water Utility						<u>\$ 4,360,482</u>	<u>\$ ---</u>	<u>\$ (412,494)</u>	<u>\$ 3,947,988</u>	<u>\$ 138,172</u>	<u>\$ 442,494</u>	<u>\$ 111,125</u>
Total long-term obligations						<u>\$ 100,391,118</u>	<u>\$ 17,418,622</u>	<u>\$ (29,317,063)</u>	<u>\$ 88,492,677</u>	<u>\$ 3,031,188</u>	<u>\$ 17,759,600</u>	<u>\$ 2,484,958</u>

See independent auditors' report.

STATISTICAL SECTION

Statistical Section

This section of the Village of Menomonee Falls' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the Village's financial condition.

Contents:

Page(s)

Financial Trends

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

107 - 117

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.

118 - 124

Debt Capacity

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

125 - 130

Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

131 - 133

Operating Information

134 - 135

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Net Position By Component
Last Ten Years
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
Net investment in capital assets	\$ 103,412,007	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481	\$ 72,568,233	\$ 69,606,209	\$ 63,706,297	\$ 56,228,372
Restricted	4,263,413	8,154,210	15,340,255	5,425,086	5,989,717	9,964,612	8,337,633	8,859,678	9,083,184	8,622,102
Unrestricted	(2,568,467)	3,202,645	3,353,935	6,247,496	8,956,797	5,714,651	15,515,922	16,150,668	13,930,194	16,678,531
Total governmental activities net position	<u>\$ 105,106,953</u>	<u>\$ 106,388,719</u>	<u>\$ 103,464,235</u>	<u>\$ 105,821,029</u>	<u>\$ 109,063,805</u>	<u>\$ 106,731,744</u>	<u>\$ 96,421,788</u>	<u>\$ 94,616,555</u>	<u>\$ 86,719,675</u>	<u>\$ 81,529,005</u>
Business-type activities:										
Net investment in capital assets	\$ 124,026,180	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050	\$ 121,095,716	\$ 120,252,088	\$ 119,860,623	\$ 117,788,733	\$ 116,979,203
Restricted	5,676,161	4,797,439	4,837,262	6,585,206	10,019,745	13,067,810	13,496,684	12,906,943	11,753,465	10,927,390
Unrestricted	12,454,702	13,322,201	12,262,744	11,038,425	12,191,413	8,893,049	9,917,625	8,652,115	6,657,611	2,721,065
Total business-type activities net position	<u>\$ 142,157,043</u>	<u>\$ 138,751,226</u>	<u>\$ 143,688,283</u>	<u>\$ 143,892,278</u>	<u>\$ 143,998,208</u>	<u>\$ 143,056,575</u>	<u>\$ 143,666,397</u>	<u>\$ 141,419,681</u>	<u>\$ 136,199,809</u>	<u>\$ 130,627,658</u>
Primary government:										
Restricted	\$ 9,939,574	\$ 12,951,649	\$ 20,177,517	\$ 12,010,292	\$ 16,009,462	\$ 23,032,422	\$ 21,834,317	\$ 21,766,621	\$ 20,836,649	\$ 19,549,492
Unrestricted	9,886,235	16,524,846	15,616,679	17,285,921	21,148,210	14,607,700	25,433,547	24,802,783	20,587,805	19,399,596
Total primary government net position	<u>\$ 247,263,996</u>	<u>\$ 245,139,945</u>	<u>\$ 247,152,518</u>	<u>\$ 249,713,307</u>	<u>\$ 253,062,013</u>	<u>\$ 249,788,319</u>	<u>\$ 240,088,185</u>	<u>\$ 236,036,236</u>	<u>\$ 222,919,484</u>	<u>\$ 212,156,663</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Summary
Last Ten Years
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
Total expenses	\$ 46,497,824	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219	\$ 34,223,341	\$ 32,085,604	\$ 32,185,991	\$ 33,361,030
Total program revenues	17,259,857	10,064,114	13,102,142	10,498,182	10,237,660	16,953,433	10,077,758	13,845,474	9,888,737	10,875,638
Net program expense	<u>(29,237,967)</u>	<u>(25,587,627)</u>	<u>(25,839,029)</u>	<u>(30,478,171)</u>	<u>(24,731,956)</u>	<u>(16,009,786)</u>	<u>(24,145,583)</u>	<u>(18,240,130)</u>	<u>(22,297,254)</u>	<u>(22,485,392)</u>
Total general revenues and other changes in net position	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742	25,950,816	26,137,010	27,487,924	20,668,568
Prior period adjustment	121,324	(923,763)	---	---	---	---	---	---	---	---
Change in net position	<u>33,364</u>	<u>2,924,484</u>	<u>(2,356,794)</u>	<u>(3,242,776)</u>	<u>2,332,061</u>	<u>10,309,956</u>	<u>1,805,233</u>	<u>7,896,880</u>	<u>5,190,670</u>	<u>(1,816,824)</u>
Business-type activities:										
Total expenses	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260	17,509,431	16,855,381	15,827,596	15,360,970	15,852,617
Total program revenues	20,301,675	16,654,785	16,736,310	16,110,592	16,642,735	15,558,718	17,340,658	18,716,083	18,761,894	21,305,600
Net program revenue	<u>2,127,230</u>	<u>(1,528,781)</u>	<u>(1,521,364)</u>	<u>(1,445,552)</u>	<u>(358,525)</u>	<u>(1,950,713)</u>	<u>485,277</u>	<u>2,888,487</u>	<u>3,400,924</u>	<u>5,452,983</u>
Total general revenues and other changes in net position	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891	1,761,439	2,331,385	2,171,227	7,605,342
Change in net position	<u>3,405,817</u>	<u>(4,937,057)</u>	<u>(203,995)</u>	<u>(105,930)</u>	<u>941,633</u>	<u>(609,822)</u>	<u>2,246,716</u>	<u>5,219,872</u>	<u>5,572,151</u>	<u>13,058,325</u>
Total primary government										
Change in net position	<u>\$ 3,439,181</u>	<u>\$ (2,012,573)</u>	<u>\$ (2,560,789)</u>	<u>\$ (3,348,706)</u>	<u>\$ 3,273,694</u>	<u>\$ 9,700,134</u>	<u>\$ 4,051,949</u>	<u>\$ 13,116,752</u>	<u>\$ 10,762,821</u>	<u>\$ 11,241,501</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Expenses by Function
Last Ten Years
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
General government	\$ 4,720,166	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070	\$ 4,041,098	\$ 4,180,139	\$ 4,571,922	\$ 4,460,518	\$ 4,393,340
Public Safety	14,436,356	14,060,147	14,059,166	14,270,726	14,200,950	13,681,300	13,273,575	12,650,734	12,231,894	11,931,738
Public works	9,346,862	9,161,630	8,508,057	8,643,954	8,700,112	8,134,046	9,956,820	7,423,111	8,030,019	9,275,810
Culture and recreation	3,405,817	3,202,857	3,082,115	3,319,499	3,328,134	3,474,168	3,204,236	3,333,357	3,231,201	3,064,723
Conservation and development	13,245,448	2,075,907	5,322,277	7,316,955	1,639,911	1,044,474	936,484	1,196,468	1,061,455	1,202,188
Loss on defeasement of debt	---	---	---	---	---	---	---	---	---	108,122
Interest on advances from utilities	---	---	---	---	---	6,388	35,394	72,379	71,337	45,470
Interest on long-term debt	2,658,305	2,525,635	3,040,542	2,990,375	2,843,439	2,523,047	2,636,693	2,837,633	3,099,567	3,339,639
Total governmental activities expenses	<u>47,812,954</u>	<u>35,651,741</u>	<u>38,941,171</u>	<u>40,976,353</u>	<u>34,969,616</u>	<u>32,963,219</u>	<u>34,223,341</u>	<u>32,085,604</u>	<u>32,185,991</u>	<u>33,361,030</u>
Business-type activities:										
Sewer Utility	10,166,494	10,109,008	10,153,534	9,492,870	9,213,515	9,770,633	9,154,180	8,378,176	8,146,358	8,974,555
Water Utility	6,641,515	6,784,586	6,728,861	6,677,008	6,473,258	6,389,476	6,352,569	6,070,478	5,944,564	5,744,965
Storm Water Utility	1,366,436	1,289,972	1,375,279	1,386,266	1,314,487	1,349,322	1,348,632	1,378,942	1,270,048	1,133,097
Total business-type activities expenses	<u>18,174,445</u>	<u>18,183,566</u>	<u>18,257,674</u>	<u>17,556,144</u>	<u>17,001,260</u>	<u>17,509,431</u>	<u>16,855,381</u>	<u>15,827,596</u>	<u>15,360,970</u>	<u>15,852,617</u>
Total primary government expenses	<u>\$ 65,987,399</u>	<u>\$ 53,835,307</u>	<u>\$ 57,198,845</u>	<u>\$ 58,532,497</u>	<u>\$ 51,970,876</u>	<u>\$ 50,472,650</u>	<u>\$ 51,078,722</u>	<u>\$ 47,913,200</u>	<u>\$ 47,546,961</u>	<u>\$ 49,213,647</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Summary of Program Revenues by Type
Last Ten Years
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
Charges for services	\$ 7,126,005	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835	\$ 6,302,663	\$ 6,467,051	\$ 6,864,218	\$ 5,634,095	\$ 5,371,437
Operating grants and contributions	2,935,157	2,318,766	2,613,573	2,441,155	2,361,517	2,680,384	2,005,597	3,818,553	2,380,174	3,310,997
Capital grants and contributions	7,198,695	1,048,838	1,714,561	773,126	1,240,308	7,970,386	1,605,110	3,162,703	1,874,468	2,193,204
Total governmental activities program revenues	<u>17,259,857</u>	<u>10,064,114</u>	<u>13,102,142</u>	<u>10,498,182</u>	<u>10,237,660</u>	<u>16,953,433</u>	<u>10,077,758</u>	<u>13,845,474</u>	<u>9,888,737</u>	<u>10,875,638</u>
Business-type activities:										
Charges for services	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582	14,977,719	15,368,939	14,878,055	14,784,488	15,288,037
Capital grants and contributions	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153	580,999	1,971,719	3,838,028	3,977,406	6,017,563
Total business-type activities program revenues	<u>20,301,675</u>	<u>16,654,785</u>	<u>16,736,310</u>	<u>16,110,592</u>	<u>16,642,735</u>	<u>15,558,718</u>	<u>17,340,658</u>	<u>18,716,083</u>	<u>18,761,894</u>	<u>21,305,600</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Charges for Services by Function
Last Ten Years
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
General government	\$ 539,299	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962	\$ 461,226	\$ 369,566	\$ 334,312	\$ 303,884	\$ 281,972
Public safety	1,585,437	1,641,121	1,639,585	1,513,795	1,548,880	1,439,822	1,255,531	1,283,471	1,209,748	1,193,603
Public works	3,978,709	3,644,103	5,779,785	4,479,108	3,773,328	3,793,143	3,864,882	4,262,283	3,098,379	2,845,524
Culture and recreation	122,347	122,973	120,513	124,526	127,391	108,368	323,646	48,565	47,860	40,775
Conservation and development	900,213	707,409	667,551	642,507	707,274	500,104	653,426	935,587	974,224	1,009,563
Total governmental activities charges for services	<u>7,126,005</u>	<u>6,696,510</u>	<u>8,774,008</u>	<u>7,283,901</u>	<u>6,635,835</u>	<u>6,302,663</u>	<u>6,467,051</u>	<u>6,864,218</u>	<u>5,634,095</u>	<u>5,371,437</u>
Business-type activities:										
Sewer Utility	8,114,553	8,229,711	8,526,609	8,287,181	8,652,539	8,789,253	9,017,943	8,630,561	8,529,972	8,827,892
Water Utility	6,535,141	6,641,814	7,097,796	6,577,855	6,144,447	6,154,632	6,310,089	6,188,814	6,198,782	6,421,058
Storm Water Utility	28,633	27,926	28,260	32,237	33,596	33,834	40,907	58,680	55,734	39,087
Total business-type activities charges for services	<u>14,678,327</u>	<u>14,899,451</u>	<u>15,652,665</u>	<u>14,897,273</u>	<u>14,830,582</u>	<u>14,977,719</u>	<u>15,368,939</u>	<u>14,878,055</u>	<u>14,784,488</u>	<u>15,288,037</u>
Total primary government charges for services	<u>\$ 21,804,332</u>	<u>\$ 21,595,961</u>	<u>\$ 24,426,673</u>	<u>\$ 22,181,174</u>	<u>\$ 21,466,417</u>	<u>\$ 21,280,382</u>	<u>\$ 21,835,990</u>	<u>\$ 21,742,273</u>	<u>\$ 20,418,583</u>	<u>\$ 20,659,474</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Operating Grants and Contributions by Function
Last Ten Years
(accrual basis of accounting)

	<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>		<u>2006</u>		<u>2005</u>
Governmental activities:																			
Public safety	\$ 586,717	\$	440,209	\$	487,864	\$	311,550	\$	242,256	\$	302,725	\$	211,964	\$	178,992	\$	181,375	\$	436,815
Public works	1,826,242		1,774,408		1,977,282		2,033,841		2,027,059		2,127,402		1,528,727		2,889,092		1,908,834		2,449,699
Culture and recreation	42,057		28,177		41,352		34,814		44,121		45,431		34,995		39,688		15,088		21,146
Conservation and development	480,141		75,972		107,075		60,950		48,081		204,826		229,911		710,781		274,877		403,337
Total governmental activities operating grants and contributions	<u>\$ 2,935,157</u>	\$	<u>2,318,766</u>	\$	<u>2,613,573</u>	\$	<u>2,441,155</u>	\$	<u>2,361,517</u>	\$	<u>2,680,384</u>	\$	<u>2,005,597</u>	\$	<u>3,818,553</u>	\$	<u>2,380,174</u>	\$	<u>3,310,997</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
Capital Grants and Contributions by Function
Last Ten Years
(accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
General government	\$ 4,269,900	\$ ---	\$ ---	\$ 5,000	\$ 14,569	\$ ---	\$ ---	\$ ---	\$ 70,510	\$ ---
Public safety	---	---	107,000	---	---	60,000	---	---	---	---
Public works	2,928,795	1,048,838	1,604,161	768,126	1,225,739	7,910,386	1,604,249	3,163,041	1,788,839	2,185,823
Culture and recreation	---	---	---	---	---	---	861	(338)	15,119	7,381
Conservation and development	---	---	3,400	---	---	---	---	---	---	---
Total governmental activities capital grants and contributions	<u>7,198,695</u>	<u>1,048,838</u>	<u>1,714,561</u>	<u>773,126</u>	<u>1,240,308</u>	<u>7,970,386</u>	<u>1,605,110</u>	<u>3,162,703</u>	<u>1,874,468</u>	<u>2,193,204</u>
Business-type activities:										
Sewer Utility	1,606,521	308,582	373,943	454,450	981,360	278,529	492,911	1,553,881	1,133,729	2,176,126
Water Utility	2,583,029	367,561	709,702	543,002	830,793	287,657	1,137,181	1,343,390	2,035,897	2,587,770
Storm Water Utility	1,433,798	1,079,191	---	215,867	---	14,813	341,627	940,757	807,780	1,253,667
Total business-type activities capital grants and contributions	<u>5,623,348</u>	<u>1,755,334</u>	<u>1,083,645</u>	<u>1,213,319</u>	<u>1,812,153</u>	<u>580,999</u>	<u>1,971,719</u>	<u>3,838,028</u>	<u>3,977,406</u>	<u>6,017,563</u>
Total primary government capital grants and contributions	<u>\$ 12,822,043</u>	<u>\$ 2,804,172</u>	<u>\$ 2,798,206</u>	<u>\$ 1,986,445</u>	<u>\$ 3,052,461</u>	<u>\$ 8,551,385</u>	<u>\$ 3,576,829</u>	<u>\$ 7,000,731</u>	<u>\$ 5,851,874</u>	<u>\$ 8,210,767</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Position
General Revenues and Other Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
Taxes	\$ 27,345,166	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386	\$ 24,728,311	\$ 23,522,724	\$ 22,408,932	\$ 23,413,299	\$ 22,686,333
Grants and contributions not restricted to specific programs	1,542,891	1,050,489	1,047,409	1,230,437	1,100,295	1,263,645	1,227,423	1,492,124	1,933,923	2,084,021
Investments earnings	71,074	65,991	118,049	120,702	151,238	234,227	1,052,148	2,126,362	2,047,464	1,362,938
Interest on advances to utilities	12,849	19,171	25,232	22,082	38,824	31,048	34,537	39,037	39,037	36,828
Gain (loss) on retirement of capital assets	---	(192,379)	(4,138,753)	13,182	32,391	---	56,912	33,175	3,318	16,182
Residual equity transfer - TID 3	---	---	---	---	---	---	---	---	---	(5,625,000)
Debt payments received	---	---	213,716	---	---	---	---	---	---	---
Developer incentives returned	---	2,000,000	---	---	---	---	---	---	---	---
Other revenues	178,027	118,125	81,500	97,446	65,883	62,511	57,072	37,380	50,883	107,266
Total governmental activities general revenues and other changes in net position	<u>29,150,007</u>	<u>29,435,874</u>	<u>23,482,235</u>	<u>27,235,395</u>	<u>27,064,017</u>	<u>26,319,742</u>	<u>25,950,816</u>	<u>26,137,010</u>	<u>27,487,924</u>	<u>20,668,568</u>
Business-type activities:										
Taxes	1,231,250	1,231,250	1,231,250	1,231,250	1,212,990	1,195,085	1,177,535	1,151,745	1,127,500	1,417,165
Investments earnings	13,602	14,561	24,509	27,662	41,540	124,673	567,393	1,105,838	965,611	515,633
Interest on advances to governmental funds	---	---	---	---	---	6,388	35,394	72,379	71,337	45,470
Gain (loss) on retirement of capital assets	---	5,178	(1,575)	24,135	4,678	147	(21,138)	497	5,888	920
Residual equity transfer - TID 3	---	---	---	---	---	---	---	---	---	5,625,000
Other revenues	33,735	33,453	63,185	56,575	40,950	14,598	2,255	926	891	1,154
Total business-type activities general revenues and other changes in net position	<u>1,278,587</u>	<u>1,284,442</u>	<u>1,317,369</u>	<u>1,339,622</u>	<u>1,300,158</u>	<u>1,340,891</u>	<u>1,761,439</u>	<u>2,331,385</u>	<u>2,171,227</u>	<u>7,605,342</u>
Total primary government general revenues and other changes in net position	<u>\$ 30,428,594</u>	<u>\$ 30,720,316</u>	<u>\$ 24,799,604</u>	<u>\$ 28,575,017</u>	<u>\$ 28,364,175</u>	<u>\$ 27,660,633</u>	<u>\$ 27,712,255</u>	<u>\$ 28,468,395</u>	<u>\$ 29,659,151</u>	<u>\$ 28,273,910</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Fund Balances - Governmental Funds
Last Ten Years
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:										
Nonspendable	\$ 2,375,001	\$ 2,189,844	\$ 2,498,367	\$ 2,391,707	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	---	---	91,526	11,094	---	---	---	---	---	---
Unassigned	7,265,583	7,340,740	6,675,691	6,843,969	---	---	---	---	---	---
Reserved	---	---	---	---	2,018,827	2,060,963	2,225,144	1,720,549	1,393,672	1,420,694
Unreserved	---	---	---	---	6,076,505	6,034,369	5,870,188	6,374,783	6,701,660	8,244,768
Total general fund	<u>9,640,584</u>	<u>9,530,584</u>	<u>9,265,584</u>	<u>9,246,770</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>9,665,462</u>
All Other Governmental Funds:										
Nonspendable	1,232,169	15,369,451	15,985,377	17,818,086	---	---	---	---	---	---
Restricted	8,961,001	10,579,623	17,177,241	11,860,659	---	---	---	---	---	---
Committed	2,995,623	4,114,678	1,043,079	6,311,798	---	---	---	---	---	---
Assigned	4,487,089	3,215,701	7,399,395	534,957	---	---	---	---	---	---
Unassigned	(1,174,729)	(386,481)	(3,289,054)	(887,452)	---	---	---	---	---	---
Reserved	---	---	---	---	30,420,048	14,826,220	12,438,231	12,916,336	12,507,588	11,588,421
Unreserved, reported in:										
Special Revenue funds	---	---	---	---	6,485,333	91,966	304,130	23,631	1,172	5,628
Capital Projects funds	---	---	---	---	(230,554)	3,429,420	5,917,809	5,742,738	6,519,125	6,104,382
Total all other governmental funds	<u>16,501,153</u>	<u>32,892,972</u>	<u>38,316,038</u>	<u>35,638,048</u>	<u>36,674,827</u>	<u>18,347,606</u>	<u>18,660,170</u>	<u>18,682,705</u>	<u>19,027,885</u>	<u>17,698,431</u>
Total all governmental funds	<u>\$ 26,141,737</u>	<u>\$ 42,423,556</u>	<u>\$ 47,581,622</u>	<u>\$ 44,884,818</u>	<u>\$ 44,770,159</u>	<u>\$ 26,442,938</u>	<u>\$ 26,755,502</u>	<u>\$ 26,778,037</u>	<u>\$ 27,123,217</u>	<u>\$ 27,363,893</u>

The Village implemented GASB Statement No. 54 on December 31, 2011; accordingly, prior year data is based on classifications before GASB Statement No. 54.

Source: Comprehensive Annual Financial Reports

Fluctuations in all other governmental fund balance, reserved and unreserved amounts, primarily reflect financing, construction in progress and completion of capital projects.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Fund Balances - Governmental Funds
Summary
Last Ten Years
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues	\$ 39,901,182	\$ 39,455,974	\$ 38,909,480	\$ 37,588,066	\$ 36,285,708	\$ 35,891,953	\$ 36,241,840	\$ 38,592,606	\$ 36,875,263	\$ 35,579,930
Expenditures	<u>60,851,335</u>	<u>43,561,974</u>	<u>58,281,312</u>	<u>49,578,107</u>	<u>54,945,695</u>	<u>40,537,373</u>	<u>42,473,059</u>	<u>38,696,476</u>	<u>41,293,845</u>	<u>40,532,576</u>
Deficiency of revenues under expenditures	<u>(20,950,153)</u>	<u>(4,106,000)</u>	<u>(19,371,832)</u>	<u>(11,990,041)</u>	<u>(18,659,987)</u>	<u>(4,645,420)</u>	<u>(6,231,219)</u>	<u>(103,870)</u>	<u>(4,418,582)</u>	<u>(4,952,646)</u>
Other financing sources (uses) and other Changes in fund balances	4,547,010	(1,052,066)	22,068,636	12,104,700	36,987,208	4,332,856	6,208,684	(241,310)	4,177,906	(2,572,192)
Prior period adjustment	<u>121,324</u>	<u>(923,763)</u>	---	---	---	---	---	---	---	---
Total change in fund balance	<u>\$ (16,281,819)</u>	<u>\$ (5,158,066)</u>	<u>\$ 2,696,804</u>	<u>\$ 114,659</u>	<u>\$ 18,327,221</u>	<u>\$ (312,564)</u>	<u>\$ (22,535)</u>	<u>\$ (345,180)</u>	<u>\$ (240,676)</u>	<u>\$ (7,524,838)</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Fund Balances - Governmental Funds
Revenues
Last Ten Years
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Taxes	\$ 26,266,221	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550	\$ 23,618,142	\$ 22,520,264	\$ 23,473,017	\$ 22,451,038	\$ 21,704,988
Payment in lieu of tax	1,259,422	1,393,941	1,292,036	1,203,973	1,200,836	1,110,169	1,002,460	980,285	962,261	981,345
Special assessment & interest	192,256	95,737	178,285	195,095	156,193	271,814	303,739	370,858	416,269	488,565
Licenses and permits	1,347,111	1,187,601	1,141,357	1,094,714	1,102,585	877,195	875,180	1,047,884	1,058,018	1,109,962
Fines and penalties	563,671	744,985	649,989	648,116	755,247	662,503	661,095	611,749	602,289	559,558
Intergovernmental aid	3,607,341	3,219,203	3,186,673	3,800,609	3,355,012	3,821,062	3,714,531	4,129,207	4,795,658	4,697,857
Program revenues	1,440,025	1,474,779	1,447,884	1,511,174	1,410,802	1,244,290	1,492,130	119,856	124,012	145,726
Other charges for service	3,726,595	3,322,434	5,395,570	4,064,142	3,346,548	3,472,847	3,448,579	4,844,268	3,707,532	3,451,237
Interest income	42,985	48,315	70,775	89,279	120,726	222,381	1,073,689	2,110,216	1,997,467	1,293,674
Interest on advances	32,280	237,966	241,269	104,066	112,724	84,728	85,392	69,525	60,164	46,364
Developer incentives returned	---	2,000,000	---	---	---	---	---	---	---	---
Other revenue	1,423,275	750,477	462,596	329,325	250,485	506,822	1,064,781	835,741	700,555	1,100,654
Total revenues	<u>\$ 39,901,182</u>	<u>\$ 39,455,974</u>	<u>\$ 38,909,480</u>	<u>\$ 37,588,066</u>	<u>\$ 36,285,708</u>	<u>\$ 35,891,953</u>	<u>\$ 36,241,840</u>	<u>\$ 38,592,606</u>	<u>\$ 36,875,263</u>	<u>\$ 35,579,930</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Fund Balances - Governmental Funds
Expenditures
Last Ten Years
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current:										
General government	\$ 3,909,661	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621	\$ 3,462,236	\$ 3,461,298	\$ 3,622,525	\$ 3,654,109	\$ 3,819,230
Public safety	13,823,637	13,403,094	13,349,480	13,532,420	13,440,800	13,087,197	12,648,113	11,976,449	11,611,690	11,254,135
Public works	7,101,179	7,331,797	6,806,723	6,915,529	6,905,932	6,390,586	8,627,095	6,112,332	6,762,634	8,033,495
Culture and recreation	2,921,152	2,666,107	2,587,993	2,758,347	2,792,380	2,933,828	2,646,871	2,792,883	2,700,236	2,518,928
Conservation and development	1,486,607	2,039,586	5,111,837	7,410,485	1,645,679	1,145,049	870,587	1,215,791	1,152,259	1,189,051
Uncollectible accounts	5,261,620	---	---	---	---	---	---	---	---	---
Interest on advances	19,431	218,795	216,037	81,984	73,900	60,068	86,249	102,867	92,464	55,006
Loss on defeasance of debt	---	---	---	---	---	---	---	---	---	108,122
Loss on refunding of debt	---	---	---	---	---	---	---	---	---	144,726
Debt issuance costs	324,699	200,271	393,613	205,922	692,884	90,750	68,243	11,500	10,000	75,335
Capital outlay	7,579,866	4,120,998	16,066,598	5,119,767	10,597,430	2,730,380	1,532,375	1,909,765	2,382,325	1,565,208
Debt service:										
Principal	15,756,416	6,670,417	6,548,416	6,258,415	12,688,416	8,027,416	9,913,506	8,073,002	9,781,450	8,389,341
Interest and fiscal charges	2,667,067	2,956,176	3,022,128	3,355,521	2,465,653	2,609,863	2,618,722	2,879,362	3,146,678	3,379,999
Total expenditures	<u>\$ 60,851,335</u>	<u>\$ 43,561,974</u>	<u>\$ 58,281,312</u>	<u>\$ 49,578,107</u>	<u>\$ 54,945,695</u>	<u>\$ 40,537,373</u>	<u>\$ 42,473,059</u>	<u>\$ 38,696,476</u>	<u>\$ 41,293,845</u>	<u>\$ 40,532,576</u>
Noncapital expenditures	<u>34.58%</u>	<u>24.41%</u>	<u>22.67%</u>	<u>21.62%</u>	<u>34.17%</u>	<u>28.14%</u>	<u>30.61%</u>	<u>29.77%</u>	<u>33.22%</u>	<u>30.20%</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Fund Balances - Governmental Funds
Other Financing Sources (Uses) and Other Changes in Fund Balance
Last Ten Years
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating transfers in	\$ 21,284,579	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073	\$ 7,471,082	\$ 11,304,685	\$ 10,331,806	\$ 10,139,049	\$ 9,668,403
Operating transfers out	(21,284,578)	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)	(7,471,082)	(11,304,685)	(10,331,806)	(10,139,049)	(9,668,403)
Residual equity transfer	---	---	---	---	---	---	---	---	---	(5,625,000)
Proceeds (loss) from sale of capital assets	(55,294)	41,906	---	13,182	32,391	87,106	66,341	41,560	32,847	63,112
Fair market of bond/notes issued	4,223,622	7,175,000	28,940,000	11,855,000	32,025,000	4,155,000	6,074,100	1,750,000	2,295,059	2,940,000
Fair market of refunding bonds issued	12,275,000	6,780,000	---	---	4,080,000	---	---	---	1,850,000	3,420,000
Payment to refunding escrow agent	(12,325,000)	(15,154,270)	(8,600,000)	---	---	---	---	---	---	(3,420,000)
Debt issuance premiums	609,158	105,298	1,514,920	236,518	849,817	90,750	68,243	11,500	---	49,696
Debt payments received	---	---	213,716	---	---	---	---	---	---	---
Distribution upon closure of TID	(180,477)	---	---	---	---	---	---	(2,044,370)	---	---
Total other financing sources (uses) and other changes in fund balance	<u>\$ 4,547,010</u>	<u>\$ (1,052,066)</u>	<u>\$ 22,068,636</u>	<u>\$ 12,104,700</u>	<u>\$ 36,987,208</u>	<u>\$ 4,332,856</u>	<u>\$ 6,208,684</u>	<u>\$ (241,310)</u>	<u>\$ 4,177,906</u>	<u>\$ (2,572,192)</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Assessed and Actual Value of Taxable Property
Last Ten Years

As of January 1	Real Property		Personal Property		Total Assessed Value	Total Direct Tax Rate	Total Taxable Equalized Value	Assessment Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2014	\$ 4,377,881,960	\$ 4,331,625,189	\$ 163,982,250	\$ 162,249,611	\$ 4,541,864,210	\$ 5.21	\$ 4,493,874,800	1.0107
2013	4,356,357,660	4,092,149,876	162,733,300	152,863,724	4,519,090,960	5.20	4,245,013,600	1.0646
2012	4,277,627,360	4,176,224,340	142,649,120	139,267,560	4,420,276,480	5.20	4,315,491,900	1.0243
2011	4,248,742,200	4,299,841,843	140,072,010	141,756,657	4,388,814,210	5.20	4,441,598,500	0.9881
2010	4,224,701,290	4,291,691,236	143,615,590	145,892,864	4,368,316,880	5.17	4,437,584,100	0.9844
2009	4,169,912,100	4,438,094,157	142,107,780	151,247,243	4,312,019,880	5.22	4,589,341,400	0.9396
2008	4,119,463,500	4,486,663,248	136,375,450	148,531,652	4,255,838,950	5.17	4,635,194,900	0.9182
2007	4,035,948,800	4,381,105,713	118,740,890	128,895,687	4,154,689,690	5.08	4,510,001,400	0.9212
2006	3,968,013,000	4,115,002,545	120,980,500	125,462,055	4,088,993,500	5.11	4,240,464,600	0.9643
2005	3,858,494,200	3,819,932,659	112,686,624	111,560,441	3,971,180,824	5.09	3,931,493,100	1.0101
					\$ 3,545,681,800			
					996,182,410			
					\$ 4,541,864,210			

Note: Assessed values are determined by the Village and the Wisconsin Department of Revenue. Estimated actual values were obtained from the Wisconsin Department of Revenue and include Wisconsin Section 70.57 adjustments.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Value and Construction Data
Last Ten Years

Year	(1) Assessed Property Value				(2) Residential Construction		(2) Nonresidential Construction	
	Residential	Commercial & Manufacturing	Agricultural, Swamp & Other	Total	Number of Permits	Value	Number of Permits	Value
2014	\$ 3,011,686,460	\$ 1,349,447,800	\$ 16,747,700	\$ 4,377,881,960	695	\$ 24,504,020	166	\$ 89,112,115
2013	2,986,655,260	1,352,997,000	16,705,400	4,356,357,660	688	27,219,724	177	32,992,395
2012	2,963,751,660	1,296,913,100	16,962,600	4,277,627,360	608	22,753,135	126	34,157,895
2011	2,954,622,401	1,277,237,401	16,882,401	4,248,742,203	573	18,709,627	147	47,333,453
2010	2,945,222,501	1,262,085,590	17,393,200	4,224,701,291	617	23,057,560	128	36,981,941
2009	2,935,215,100	1,216,139,000	18,558,000	4,169,912,100	439	15,597,552	77	21,646,277
2008	2,907,864,700	1,193,039,000	18,559,800	4,119,463,500	512	23,265,366	124	36,638,397
2007	2,852,106,400	1,165,371,000	18,471,400	4,035,948,800	620	36,233,175	171	51,104,339
2006	2,771,644,900	1,177,812,000	18,556,100	3,968,013,000	555	37,692,541	137	49,634,513
2005	2,689,249,600	1,150,584,300	18,660,300	3,858,494,200	727	52,399,157	98	45,253,684

(1) Values from Statement of Assessment

(2) From Village Zoning and Inspection Department records

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Direct and Overlapping Property Tax Rates
Last Ten Years

(Per \$1,000 of Assessed Valuation)

For Fiscal Year	Village Direct Rates						Overlapping Rates					Net Tax Rate		
	Basic Rate	General Obligation Debt Service Rate	Library Operations & Maint	Sewer Capital Costs	Storm Water Costs	Total Direct	State of Wisconsin	Waukesha County	Menomonee Falls School District	Sussex Hamilton School District	Waukesha County Technical College	School Tax Credit	Menomonee Falls School District	Sussex Hamilton School District
2015	\$ 4.02	\$ 0.52	\$ 0.39	\$ 0.07	\$ 0.21	\$ 5.21	\$ 0.16	\$ 2.01	\$ 11.60	\$ 9.58	\$ 1.24	\$ (1.68)	\$ 18.54	\$ 16.52
2014	4.00	0.53	0.39	0.07	0.21	5.20	0.17	2.06	11.50	10.15	1.27	(1.72)	18.48	17.13
2013	3.97	0.55	0.40	0.07	0.21	5.20	0.17	2.04	11.61	10.25	1.27	(1.72)	18.57	17.21
2012	3.97	0.55	0.40	0.07	0.21	5.20	0.17	2.04	11.61	10.25	1.27	(1.72)	18.57	17.21
2011	3.94	0.54	0.41	0.07	0.21	5.17	0.17	2.00	11.88	10.41	1.25	(1.69)	18.78	17.31
2010	4.01	0.52	0.41	0.07	0.21	5.22	0.18	1.99	11.50	10.12	1.23	(1.69)	18.43	17.05
2009	3.70	0.78	0.41	0.07	0.21	5.17	0.19	1.95	10.65	10.12	1.20	(1.69)	17.47	16.94
2008	3.67	0.72	0.41	0.07	0.21	5.08	0.18	1.93	10.20	9.01	1.18	(1.57)	17.00	15.81
2007	3.53	0.89	0.41	0.07	0.21	5.11	0.18	1.90	9.70	9.05	1.15	(1.45)	16.59	15.94
2006	3.40	0.97	0.43	0.08	0.21	5.09	0.19	1.94	9.46	8.78	1.16	(1.22)	16.62	15.94

Source: Village Financial Services Department taxation records

Note: The Village completed revaluations of assessed values in 2005. The increase in assessed values to approximately 100% of market value.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ten Largest Assessed Valuations
Years 2014 and 2005

Name	Nature of Business	2014			2005		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 103,341,530	2.28%	1	\$ 71,017,080	1.79%	1
Harley Davidson	Manufacturer of motorcycles	30,612,000	0.67%	2	26,320,300	0.66%	4
Woodland Prime LLC	Property management	28,899,400	0.64%	3	32,965,100	0.83%	3
Ryan X LLC	Property development	28,556,200	0.63%	4	---	---	
NHMC Land LLC	Real estate	23,212,600	0.51%	5	---	---	
Woodmans Food Market	Supermarket	21,626,990	0.48%	6	---	---	
Burke Business Park	Property development	20,197,000	0.44%	7	---	---	
Eaton Corporation	Power products and management	18,434,300	0.41%	8	---	---	
Wells Fargo Financial	Finance	17,813,850	0.39%	9	---	---	
Waste Management	Solid waste management	17,594,130	0.39%	10	14,781,900	0.37%	10
Strong Capital Management	Investment services	---	---		33,833,130	0.85%	2
Fussville Development LLC	Property management	---	---		18,465,700	0.46%	5
Fifth Generation Real Estate	Real estate	---	---		17,492,300	0.44%	6
R-K of Waukesha	Various commercial	---	---		16,706,790	0.42%	7
Gillville LLC	Real estate	---	---		16,300,700	0.41%	8
Wacker Corporation	Compaction machines and pumps	---	---		15,414,100	0.39%	9
Total, ten largest taxpayers		<u>310,288,000</u>	<u>6.84%</u>		<u>263,297,100</u>	<u>6.62%</u>	
Total, other taxpayers		<u>4,231,576,210</u>	<u>93.16%</u>		<u>3,707,883,724</u>	<u>93.38%</u>	
Total assessed valuations		<u>\$ 4,541,864,210</u>	<u>100.00%</u>		<u>\$ 3,971,180,824</u>	<u>100.00%</u>	

Source: Village Department of Assessing

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Tax Levies and Collections
Last Ten Years

Levy Year	Taxes Levied	Collected Within the Year Levied for		Subsequent Collections	Totals Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 26,885,382	\$ 7,153,462	26.61%	\$ ---	\$ 7,153,462	26.61%
2013	27,276,674	7,077,544	25.95%	20,194,012	27,271,556	99.98%
2012	26,031,321	5,629,313	21.63%	20,392,772	26,022,085	99.96%
2011	25,923,450	6,245,829	24.09%	19,671,384	25,917,213	99.98%
2010	25,677,430	3,577,353	13.93%	22,059,487	25,636,840	99.84%
2009	25,669,521	4,794,029	18.68%	20,869,412	25,663,441	99.98%
2008	24,786,337	4,610,434	18.60%	20,471,284	25,081,718	101.19%
2007	23,487,637	4,645,832	19.78%	18,837,918	23,483,750	99.98%
2006	24,588,117	5,300,548	21.56%	19,285,400	24,585,948	99.99%
2005	23,524,519	7,633,684	32.45%	15,890,597	23,524,281	100.00%

The Village contracts with Waukesha County to handle tax collections. The County makes the Village whole for all real estate taxes and handles collection on delinquencies. The Village is responsible for collecting delinquent personal property taxes.

Source: Statements of taxes, Village Clerk Services Department

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ratio of Outstanding Debt By Type to Personal Income and Property Value
Last ten years

Year	Governmental Activities			Business Type Activities				Total Primary Government	Percentage of		Per Capita
	General Obligation Bonds & Notes	Bond/Note Anticipation Notes	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	General Obligation Notes	Utility Mortgage Revenue BANS		Personal Income	Property Value	
2014	\$ 76,711,274	\$ ---	\$ ---	\$ ---	\$ 1,589,055	\$ 10,192,348	\$ ---	\$ 88,492,677	4.16%	1.97%	\$ 2,472
2013	88,294,068	---	---	---	1,751,118	10,345,932	---	100,391,118	4.84%	2.36%	2,811
2012	94,709,484	1,280,000	---	2,735,000	2,000,613	6,850,516	---	107,575,613	5.58%	2.49%	3,015
2011	80,917,900	1,280,000	---	4,085,000	2,242,935	5,537,100	---	94,062,935	4.97%	2.12%	2,637
2010	75,321,315	1,280,000	---	6,270,000	2,478,293	3,633,685	---	88,983,293	4.92%	2.01%	2,572
2009	51,934,731	1,250,000	---	7,595,000	2,706,889	2,495,269	---	65,981,889	3.65%	1.44%	1,907
2008	53,957,147	3,100,000	---	14,130,000	2,931,618	1,702,853	---	75,821,618	4.09%	1.64%	2,191
2007	54,246,553	6,650,000	---	16,745,000	2,798,440	1,038,447	---	81,478,440	4.49%	1.81%	2,365
2006	60,073,382	6,650,000	592,187	19,320,000	1,482,270	1,149,941	---	89,267,780	5.10%	2.11%	2,620
2005	65,753,385	6,640,000	646,294	21,790,000	1,627,617	840,000	---	97,297,296	6.13%	2.47%	2,867

Source: General Purpose Financial Statements

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ratio of General Bonded Debt to Equalized Valuation and Debt Per Capita
Last Ten Years

Year	Gross Bonded Debt	Bonded Debt Supported by Revenues	Tax Obligation Bonded Debt			Ratio of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
			Gross	Designated Funds for Debt Service	Net		
2014	\$ 86,903,622	\$ 64,301,555	\$ 22,602,067	\$ 65,095	\$ 22,536,972	0.50%	\$ 630
2013	98,640,000	84,745,700	13,894,300	-	13,894,300	0.33%	389
2012	101,560,000	77,622,400	23,937,600	8,718,485	15,219,115	0.35%	427
2011	86,455,000	70,247,600	16,207,400	35,973	16,171,427	0.36%	453
2010	78,955,000	65,398,300	13,556,700	187,212	13,369,488	0.30%	386
2009	54,430,000	42,448,000	11,982,000	2,779	11,979,221	0.26%	346
2008	55,660,000	43,182,840	12,477,160	5,853	12,471,307	0.27%	360
2007	55,285,000	42,555,140	12,729,860	4,223	12,725,637	0.28%	369
2006	61,223,323	47,113,972	14,109,351	5,796	14,103,555	0.33%	414
2005	66,593,385	51,651,445	14,941,940	6,372	14,935,568	0.38%	440

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Sewer Utility Revenue Bond Coverage
Last Ten Years

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (A)</u>	<u>Operating Income</u>	<u>Debt Service Requirements</u>			<u>Coverage (C)</u>
				<u>Principal (B)</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 9,285,340	\$ 8,754,564	\$ 530,776	\$ 162,063	\$ 48,302	\$ 210,365	2.5231
2013	8,720,703	8,702,565	18,138	274,495	54,787	329,282	0.0551
2012	8,994,807	8,745,692	249,115	267,322	65,068	332,390	0.7495
2011	8,709,658	8,001,934	707,724	1,160,358	119,046	1,279,404	0.5532
2010	9,134,505	7,716,467	1,418,038	328,596	126,091	454,687	3.1187
2009	9,379,933	7,603,234	1,776,699	1,724,729	287,903	2,012,632	0.8828
2008	9,892,073	7,428,640	2,463,433	1,589,526	335,864	1,925,390	1.2794
2007	10,170,201	6,637,927	3,532,274	1,716,602	345,641	2,062,243	1.7128
2006	9,991,739	6,412,705	3,579,034	1,545,347	384,969	1,930,316	1.8541
2005	10,229,412	7,023,067	3,206,345	2,120,786	545,953	2,666,739	1.2023

(A) Operating expenses before depreciation

(B) Debt service requirements are for the bond principal and interest due and paid during the year in question, including clean water fund loans, except as noted below.

2009 principal does not include \$3,860,000 early call of bonds

2005 principal does not include \$4,225,000 paid by Tax Incremental District #3.

2004 principal does not include \$1,970,000 of principal paid from reserves on refinancing

Principal and interest do not include GO requirements

(C) Ratio of total funds available for debt service to total requirements

Note: Utility failed to meet debt ratio covenants in years 2008 and 2009. As a response the Utility defeased debt outstanding in the amount of \$3,860,000 in 2009.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Water Utility Revenue Bond Coverage
Last Ten Years

<u>Year</u>	<u>Operating Revenue (A)(D)</u>	<u>Operating Expenses (B)</u>	<u>Operating Income</u>	<u>Debt Service Requirements</u>			<u>Coverage (C)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 6,936,849	\$ 3,594,305	\$ 3,342,544	\$ -	\$ -	\$ -	-
2013	6,829,451	3,549,987	3,279,464	2,735,000	67,660	2,802,660	1.1701
2012	7,256,273	3,594,200	3,662,073	1,350,000	187,100	1,537,100	2.3825
2011	6,783,135	3,628,490	3,154,645	1,260,000	243,350	1,503,350	2.0984
2010	6,342,076	3,386,391	2,955,685	1,225,000	297,375	1,522,375	1.9415
2009	6,396,980	3,349,804	3,047,176	1,175,000	347,250	1,522,250	2.0018
2008	6,686,233	3,348,158	3,338,075	1,165,000	394,737	1,559,737	2.1402
2007	7,025,431	3,104,293	3,921,138	1,150,000	439,913	1,589,913	2.4663
2006	7,009,043	3,058,580	3,950,463	1,070,000	489,325	1,559,325	2.5334
2005	7,117,399	2,852,459	4,264,940	1,025,000	495,176	1,520,176	2.8056

Source: Comprehensive Annual Financial Reports

(A) Operating revenues include interest income and interest reimbursed from TID #3

(B) Operating expenses before depreciation and tax equivalent paid to the Village

(C) Ratio of total funds available for debt service to total requirements

(D) 2005 Principal payments do not include refinancing of \$5,075,000
2005 Principal payments do not include an early retirement of \$1,400,000
Principal and interest do not include GO requirements

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Legal Debt Margin
December 31, 2014

Equalized value of real and personal property	\$ <u>4,493,874,800</u>
Debt limit, five percent of equalized valuation	\$ 224,693,740
Total obligation bonds and notes applicable to debt limit at December 31, 2014	<u>(86,903,622) *</u>
Remaining legal debt margin	\$ <u>137,790,118</u>
* Includes:	
Sewer Utility portion of G.O. notes	\$ 344,360
Water Utility portion of G.O. notes	2,155,000
Storm Water Utility portion of G.O. notes	2,752,988
Note Anticipation Notes	-
Water Revenue Bonds and Revenue BANs	-

<u>Historical Data</u>				
Year	Limit	Debt to Limit	Legal Margin	Percentage of Legal Limit
2014	\$ 224,693,740	\$ 86,903,622	\$ 137,790,118	38.68%
2013	212,250,680	98,640,000	113,610,680	46.47%
2012	215,774,595	101,560,000	114,214,595	47.07%
2011	222,079,925	86,455,000	135,624,925	38.93%
2010	221,879,205	78,955,000	142,924,205	35.58%
2009	229,467,070	54,430,000	175,037,070	23.72%
2008	231,759,745	55,660,000	176,099,745	24.02%
2007	225,500,070	55,285,000	170,215,070	24.52%
2006	212,023,230	61,223,323	150,799,907	28.88%
2005	196,574,655	66,593,385	129,981,270	33.88%

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Direct and Overlapping Debt
December 31, 2014

	Total Direct Debt	Applicable to Village Residents Percent	Amount
Direct debt	\$ <u>76,711,274</u>	100.00%	\$ <u>76,711,274</u>
Overlapping Debt:			
Menomonee Falls School District	\$ 26,330,000	97.49%	\$ 25,669,117
Hamilton School District	6,480,000	32.43%	2,101,464
Waukesha County	81,970,000	8.56%	7,016,632
Waukesha County Technical College	<u>27,945</u>	8.36%	<u>2,336</u>
Total overlapping debt	<u>114,807,945</u>		<u>34,789,549</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the Village residents through the taxes levied by these government agencies.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rates (2)</u>			<u>Per-Capita Income (3)</u>		<u>Total Income Village of Menomonee Falls (4)</u>
		<u>Village of Menomonee Falls</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	
2014	35,798	4.5 %	4.5 %	5.5 %	\$ 59,379	\$ 44,585	\$ 2,125,649,442
2013	35,710	5.5	5.9	6.7	58,055	43,149	2,073,144,050
2012	35,680	5.8	6.0	6.9	54,050	38,703	1,928,504,000
2011	35,675	6.2	6.5	7.5	53,034	37,670	1,891,987,950
2010	34,600	6.6	7.0	7.4	52,276	36,815	1,808,749,600
2009	34,600	7.3	7.5	8.5	52,290	36,822	1,809,234,000
2008	34,600	3.8	3.9	4.8	53,636	37,770	1,855,805,600
2007	34,450	4.0	4.0	4.9	52,713	36,990	1,815,962,850
2006	34,070	3.8	3.6	4.9	51,351	35,644	1,749,528,570
2005	33,939	3.8	3.8	4.8	46,735	33,673	1,586,139,165

(1) Source: Department of Administration, State of Wisconsin

(2) Source: Department of Workforce Development, State of Wisconsin

(3) Source: U.S. Department of Commerce, Bureau of Economic Analysis (2010-2014 Waukesha County are estimates)

(4) Estimated based on population and Waukesha County per-capita income

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Principal Employers
Years 2014 and 2005

<u>Employer</u>	<u>Number of Employees</u>	
	<u>2014</u>	<u>2005</u>
Kohls Corporation	4,323	3,150
Community Memorial Hospital	1,327	1,383
Harley Davidson	1,000	972
FIS Management Services LLC (formerly Metavante)	900	---
Wells Fargo Financial	647	550
Arandell-Schmidt	600	724
Menomonee Falls School District	591	851
Wacker Neuson Corporation	450	465
Bradley Corporation	317	297
Village of Menomonee Falls	208	276
Linden Grove	235	---
Briggs & Stratton Corporation	183	---
Bank One	---	760

Sources:

Employer list and related employee data from debit issuance Official Statement
Employment in 2005 obtained from HSE report as of February 2005 inquiries of employers

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Full-Time Equivalent Employees By Function
Last Ten Years

<u>Function</u>	<u>Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General government and administration	35	33	34	34	33	34	36	41	44	47
Public Safety	95	96	96	101	100	104	105	104	105	103
Public Works	20	21	22	26	26	30	32	34	35	34
Culture and recreation	25	25	25	26	27	25	29	30	30	30
Conservation and Development	14	13	13	14	14	18	17	22	24	24
Sanitary Sewer	4	4	5	4	4	6	5	4	4	4
Water Utility	14	14	15	17	17	17	15	16	16	16
Storm Water Utility	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Totals	<u><u>208</u></u>	<u><u>207</u></u>	<u><u>211</u></u>	<u><u>223</u></u>	<u><u>222</u></u>	<u><u>235</u></u>	<u><u>240</u></u>	<u><u>252</u></u>	<u><u>259</u></u>	<u><u>259</u></u>

Source: Financial Services Budget Documents

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Operating Indicators and Information about Capital Assets by Function/Department
Last Ten Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government:										
Number of employees	35	33	34	34	33	34	36	41	44	47
Registered voters	24,735	24,083	24,206	24,539	25,180	24,697	24,697	23,670	23,176	23,380
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	64	64	66	67	69	70	70	69	69	70
Crimes	452	409	423	470	433	403	550	691	703	545
Number of violations/enforcement	15,059	17,630	18,475	19,221	21,797	22,039	18,189	17,047	16,715	15,967
Accidents	765	717	700	780	510	557	877	928	832	899
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of employees	18	20	18	22	21	21	22	22	22	20
Rescue and EMS	2,306	2,127	2,064	2,035	1,864	1,814	1,905	1,761	1,669	1,559
Hazardous conditions	106	83	74	90	96	103	100	96	92	91
Dispatch:										
Number of employees	13	12	12	12	13	13	13	13	13	13
Number of event calls	40,881	40,059	43,268	41,928	43,027	65,562	65,562	65,562	61,134	77,444
Public Works:										
Number of employees	20	21	22	26	26	30	32	34	35	34
Miles of streets and roads-Village owned	209	208	207	207	207	207	207	207	206	205
Miles - All roads, State, County, Village	234	233	233	233	233	249	249	248	247	246

Source: Village departments

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Operating Indicators and Information about Capital Assets by Function/Department
Last Ten Years
(Continued)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Culture and recreation:										
Library:										
Number of employees	19	20	19	21	21	16	16	18	18	18
Volumes	137,946	139,932	136,259	141,577	124,337	123,099	138,427	146,998	132,092	125,966
Circulation	365,898	374,917	334,305	351,023	371,600	381,864	364,541	369,263	390,962	385,650
Parks:										
Number of employees	6	6	6	5	6	4	8	9	10	10
Number of parks	16	16	16	11	11	8	8	8	8	7
Acres of parkland - Village owned	1,165	1,165	1,165	1,525	1,525	1,508	1,508	1,506	1,458	1,016
Acres of parkland - County owned	321	321	321	621	621	544	544	544	544	546
Conservation and Development:										
Number of employees	14	14	14	14	14	18	17	22	24	24
Number of permits issued	861	865	734	720	745	516	636	791	692	825
Water Utility:										
Number of employees	14	14	15	17	17	17	15	16	16	16
Number of customers	12,029	11,979	11,911	11,853	11,802	11,755	11,707	11,641	11,559	11,400
Gallons pumped annually (in thousands)	1,251,716	1,220,082	1,355,139	1,206,533	1,176,398	1,260,820	1,038,142	1,055,982	1,042,303	1,254,296
Number of wells	7	7	7	7	7	7	7	7	7	7
Number of hydrants	2,818	2,804	2,790	2,777	2,780	2,773	2,692	2,675	2,639	2,598
Miles of mains	225	221	221	218	218	220	216	215	212	208
Sewer Utility:										
Number of employees	4	4	5	4	4	6	5	4	4	4
Number of customers	11,536	11,508	11,462	11,407	11,571	10,853	10,824	10,771	10,671	10,537
Gallons pumped annually (in thousands)	825,492	839,355	890,894	843,689	824,790	853,332	888,214	903,862	896,011	963,149
Number of lift stations	11	11	10	10	10	8	8	8	7	6
Miles of main	218	216	213	213	212	212	208	208	205	202
Storm Water Utility:										
Number of employees	1	1	1	1	1	1	1	1	1	1
Number of retention basins	14	10	10	10	10	10	10	10	10	10
Miles of storm main	147	145	143	142	141	140	126	126	117	115

See independent auditors' report.