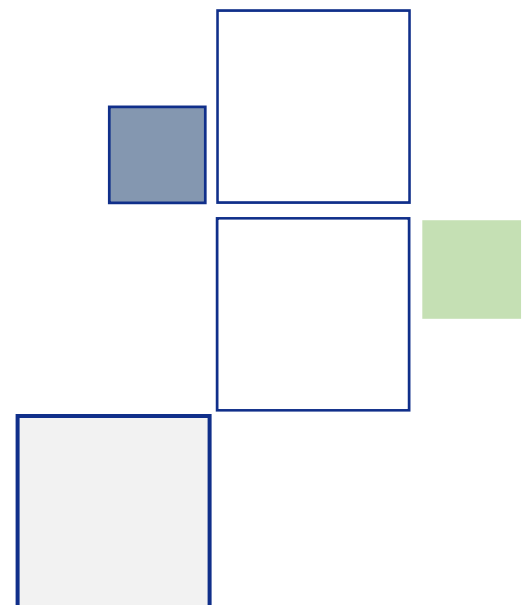


2018

Comprehensive
Annual Financial Report
Year Ended December 31, 2018
Village of Menomonee Falls, Wisconsin



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

**Comprehensive Annual Financial Report
Year Ended December 31, 2018**

**Prepared by the Finance Department
Jason Kaczmarek, CPA - Finance Director
Julie Multhauf - Assistant Finance Director**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2018

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2018

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INTRODUCTION

August 23, 2019

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, 2018 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, 2018. 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 Finance 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 37,574 (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, and ambulance services; public works activities such as highway and street maintenance, garbage 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 considered financially accountable for the fund. 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, as well as the Tourism Commission, a special revenue fund.

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. I 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 (*Wis. Stats. 65.90(5)(a)*).

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 Ehler's Inc. 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. 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 robust economic future. Evidence of the health of the Village is reflected in unemployment percentages consistently lower than the State average. The Village's 2018 unemployment rate is 2.5% versus the State's 3.0%.

In 2018, the Village's equalized value (including TIDs) increased 3% which; reflects evidence of continued economic growth. Menomonee Falls has a growing residential sector and continues to be a desirable location for both large and small businesses to locate and expand. This development trend supports a resilient tax base and was evidenced by the Village having the highest gain in net new construction value in Waukesha County in 2018.

In 2018, the Village issued 802 residential and 149 non-residential building permits with an estimated construction value of \$133 million. This value was a significant increase over the previous two years, ranking as the 2nd highest value every recorded. Major contributors to the 2018 value include construction and remodeling of single-family homes/duplexes (\$49.9 million), Grace Commons Senior Living development (\$29 million), Jade at North Hills apartments (\$15.3 million), and new industrial buildings (\$10 million).

While many of the developments in Menomonee Falls in 2018 were conceptual multi-phase developments, the Village ultimately approved 96 new single-family lots in five subdivisions and four Certified Survey Maps. This total was lower than 2016 and 2017, but typical for the years following the Great Recession. The 109 single-family housing starts in 2018 reveal the continued strength of the post-recession housing market and marks the second-highest number of housing starts since 2005. With 109 housing starts in 2018, the Village accounted for nearly 12% of all new single-family homes constructed in Waukesha County. This percentage of county housing starts was higher than the typical percentage of around 10%, and was the third-highest percentage of housing starts within Waukesha County during the last decade.

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 and public improvements in the TIDs. In 2018, tax increment value increased \$36.0 million (11%). Over one-third of this increase is attributable to TID 8 (Falls Parkway). Significant redevelopment also occurred in TID 5 (Westbrook Corp. Center) and TID 9 (Village Centre/Appleton Ave).

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 balanced growth.

The Village Board is committed to maintaining an unassigned General Fund balance of around 3 months of operating expenditures. As of December 31, 2018, the unassigned General Fund balance approximated 3.1 months of 2019 budgeted expenditures, providing a reasonable cushion for unanticipated emergencies.

One of the biggest impacts of the 2008 economic down turn had been in the area of earnings on investments. Although not as high as pre-recession rates, interest earnings rebounded significantly in 2018. State statutes limit the investment options available for public funds. Based on what's allowed, management chooses 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 maintenance 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.

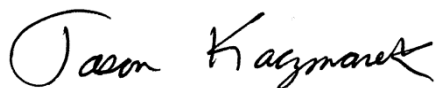
The Village policy towards budget and tax stabilization prompted the development of an internal Revolving Capital Loan program which provides departments with an interest-free method of funding large equipment and vehicle purchases with amortized repayments included in the General Fund budget. Consolidation 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 tax stabilization.

By necessity, long range planning includes analysis of future debt issuances 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 issuances in light of resources on hand and effects on future cash flows. The Village maintains a solid Aa2 general obligation bond rating from Moody's, based upon its healthy fund balance, conservative financial management and aggressive debt repayment schedules.

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.

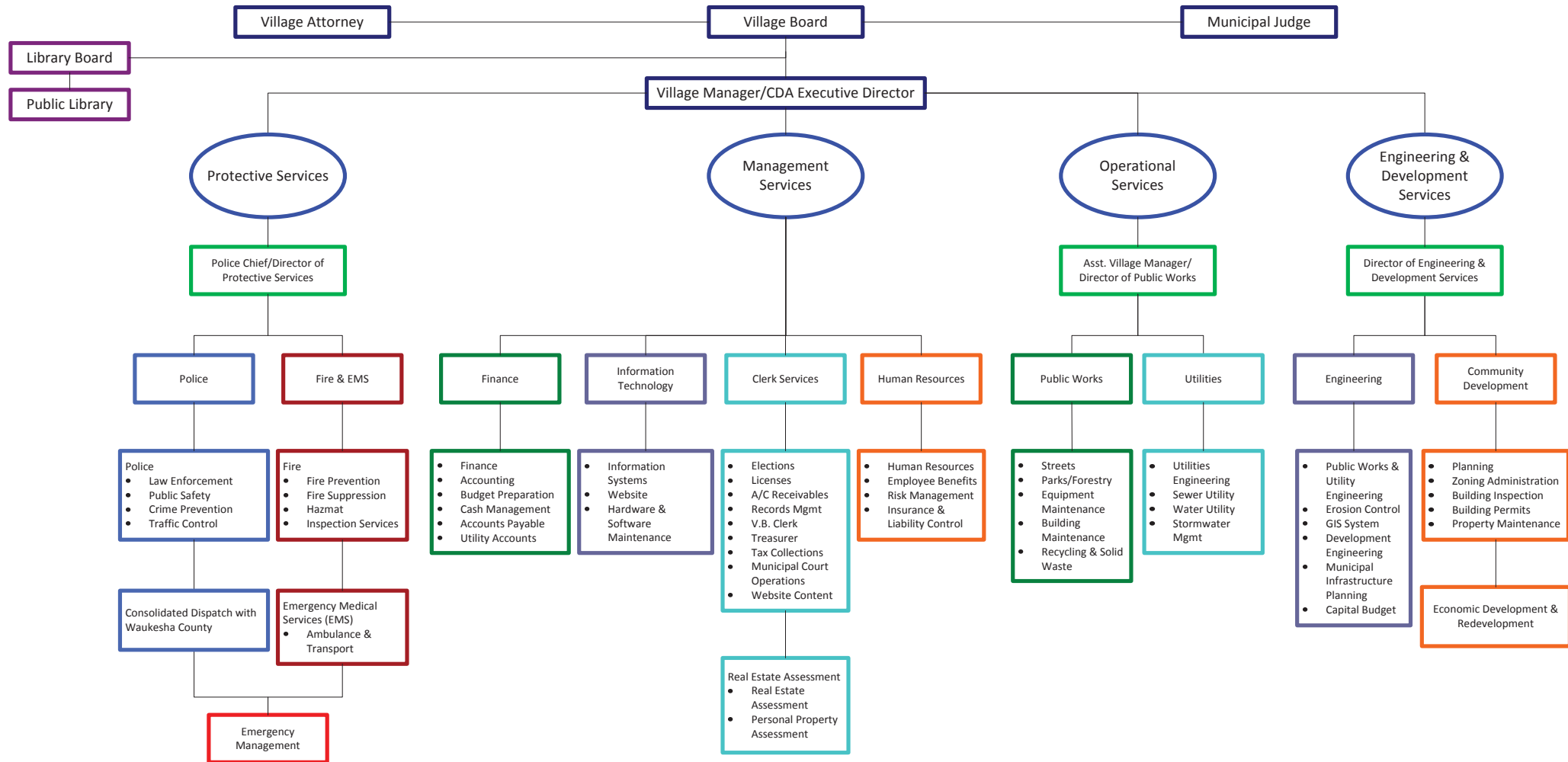
Respectfully submitted,

A handwritten signature in black ink, reading "Jason Kaczmarek". The signature is fluid and cursive, with the first name "Jason" written in a larger, more prominent script than the last name "Kaczmarek".

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, 2018

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
David Glasgow	President	April 2021
Bonnie Lemmer	Trustee	April 2019
Paul Tadda	Trustee	April 2019
Jeremy Walz	Trustee	April 2019
Katie Kress	Trustee	April 2020
Randy Van Alstyne	Trustee	April 2020
Vacant*	Trustee	April 2020

Certified Public Accountants:

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

Bond Counsel:

Quarles & Brady, Milwaukee, Wisconsin

Financial Advisor:

Ehlers, Waukesha, Wisconsin

*- The vacant trustee position was filled during the April 2019 election

FINANCIAL SECTION

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt



Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

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, 2018 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin as of December 31, 2018, 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 U.S. GAAP.

Change in Accounting Principle

As discussed in Notes 1.E, 4.B, 4.C and 4.O to the financial statements, in 2018 the Village adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis, schedule of changes in total OPEB - health liability and related ratios, schedule of proportionate share of the net pension asset (liability) and employer contributions and schedule of proportionate share of the net OPEB - life insurance asset (liability) and employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming 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 basic financial statements.

The 2018 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.

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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Menomonee Falls as of and for the year ended December 31, 2017 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Menomonee Falls' basic financial statements as a whole. The supplementary information for the year ended December 31, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Rielly, Penner & Benton LLP

August 23, 2019
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, 2018. 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 services, including police, fire, EMS, 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 cover the cost of water and sanitary sewer utility services. The Village funds storm water activities 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 by state law, or by debt 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 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 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. 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 one fiduciary fund, which is used to record assets collected on behalf of other taxing units.

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, which begins on page 86. Combining and individual fund statements and schedules begin on page 90.

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 \$278.2 million as of December 31, 2018. The largest portion of the Village's net position (88%) 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, 7%, 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 \$8.7 million, or 3%.

Condensed Net Position

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets:						
Capital assets	\$ 182.5	\$ 178.0	\$ 141.8	\$ 138.2	\$ 324.3	\$ 316.2
Other assets	69.5	74.4	27.5	25.2	97.0	99.6
Total assets	252.0	252.4	169.3	163.4	421.3	415.8
Deferred outflows of resources:	9.6	7.8	0.8	0.6	10.4	8.4
Liabilities:						
Long-term liabilities	65.6	87.9	10.6	11.0	76.2	98.9
Other liabilities	31.6	17.8	2.6	2.2	34.2	20.0
Total liabilities	97.2	105.7	13.2	13.2	110.4	118.9
Deferred inflows of resources:	41.4	34.6	1.7	1.2	43.1	35.8
Net Position:						
Net investment in capital assets	111.2	104.2	133.4	128.8	244.6	233.0
Restricted	8.0	7.5	10.1	8.9	18.1	16.4
Unrestricted	3.8	8.2	11.7	11.9	15.5	20.1
Total net position	<u>\$ 123.0</u>	<u>\$ 119.9</u>	<u>\$ 155.2</u>	<u>\$ 149.6</u>	<u>\$ 278.2</u>	<u>\$ 269.5</u>

Changes in Net Position

During 2018 the net position of governmental activities increased 3% to \$123.0 million. Restricted assets include \$5.0 million for capital projects (including Tax Incremental Financing Districts or TIDs), \$1.7 million for other special revenue fund purposes, and \$1.3 million for the Library. The unrestricted net position of governmental activities amounts to \$3.9 million. A prior period adjustment reduced net position by \$0.6 million. This is due to the application of a new accounting standard; GASB 75, related to liabilities for future health and life benefits. It also reflects an updated allocation between funds.

Net position of business activities totaled \$155.2 million as of December 31, 2018. Business-type assets totaling \$10.1 million are restricted for capital projects, operations and maintenance, depreciation, and projected future pension obligations. The Village may use the unrestricted net position totaling \$11.7 million to finance continuing operations and capital projects of the utilities. A prior period adjustment for GASB 75 (including fund allocation adjustments) increased net position by \$0.1 million.

Changes in Net Position

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 9.3	\$ 8.1	\$ 15.8	\$ 15.5	\$ 25.1	\$ 23.6
Operating grants and contributions	3.2	3.3	-	-	3.2	3.3
Capital grants and contributions	1.6	0.4	7.8	3.0	9.4	3.4
General revenues:						
Property taxes	30.5	28.9	0.9	0.9	31.4	29.8
Unrestricted grants and contributions	1.2	1.3	-	-	1.2	1.3
Other revenues	0.9	0.9	0.9	0.2	1.8	1.1
Total revenues	<u>46.7</u>	<u>42.9</u>	<u>25.4</u>	<u>19.6</u>	<u>72.1</u>	<u>62.5</u>
Expenses:						
General government	4.7	4.2	-	-	4.7	4.2
Public safety	16.4	15.9	-	-	16.4	15.9
Public works	14.1	12.5	-	-	14.1	12.5
Culture and recreation	3.3	3.4	-	-	3.3	3.4
Conservation and development	2.3	2.6	-	-	2.3	2.6
Interest on long-term debt	2.2	2.4	-	-	2.2	2.4
Water Utility	-	-	7.0	6.9	7.0	6.9
Sewer Utility	-	-	11.5	10.8	11.5	10.8
Storm Water Utility	-	-	1.4	1.7	1.4	1.7
Total expenses	<u>43.0</u>	<u>41.0</u>	<u>19.9</u>	<u>19.4</u>	<u>62.9</u>	<u>60.4</u>
Increase (decrease) in net position	<u>3.7</u>	<u>1.9</u>	<u>5.5</u>	<u>0.2</u>	<u>9.2</u>	<u>2.1</u>
Net position, beginning of year	119.9	118.0	149.6	149.4	269.5	267.4
Prior period adjustment	(0.6)	-	0.1	-	(0.5)	-
Net position, end of year	<u>\$ 123.0</u>	<u>\$ 119.9</u>	<u>\$ 155.2</u>	<u>\$ 149.6</u>	<u>\$ 278.2</u>	<u>\$ 269.5</u>

Governmental activities increased net position by \$3.7 million. Significant changes in governmental revenues and expenses were as follows.

Revenues:

Charges for services totaled \$9.3 million, an increase of \$1.2 million from 2017. The most significant revenues in this category include landfill tipping fees (\$3.2 million), garbage fees (\$1.3 million), EMS services (\$0.9 million), and housing construction permits (\$0.9 million). Program grants and contributions totaled \$4.8 million, a \$1.1 million increase from the prior year. Nearly all of this change is a result of additional contributed infrastructure (i.e. roads). Development can vary greatly from year-to-year.

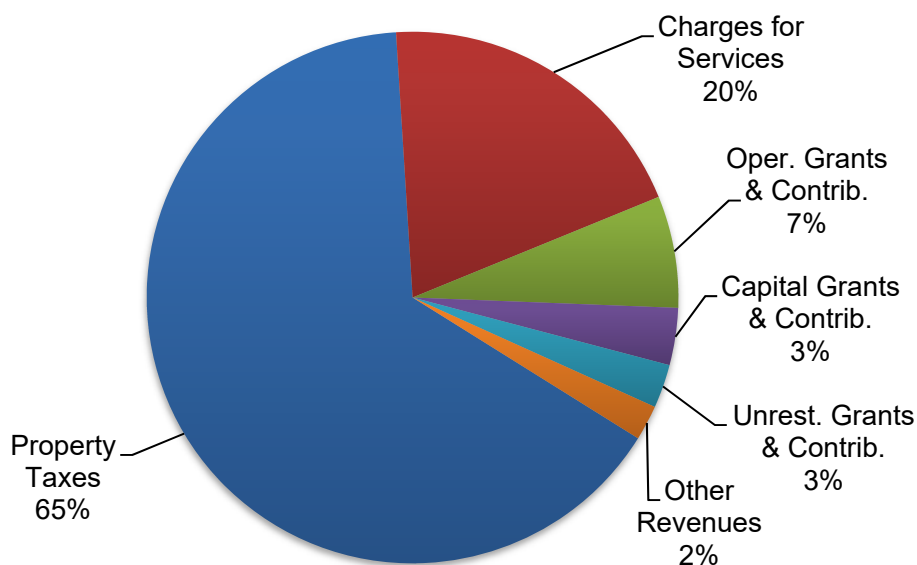
All governmental revenues other than program revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. For 2018, general revenues totaled \$32.6 million, a \$1.5 million increase from the prior year. This is generally explained by the \$1.6 million increase in property taxes.

Expenses:

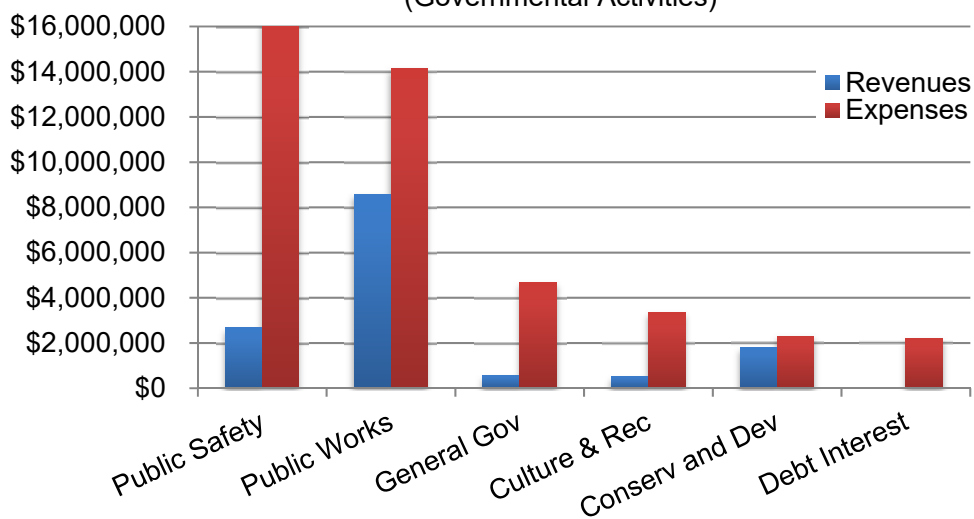
Governmental expenses totaled \$43.0 million, an overall increase of \$2.0 million from 2017. The most significant change occurred in Public Works, which increased \$1.6 million. This can be attributed to the Lilly Rd improvements in TID 12. While the improvements were long-term in nature, they did not qualify to be capitalized, and therefore remain as expenditures.

The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2018 on road construction and repairs. Funding for the construction and repairs came from the tax levy, the Municipal Facilities & Equipment Fund, as well as tax incremental districts. Governmental expenses also included \$4.4 million in depreciation expense.

Program and General Revenues by Source
(Governmental Activities)

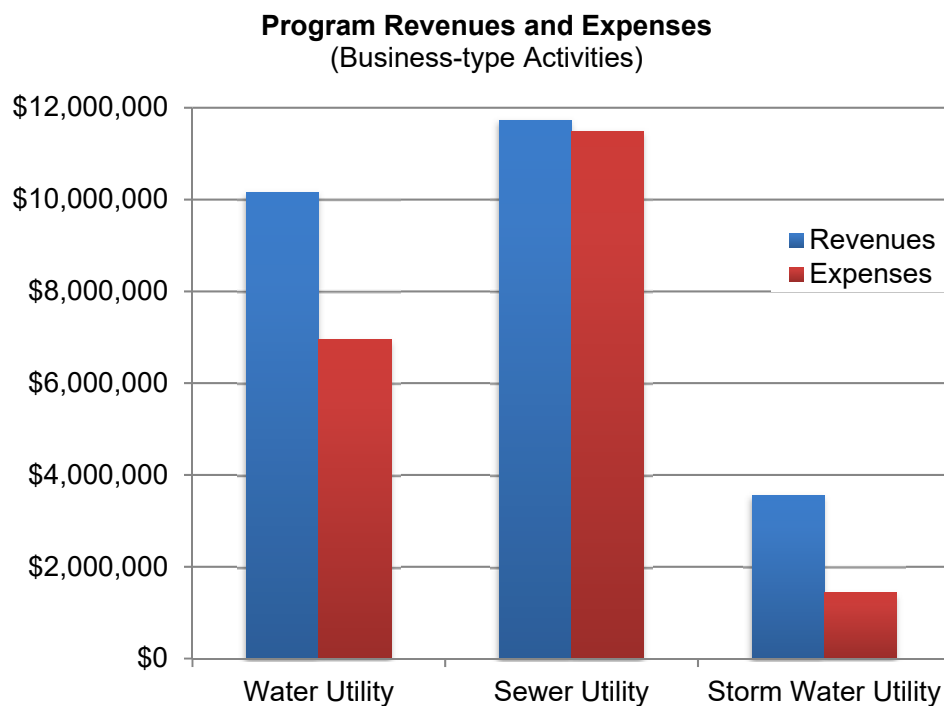
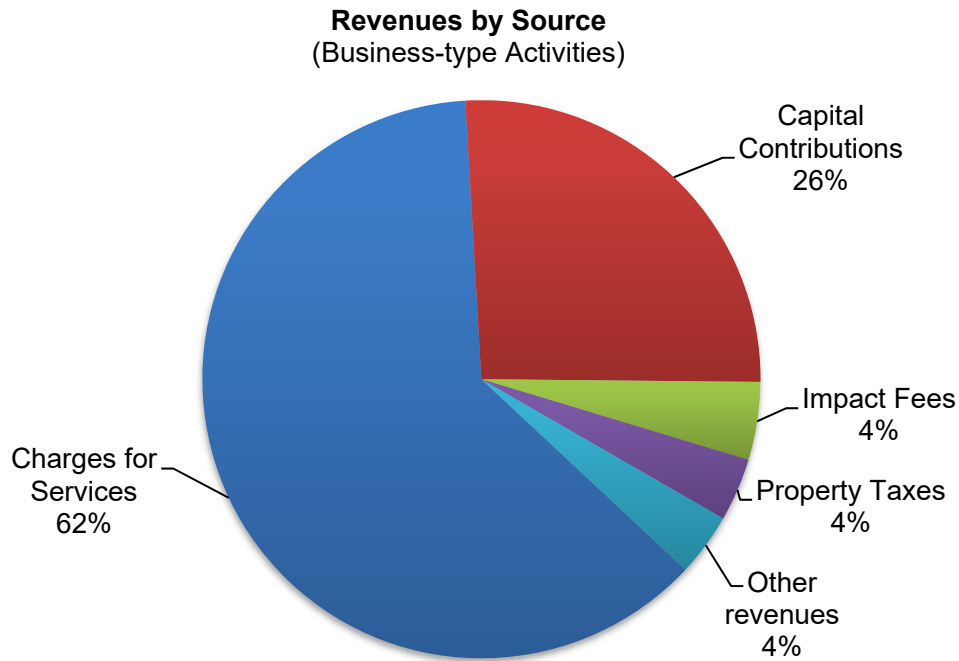


Program Revenues and Expenses
(Governmental Activities)



Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$5.5 million in the Village's net position. Total expenses exceeded charges for services by \$4.1 million. The deficit was offset by capital grants and contributions totaling \$7.8 million, a tax levy of \$0.9 million, and miscellaneous revenues totaling \$0.9 million.



Water Utility

The Water Utility reported net operating income of \$1.4 million for 2018, a minor decrease from the \$1.5 million reported in 2017. Operating revenues of the Water Utility totaled \$6.8 million for 2018, \$0.1 million lower than in 2017. Operating expenses totaled \$5.4 million, no change from the prior year. Real estate taxes paid to the Village in 2018 and 2017 were stagnant at \$1.3 million per year. Overall, 2018 net income is \$1.9 million higher than 2017, due to more contributed infrastructure.

The Village purchases water from Milwaukee Water Works (MWW) and supplements with water from Village deep wells. The Village paid \$1.6 million to MWW in 2018, which closely matches the amount paid in 2017. Village water rates were last increased in January 2017.

The Water Utility capitalized \$3.2 million of improvements during 2018, of which \$1.4 million were contributed by developers and \$1.1 million were contributed from governmental funds. The majority of the utility-paid capitalized improvements were related to the continued replacement of old utility infrastructure. 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 2018 were \$1.9 million more than in 2017.

Water Utility Activity Summary (in millions of dollars)

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Charges for services	\$ 6.8	\$ 6.9	\$ (0.1)
Operating expenses	5.4	5.4	-
Operating income	<u>1.4</u>	<u>1.5</u>	<u>(0.1)</u>
Non-operating income	0.6	0.5	0.1
Payment-in-lieu of taxes	(1.3)	(1.3)	-
Capital contributions	2.5	0.6	1.9
Increase in net position	<u>3.2</u>	<u>1.3</u>	<u>1.9</u>
Net position, beginning of year	63.6	62.3	1.3
Prior period adjustment	0.1	-	0.1
Net position, end of year	<u>\$ 66.9</u>	<u>\$ 63.6</u>	<u>\$ 3.3</u>

Sewer Utility

The Sewer Utility reported a net operating loss of \$2.0 million for 2018, slightly better than the \$2.2 million operating loss in 2017. This change is essentially the net result of a \$0.5 million increase in user charges offset by a \$0.2 million increase in MMSD charges (see below). Sewer rates were increased 6% in 2018 as recommended by our Sewer Rate Study.

Operating expenses totaled \$11.0 million, an increase of \$0.3 million from 2017. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2018, the Village paid MMSD \$2.1 million for user charges and \$5.6 million for capital charges. Overall, total payments to MMSD were \$0.2 million higher when compared to the prior year.

The Sewer Utility capitalized \$1.8 million of improvements during 2018 of which \$1.4 million were contributed by developers and \$0.1 million were contributed from TIDs. 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 2018 were \$1.0 million more than in 2017.

Sewer Utility (continued)

Sewer Utility Activity Summary (in millions of dollars)

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Charges for services	\$ 9.0	\$ 8.5	\$ 0.5
Operating expenses	<u>11.0</u>	<u>10.7</u>	<u>0.3</u>
Operating loss	<u>(2.0)</u>	<u>(2.2)</u>	<u>0.2</u>
Non-operating income	0.6	0.6	-
Capital contributions	<u>1.6</u>	<u>0.6</u>	<u>1.0</u>
Increase (decrease) in net position	<u>0.2</u>	<u>(1.0)</u>	<u>1.2</u>
Net position, beginning of year	60.8	61.8	(1.0)
Net position, end of year	<u>\$ 61.0</u>	<u>\$ 60.8</u>	<u>\$ 0.2</u>

Storm Water Utility

The Storm Water Utility is funded primarily through property taxes. Operating revenues of the Storm Water Utility totaled \$1.0 million and operating expenses totaled \$1.3 million. The net operating loss of \$0.3 million for 2018 is consistent with the results of 2017 operations.

The Storm Water Utility capitalized \$2.7 million of improvements during 2018, of which \$1.3 million were contributed from developers and \$1.3 million were contributed from governmental funds. Most of the infrastructure installed by the Village is attributable to the addition of new utility infrastructure. Capital contributions for 2018 were \$2.5 million, \$2.0 million more than in 2017.

Storm Water Utility Activity Summary (in millions of dollars)

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 1.0	\$ -
Operating expenses	<u>1.3</u>	<u>1.4</u>	<u>(0.1)</u>
Operating loss	<u>(0.3)</u>	<u>(0.4)</u>	<u>0.1</u>
Non-operating expenses	(0.1)	(0.3)	0.2
Capital contributions	<u>2.5</u>	<u>0.5</u>	<u>2.0</u>
Increase (decrease) in net position	<u>2.1</u>	<u>(0.2)</u>	<u>2.3</u>
Net position, beginning of year	25.1	25.3	(0.2)
Net position, end of year	<u>\$ 27.2</u>	<u>\$ 25.1</u>	<u>\$ 2.1</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, 2018, Village governmental funds reported a combined fund balance of \$27.9 million, \$6.2 million less than last year's total of \$34.1 million. Most of this decrease is a result of a \$4.7 million in planned expenditures on the new Public Works facility. Further details on the General Fund and other significant or "Major" funds are listed below.

General Fund

The General Fund ended the year with a \$0.5 million surplus, which equates to 2% of the operating budget. \$0.3 million of this was a non-cash increase in salt inventory. The remaining \$0.2 million was transferred to the Municipal Facilities and Equipment Fund for future capital expenditures. The final balance of the General Fund amounted to \$10.0 million, a \$0.3 million increase from the prior year. \$3.0 million of the total fund balance is a result of non-spendable assets. The remaining \$7 million is considered "unassigned" and available for spending. The unassigned balance equates to 3.1 months of 2019 budgeted expenditures; which is consistent with our fund balance policy of around 3 months.

Overall, for 2018, General Fund revenues were \$0.2 million less than budgeted. The most significant variances include not receiving a police grant that was valued at \$0.3 million. In addition, \$0.2 million in Fire Dues were received, but were moved to a special revenue fund in 2018 for greater transparency. These negative variances were offset in part by \$0.4 million received from the sale of capital assets.

General Fund expenditures were \$0.7 million less than budgeted. This savings essentially comes from positions in the Police Department that went unfilled. The Village did not receive the police personnel grant, so 2 positions would no longer be funded. In addition, retirements happened sooner than expected and the PD has found it difficult to secure qualified candidates, an issue that has continued into 2019.

Debt Service Fund

The Debt Service Fund balance decreased \$0.3 million after applying net premium against interest payments on the Series 2017B Notes. Annual debt service requirements were met primarily by transfers from other governmental funds of \$8.9 million and property taxes levied of \$2.4 million.

Municipal Facilities & Equipment Fund (MFEF)

The MFEF continues to be a strong asset to the Village, providing funds for capital purchases and revolving capital loans. During 2018, the MFEF fund balance decreased by \$3.9 million, ending at \$5.6 million. The large decrease was due to the planned capital spending on the new Public Works facility. Landfill tipping fees for 2018 were close to budget, at \$3.2 million. In addition, \$0.2 million of the General Fund surplus was transferred into the MFEF.

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. 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, 2018, the Village had \$324.3 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)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Non-depreciable assets:						
Land	\$ 99.8	\$ 98.1	\$ 0.6	\$ 0.6	\$ 100.4	\$ 98.7
Construction in progress	17.7	17.0	0.8	1.4	18.5	18.4
Total non-depreciable assets	117.5	115.1	1.4	2.0	118.9	117.1
Depreciable assets:						
Land improvements	5.2	4.9	1.9	1.9	7.1	6.8
Buildings and improvements	39.8	39.8	9.2	9.3	49.0	49.1
Equipment and furnishings	20.2	19.8	9.0	9.2	29.2	29.0
Infrastructure	58.1	54.1	195.1	187.3	253.2	241.4
Total depreciable assets	123.3	118.6	215.2	207.7	338.5	326.3
Less accumulated depreciation	58.3	55.7	74.8	71.5	133.1	127.2
Net depreciable assets	65.0	62.9	140.4	136.2	205.4	199.1
Total capital assets	\$ 182.5	\$ 178.0	\$ 141.8	\$ 138.2	\$ 324.3	\$ 316.2

The Village's 2018 capital budget anticipated a spending level of \$8.1 million for capital projects. The Village borrowed \$5.2 million in to fund these expenditures, with the remaining \$2.9 million being financed with cash on hand.

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

	Book Value
Ongoing construction of the new Public Works facility	\$ 4.7
Garfield Ave improvements	0.7
Contributed infrastructure from the Brookdale Estates subdivision	0.5

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

	Book Value
Water Utility infrastructure	\$ 3.2
Storm Utility infrastructure	2.7
Sewer Utility infrastructure	1.8

Long-term Debt

As of December 31, 2018, long-term debt outstanding totaled \$96.2 million compared to \$101.3 million at December 31, 2017, a net decrease of \$5.1 million.

The following debt issuances occurred in 2018:

2018A GO Notes - 2018 Capital Budget	\$	3,340,000
2018B GO Notes - 2018 Capital Budget		<u>1,900,000</u>
	\$	<u>5,240,000</u>

Principal paid on outstanding debt totaled \$10.3 million for 2018, all of which was paid toward principal reduction. There were no refinancings.

The debt issued to fund the 2018 Capital Budget is summarized as follows:

Streets and Storm Water Infrastructure	\$	2,000,000
Lilly Rd improvements in TID 12		1,900,000
Water Utility Infrastructure		<u>1,340,000</u>
Total debt issuance	\$	<u>5,240,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds/notes	\$ 84.9	\$ 89.9	\$ 10.3	\$ 10.2	\$ 95.2	\$ 100.1
Mortgage revenue bonds	-	-	1.0	1.2	1.0	1.2
	<u>\$ 84.9</u>	<u>\$ 89.9</u>	<u>\$ 11.3</u>	<u>\$ 11.4</u>	<u>\$ 96.2</u>	<u>\$ 101.3</u>

The Village's general obligation bond rating is Aa2 by Moody's; a strong rating for a village of our size. The outstanding Sewer Utility mortgage revenue bonds are 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 \$254.9 million. As of December 31, 2018 the Village had \$95.2 million in outstanding general obligation debt, or 37% 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 other post-employment benefits (OPEB) obligation.

Economic Factors and Next Year's Budgets and Rates

Property taxes make up 67% of the General Fund's 2019 budget and state revenues account for another 12%. Together, nearly 80% of the General Fund's expenditures are covered by taxes and state revenues. Overall, the 2019 General Fund operating budget decreased slightly compared to 2018.

The total assessed value for the Village increased \$20.5 million, less than 1%. Total assessed values for 2018 and 2017 were \$4.8 billion and \$4.8 billion respectively. The ratio of assessed values to equalized values was 95% as of January 1, 2018.

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, 2018

	Primary Government		
	Governmental	Business-	
	Activities	type	Total
		Activities	
Assets:			
Cash and equivalents	\$ 30,849,867	\$ 11,309,664	\$ 42,159,531
Investments	3,802,430	---	3,802,430
Taxes receivable	22,463,944	931,000	23,394,944
Special charges on the tax roll	1,314,187	510,771	1,824,958
Intergovernmental aid receivable	1,228,820	---	1,228,820
Accounts receivable (net)	2,024,230	3,252,957	5,277,187
Inventories	594,886	130,233	725,119
Prepaid items	33,716	2,119	35,835
Notes receivable	290,901	---	290,901
Special assessments	903,348	---	903,348
Restricted assets:			
Cash and equivalents	853,215	10,273,274	11,126,489
Net pension asset	3,153,184	251,982	3,405,166
Advances to enterprise funds	2,014,173	(2,014,173)	---
Prepaid capacity charges	---	2,864,981	2,864,981
Capital assets:			
Land and construction in progress	117,453,348	1,438,458	118,891,806
Other capital assets net of accumulated depreciation	64,998,767	140,399,208	205,397,975
Total assets	251,979,016	169,350,474	421,329,490
Deferred Outflows of Resources:			
Unamortized losses on debt refunding	62,479	---	62,479
Deferred outflows related to pensions	9,480,254	757,602	10,237,856
Deferred outflows related to OPEB - life insurance	93,870	23,030	116,900
Deferred outflows related to OPEB - health	44,618	3,566	48,184
Total deferred outflows of resources	9,681,221	784,198	10,465,419
Liabilities:			
Accounts payable and accrued expenses	3,261,765	568,112	3,829,877
Deposits	303,814	50,000	353,814
Prepaid rent	18,712	---	18,712
Unearned revenue	---	142,871	142,871
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	76,464	76,464
Accrued interest	576,592	4,394	580,986
Compensated absences - vacation due within one year	1,071,944	174,752	1,246,696
Compensated absences - sick leave due within one year	549,245	168,819	718,064
Compensated absences - sick leave more than one year	2,499,737	340,108	2,839,845
Net OPEB - life insurance liability	722,989	177,371	900,360
Net OPEB - health liability	1,615,273	129,082	1,744,355
Bonds and notes - due within one year	25,826,953	1,449,231	27,276,184
Bonds and notes - due in more than one year	60,742,774	9,931,030	70,673,804
Total liabilities	97,189,798	13,212,234	110,402,032
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	31,824,187	931,000	32,755,187
Deferred inflows related to pensions	9,607,481	767,768	10,375,249
Deferred inflows related to OPEB - life insurance	10,187	2,499	12,686
Total deferred inflows of resources	41,441,855	1,701,267	43,143,122
Net Position:			
Net investment in capital assets	111,199,441	133,366,678	244,566,119
Restricted for:			
Capital projects	4,951,663	9,165,716	14,117,379
Debt service	24,819	---	24,819
Library operations and maintenance	1,261,019	---	1,261,019
Other	1,736,433	1,026,700	2,763,133
Unrestricted	3,855,209	11,662,077	15,517,286
Total net position	\$ 123,028,584	\$ 155,221,171	\$ 278,249,755

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, 2018

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 4,684,122	\$ 559,056	\$ ---	\$ ---	\$ (4,125,066)	\$ ---	\$ (4,125,066)
Public safety	16,365,784	2,187,991	482,631	---	(13,695,162)	---	(13,695,162)
Public works	13,568,975	4,707,137	2,235,560	1,625,434	(5,000,844)	---	(5,000,844)
Culture and recreation	3,352,517	432,937	69,033	---	(2,850,547)	---	(2,850,547)
Conservation and development	2,310,685	1,385,455	395,958	---	(529,272)	---	(529,272)
Interest and fiscal charges	2,206,579	---	---	---	(2,206,579)	---	(2,206,579)
Total governmental activities	42,488,662	9,272,576	3,183,182	1,625,434	(28,407,470)	---	(28,407,470)
Business-type Activities:							
Water Utility	5,661,202	6,818,479	---	3,073,712	---	4,230,989	4,230,989
Sewer Utility	11,491,314	8,951,157	---	2,148,542	---	(391,615)	(391,615)
Storm Water Utility	1,427,023	45,842	---	2,560,784	---	1,179,603	1,179,603
Total business-like activities	18,579,539	15,815,478	---	7,783,038	---	5,018,977	5,018,977
Total primary government	\$ 61,068,201	\$ 25,088,054	\$ 3,183,182	\$ 9,408,472	(28,407,470)	5,018,977	(23,388,493)
General Revenues:							
Taxes:							
Property taxes levied for general purposes					20,425,719	---	20,425,719
Property taxes levied for utility purposes					---	931,000	931,000
Property taxes levied for debt service					2,357,000	---	2,357,000
Property taxes levied for TID districts					6,412,930	---	6,412,930
Grants and contributions not restricted to specific programs					1,241,904	---	1,241,904
Investment earnings					746,136	372,174	1,118,310
Interest on advances to utilities					51,197	---	51,197
Loss on disposal of capital assets					(573,256)	---	(573,256)
Transfers - PILOT					1,266,520	(1,266,520)	---
Other revenues					200,796	517,879	718,675
Total general revenues					32,128,946	554,533	32,683,479
Change in net position					3,721,476	5,573,510	9,294,986
Net position, beginning of year					119,949,089	149,583,183	269,532,272
Adjustment due to change in accounting principle					(641,981)	64,478	(577,503)
Net position, beginning of year as adjusted					119,307,108	149,647,661	268,954,769
Net position, end of year					\$ 123,028,584	\$ 155,221,171	\$ 278,249,755

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, 2018

	General Fund	Debt Service Fund	Municipal Facilities and Equipment Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and equivalents	\$ 13,116,910	\$ 24,819	\$ 2,681,733	\$ 14,347,304	\$ 30,170,766
Restricted assets:					
Cash and equivalents	---	---	---	853,215	853,215
Certificate of deposit	3,802,430	---	---	---	3,802,430
Accounts receivable:					
Taxes	11,575,529	2,375,000	---	8,513,415	22,463,944
Special charges on the tax roll	8,015	---	---	1,306,172	1,314,187
Intergovernmental aid	527,679	---	---	701,141	1,228,820
Special assessments	---	---	---	903,348	903,348
Accounts	966,179	---	155,650	869,219	1,991,048
Notes	---	---	---	290,901	290,901
Prepaid items	33,716	---	---	---	33,716
Inventory of supplies, at cost	594,886	---	---	---	594,886
Advances to other governmental funds	2,316,099	---	724,799	---	3,040,898
Advances to utilities	---	---	2,014,173	---	2,014,173
Total assets	<u>32,941,443</u>	<u>2,399,819</u>	<u>5,576,355</u>	<u>27,784,715</u>	<u>68,702,332</u>
Liabilities:					
Accounts payable and other accrued liabilities	2,389,573	---	18,318	853,874	3,261,765
Accrued compensated absences	1,007,369	---	---	64,575	1,071,944
Deposits	190,077	---	---	113,737	303,814
Prepaid rent	17,540	---	1,172	---	18,712
Long-term advances from other governmental funds	---	---	---	3,040,898	3,040,898
Total liabilities	<u>3,604,559</u>	<u>---</u>	<u>19,490</u>	<u>4,073,084</u>	<u>7,697,133</u>
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	18,964,812	2,375,000	---	10,484,375	31,824,187
Miscellaneous unavailable revenue	414,422	---	---	100,000	514,422
Special assessments	---	---	---	583,803	583,803
Platting fees	---	---	---	169,000	169,000
Total deferred inflows of resources	<u>19,379,234</u>	<u>2,375,000</u>	<u>---</u>	<u>11,337,178</u>	<u>33,091,412</u>
Fund Balances (Deficit):					
Nonspendable	2,955,091	---	2,738,972	510,446	6,204,509
Restricted:					
Capital projects	---	---	---	5,687,612	5,687,612
Other	---	24,819	---	3,019,539	3,044,358
Committed	---	---	---	5,783,510	5,783,510
Assigned	---	---	2,817,893	---	2,817,893
Unassigned	7,002,559	---	---	(2,626,654)	4,375,905
Total fund balances (deficit)	<u>\$ 9,957,650</u>	<u>\$ 24,819</u>	<u>\$ 5,556,865</u>	<u>\$ 12,374,453</u>	<u>\$ 27,913,787</u>

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, 2018

Total fund balance of governmental funds	\$ 27,913,787
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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	117,453,348
Other capital assets net of accumulated depreciation	64,998,767

Other unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds.

Special assessments receivable	583,803
Miscellaneous unavailable revenue	683,422

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.

Net unamortized losses on debt refunding	62,479
Net unamortized premiums on debt	(1,713,917)

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	(84,855,810)
Compensated absences payable - sick pay	(3,048,982)
Net OPEB - Health	(1,615,273)
Accrued interest payable on long-term bonds and notes	(576,592)

The Village's proportionate share of the net pension asset at the WRS exceeds its obligation. This is reported as an asset on the statement of net position, but is not reported in the governmental funds.

3,153,184

The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but is not reported in the governmental funds.

(722,989)

Deferred outflows and inflows of resources related to pensions, OPEB - life insurance and OPEB -health are applicable to future periods, and therefore, are not reported in the governmental funds.

Deferred outflows related to pensions	9,480,254
Deferred inflows related to pensions	(9,607,481)
Deferred outflows related to OPEB - health	44,618
Deferred outflows related to OPEB - life insurance	93,870
Deferred inflows related to OPEB - life insurance	(10,187)

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.

712,283

Net position of governmental activities	\$ <u>123,028,584</u>
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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, 2018

	General Fund	Debt Service Fund	Municipal Facilities and Equipment Fund	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 18,494,098	\$ 2,357,000	\$ ---	\$ 8,144,930	\$ 28,996,028
Other taxes	182,506	---	---	290,788	473,294
Charges for services:					
Licenses and permits	1,534,990	---	---	---	1,534,990
Fines and forfeitures	482,625	---	---	18,447	501,072
Program revenues	---	---	---	1,602,308	1,602,308
Fire dues	---	---	---	181,694	181,694
Tipping fees	---	---	3,188,849	---	3,188,849
Other charges for services	1,445,902	---	---	---	1,445,902
Operating grants and contributions:					
Intergovernmental	2,824,958	---	70	748,684	3,573,712
Donations	7,734	---	---	25,908	33,642
Other	---	---	---	26,707	26,707
Special assessments and interest	---	---	---	41,338	41,338
Contributions from developers	---	---	---	298,725	298,725
Platting fees	---	---	---	40,000	40,000
Impact fees	---	---	---	758,759	758,759
Investment earnings	308,838	16,105	60,938	375,681	761,562
Interest on advances to governmental funds	64,791	---	5,259	---	70,050
Interest on advances to utilities	---	---	51,197	---	51,197
Other revenues	198,761	---	5,625	16,503	220,889
Total governmental revenues	<u>25,545,203</u>	<u>2,373,105</u>	<u>3,311,938</u>	<u>12,570,472</u>	<u>43,800,718</u>
Expenditures:					
Current:					
General government	3,911,137	---	6,019	152,614	4,069,770
Public safety	14,662,655	---	496,532	27,604	15,186,791
Public works	3,796,422	---	---	7,180,956	10,977,378
Culture and recreation	834,528	---	---	2,009,414	2,843,942
Conservation and development	1,138,304	---	---	1,119,251	2,257,555
Capital outlay	316,781	---	5,184,085	3,029,344	8,530,210
Debt Service:					
Principal on long-term debt	---	8,895,863	---	---	8,895,863
Interest and fiscal charges on long-term debt	---	2,684,714	1,592	---	2,686,306
Bond expenses	---	70,507	---	12,251	82,758
Interest on advances from governmental funds	---	---	---	70,050	70,050
Total expenditures	<u>24,659,827</u>	<u>11,651,084</u>	<u>5,688,228</u>	<u>13,601,484</u>	<u>55,600,623</u>
Excess (deficit) of revenues over (under) expenditures	885,376	(9,277,979)	(2,376,290)	(1,031,012)	(11,799,905)
Other Financing Sources (Uses):					
Proceeds from sales of capital assets	371,467	---	44,232	---	415,699
Transfers in	---	8,943,626	1,697,014	3,492,808	14,133,448
Transfers out	(2,251,371)	---	(3,263,846)	(8,618,231)	(14,133,448)
Transfers from water utility - PILOT	1,266,520	---	---	---	1,266,520
Bonds and notes issued	---	---	---	3,900,000	3,900,000
Debt issuance premiums	---	76,362	---	---	76,362
Total other financing sources (uses)	<u>(613,384)</u>	<u>9,019,988</u>	<u>(1,522,600)</u>	<u>(1,225,423)</u>	<u>5,658,581</u>
Net change in fund balances	271,992	(257,991)	(3,898,890)	(2,256,435)	(6,141,324)
Fund balance, beginning of year	9,685,658	282,810	9,455,755	14,630,888	34,055,111
Fund balance, end of year	<u>\$ 9,957,650</u>	<u>\$ 24,819</u>	<u>\$ 5,556,865</u>	<u>\$ 12,374,453</u>	<u>\$ 27,913,787</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, 2018**

Net change in fund balances of governmental funds	\$ (6,141,324)
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	8,530,210
Depreciation expense in government-wide financial statements	(4,377,871)
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.	
	1,301,236
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.	
	(988,955)
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	(3,900,000)
Principal payments on debt in governmental fund financial statements	8,895,863
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	(76,362)
Amortization of these amounts included in interest expense in the statement of activities	430,198
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 prior year accrual exceeds the current accrual.	
	132,286
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 in the statement of activities.	
	(34,067)
In the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used.	
	(382,809)
Certain revenues which do not provide current financial resources are deferred in the governmental funds, but are reported in the statement of activities.	
Decrease in special assessments receivable	(15,866)
Increase in miscellaneous unavailable revenue	469,896
Net OPEB - life insurance obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the statement of activities.	
	(68,631)
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	(8,634)
Increase in OPEB obligation	(43,694)
Change in net position of governmental activities	\$ 3,721,476

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, 2018

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 18,493,000	\$ 18,493,000	\$ 18,494,098	\$ 1,098
Other taxes	150,000	150,000	182,506	32,506
Licenses and permits	1,484,300	1,484,300	1,534,990	50,690
Fines and forfeitures	588,500	588,500	482,625	(105,875)
Intergovernmental	3,346,100	3,346,100	2,824,958	(521,142)
Donations	---	---	7,734	7,734
Charges for services	1,532,200	1,532,200	1,445,902	(86,298)
Investment earnings	210,000	210,000	308,838	98,838
Interest on advances to other governmental funds	40,500	40,500	64,791	24,291
Other	150,600	150,600	198,761	48,161
Total revenues	<u>25,995,200</u>	<u>25,995,200</u>	<u>25,545,203</u>	<u>(449,997)</u>
Expenditures:				
General government	4,280,800	4,280,800	4,018,153	262,647
Public safety	15,245,300	15,245,300	14,852,525	392,775
Public works	3,734,400	3,734,400	3,808,322	(73,922)
Culture and recreation	984,800	984,800	842,523	142,277
Conservation and development	1,274,900	1,274,900	1,138,304	136,596
Total expenditures	<u>25,520,200</u>	<u>25,520,200</u>	<u>24,659,827</u>	<u>860,373</u>
Excess of revenues over expenditures	<u>475,000</u>	<u>475,000</u>	<u>885,376</u>	<u>410,376</u>
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	---	---	371,467	371,467
Transfers out	(1,875,000)	(1,875,000)	(2,251,371)	(376,371)
Transfers from water utility - PILOT	1,400,000	1,400,000	1,266,520	(133,480)
Net other financing uses	<u>(475,000)</u>	<u>(475,000)</u>	<u>(613,384)</u>	<u>(138,384)</u>
Net change in fund balance	<u>---</u>	<u>---</u>	<u>271,992</u>	<u>271,992</u>
Fund Balance:				
Beginning of year	9,685,658	9,685,658	9,685,658	---
End of year	<u>\$ 9,685,658</u>	<u>\$ 9,685,658</u>	<u>\$ 9,957,650</u>	<u>\$ 271,992</u>

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, 2018

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
Assets:					
Current Assets:					
Cash and equivalents	\$ 9,594,933	\$ 1,145,464	\$ 569,267	\$ 11,309,664	\$ 679,101
Cash and equivalents - restricted (current)	---	80,858	---	80,858	---
Receivables:					
Taxes	---	---	931,000	931,000	---
Special charges on the tax roll	159,402	351,369	---	510,771	---
Utility customers	976,136	1,756,605	---	2,732,741	---
Other	25,956	493,598	662	520,216	33,182
Prepaid items	2,119	---	---	2,119	---
Inventory	86,746	14,066	29,421	130,233	---
Total current assets	10,845,292	3,841,960	1,530,350	16,217,602	712,283
Noncurrent Assets:					
Restricted:					
Cash and equivalents - restricted (noncurrent)	3,845,625	6,346,791	---	10,192,416	---
Net pension asset	153,232	78,319	20,431	251,982	---
Prepaid capacity charge	---	2,864,981	---	2,864,981	---
Land and construction in progress	1,068,077	117,223	253,158	1,438,458	---
Other capital assets, net of accumulated depreciation	60,482,012	49,291,018	30,626,178	140,399,208	---
Total noncurrent assets	65,548,946	58,698,332	30,899,767	155,147,045	---
Total assets	76,394,238	62,540,292	32,430,117	171,364,647	712,283
Deferred Outflows of Resources:					
Deferred outflows related to pensions	460,704	235,471	61,427	757,602	---
Deferred outflows related to OPEB - life insurance	13,327	8,066	1,637	23,030	---
Deferred outflows related to OPEB - health	2,795	578	193	3,566	---
Total deferred outflows of resources	476,826	244,115	63,257	784,198	---
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	382,761	129,126	9,967	521,854	---
Deposits	---	---	50,000	50,000	---
Compensated absences - vacation due within one year	104,511	53,801	16,440	174,752	---
Compensated absences - sick due within one year	76,922	75,087	16,810	168,819	---
Unearned revenue	142,871	---	---	142,871	---
Current portion of general obligation notes	825,000	25,000	561,000	1,411,000	---
Current portion of revenue bonds	---	38,231	---	38,231	---
Accrued interest	40,084	155	6,019	46,258	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	---	76,464	---	76,464	---
Accrued interest	---	4,394	---	4,394	---
Total current liabilities	1,572,149	402,258	660,236	2,634,643	---
Long-Term Liabilities:					
Compensated absences - sick pay	240,458	69,471	30,179	340,108	---
Net OPEB - life insurance liability	102,641	62,125	12,605	177,371	---
Net OPEB - health liability	101,173	20,932	6,977	129,082	---
Advances from other funds	---	---	2,014,173	2,014,173	---
General obligation notes	7,472,846	35,000	1,507,580	9,015,426	---
Revenue bonds	---	915,604	---	915,604	---
Total long-term liabilities	7,917,118	1,103,132	3,571,514	12,591,764	---
Total liabilities	9,489,267	1,505,390	4,231,750	15,226,407	---
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	---	---	931,000	931,000	---
Deferred inflows related to pensions	466,886	238,631	62,251	767,768	---
Deferred inflows related to OPEB - life insurance	1,446	875	178	2,499	---
Total deferred inflows of resources	468,332	239,506	993,429	1,701,267	---
Net Position:					
Net investment in capital assets	54,712,681	49,348,241	29,305,756	133,366,678	---
Restricted for:					
Operations and maintenance	---	893,300	---	893,300	---
Depreciation	---	133,400	---	133,400	---
Capital projects	3,845,625	5,320,091	---	9,165,716	---
Unrestricted	8,355,159	5,344,479	(2,037,561)	11,662,077	712,283
Total net position	\$ 66,913,465	\$ 61,039,511	\$ 27,268,195	\$ 155,221,171	\$ 712,283

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Total Enterprise Funds	
Operating Revenues:					
Charges for services	\$ 6,818,479	\$ 8,951,157	\$ 45,842	\$ 15,815,478	\$ ---
General property taxes	---	---	931,000	931,000	---
Total operating revenues	<u>6,818,479</u>	<u>8,951,157</u>	<u>976,842</u>	<u>16,746,478</u>	<u>---</u>
Operating Expenses:					
Operation and maintenance	2,523,053	8,600,819	336,266	11,460,138	65,006
Administrative expense	1,209,825	884,273	274,401	2,368,499	---
Depreciation expense	1,709,682	1,454,588	700,085	3,864,355	---
Regulatory commission remainder assessments	6,941	---	---	6,941	---
Total operating expenses	<u>5,449,501</u>	<u>10,939,680</u>	<u>1,310,752</u>	<u>17,699,933</u>	<u>65,006</u>
Operating income (loss)	<u>1,368,978</u>	<u>(1,988,523)</u>	<u>(333,910)</u>	<u>(953,455)</u>	<u>(65,006)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	226,019	131,557	14,598	372,174	30,939
Sale of materials	19,269	364	---	19,633	---
Miscellaneous	---	25,507	---	25,507	---
Intergovernmental	---	472,739	---	472,739	---
Private lateral repair	---	(465,441)	---	(465,441)	---
Gain (loss) on retirement of property and plant	3,500	(35,839)	(2,266)	(34,605)	---
Donated rent	---	(18,000)	---	(18,000)	---
Fiscal charges on debt	(2,938)	(292)	(987)	(4,217)	---
Amortization of debt premiums, discounts and losses on refundings	22,521	---	5,756	28,277	---
Debt issuance costs	(24,746)	---	---	(24,746)	---
Impact fees	579,806	569,448	---	1,149,254	---
Interest on long-term debt	(210,038)	(30,237)	(69,402)	(309,677)	---
Interest on advances from governmental funds	---	(1,825)	(49,372)	(51,197)	---
Net non-operating revenues (expenses)	<u>613,393</u>	<u>647,981</u>	<u>(101,673)</u>	<u>1,159,701</u>	<u>30,939</u>
Net income (loss) before capital contributions	<u>1,982,371</u>	<u>(1,340,542)</u>	<u>(435,583)</u>	<u>206,246</u>	<u>(34,067)</u>
Transfers to governmental funds - PILOT	(1,266,520)	---	---	(1,266,520)	---
Capital contributions	2,493,906	1,579,094	2,560,784	6,633,784	---
Net increase (decrease) in net position	<u>3,209,757</u>	<u>238,552</u>	<u>2,125,201</u>	<u>5,573,510</u>	<u>(34,067)</u>
Net Position:					
Balance, beginning of year	63,607,019	60,834,381	25,141,783	149,583,183	746,350
Adjustment due to change in accounting principle	96,689	(33,422)	1,211	64,478	---
Balance, beginning of year as adjusted	<u>63,703,708</u>	<u>60,800,959</u>	<u>25,142,994</u>	<u>149,647,661</u>	<u>746,350</u>
Balance, end of year	<u>\$ 66,913,465</u>	<u>\$ 61,039,511</u>	<u>\$ 27,268,195</u>	<u>\$ 155,221,171</u>	<u>\$ 712,283</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, 2018

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
Cash Flows from Operating Activities:					
Receipts from customers	\$ 5,284,735	\$ 8,788,410	\$ 45,747	\$ 14,118,892	\$ ---
Payments to suppliers	(1,948,864)	(8,545,441)	(102,423)	(10,596,728)	(46,876)
Payments to and on behalf of employees	(1,355,962)	(810,356)	(497,526)	(2,663,844)	---
Internal activity - receipts from other funds	1,745,367	---	---	1,745,367	---
Internal activity - payments to other funds	---	(155,184)	---	(155,184)	---
Other receipts	18,789	7,871	931,000	957,660	12,783
Other payments	(1,824)	---	---	(1,824)	(18,130)
Net cash provided (used) by operating activities	3,742,241	(714,700)	376,798	3,404,339	(52,223)
Cash Flows from Noncapital Financing Activities					
Transfers - PILOT	(1,266,520)	---	---	(1,266,520)	---
Lateral repair program	---	7,298	---	7,298	---
Advances from municipality	---	---	299,372	299,372	---
Interest on advances	---	---	(49,372)	(49,372)	---
Net cash provided (used) by noncapital financing activities	(1,266,520)	7,298	250,000	(1,009,222)	---
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of property and plant	3,500	---	---	3,500	---
Payments to dispose of property and plant	(24,950)	---	---	(24,950)	---
Purchases of property and plant	(564,845)	(110,761)	(91,823)	(767,429)	---
Fair value of debt issued	1,340,000	---	---	1,340,000	---
Debt issuance premiums	28,668	---	---	28,668	---
Debt issuance costs	(24,746)	---	---	(24,746)	---
Principal payments on debt	(755,000)	(182,880)	(506,000)	(1,443,880)	---
Interest on debt	(204,857)	(30,930)	(71,110)	(306,897)	---
Fiscal charges on debt	(2,938)	(292)	(987)	(4,217)	---
Payment on advances from municipality	---	(91,233)	---	(91,233)	---
Interest on advances	---	(1,825)	---	(1,825)	---
Impact fees	579,806	569,448	---	1,149,254	---
Net cash provided (used) by capital and related financing activities	374,638	151,527	(669,920)	(143,755)	---
Cash Flows from Investing Activities:					
Investment earnings	226,019	131,557	14,598	372,174	30,939
Net cash provided by investing activities	226,019	131,557	14,598	372,174	30,939
Net increase (decrease) in cash and equivalents	3,076,378	(424,318)	(28,524)	2,623,536	(21,284)
Cash and equivalents, beginning of year	10,503,408	7,997,431	597,791	19,098,630	700,385
Cash and equivalents, end of year	\$ 13,579,786	\$ 7,573,113	\$ 569,267	\$ 21,722,166	\$ 679,101
Reconciliation to cash and cash equivalents on the statement of net assets:					
Cash and cash equivalents - unrestricted	\$ 9,594,933	\$ 1,145,464	\$ 569,267	\$ 11,309,664	\$ 679,101
Cash and cash equivalents - restricted	3,845,625	6,427,649	---	10,273,274	---
Total cash and equivalents	\$ 13,440,558	\$ 7,573,113	\$ 569,267	\$ 21,582,938	\$ 679,101

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2018
(Continued)

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water	Sewer	Storm	Enterprise	Internal
	Utility	Utility	Water	Funds	Service
			Utility		Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,368,978	\$ (1,988,523)	\$ (333,910)	\$ (953,455)	\$ (65,006)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,709,682	1,364,700	700,085	3,774,467	---
Depreciation charged to other accounts	124,446	---	---	124,446	---
Amortization of prepaid capacity	---	252,152	---	252,152	---
Proceeds from sales of materials	19,269	364	---	19,633	---
Miscellaneous revenues	---	7,507	---	7,507	---
Changes in assets and liabilities related to operations:					
Receivables	111,031	(163,128)	(95)	(52,192)	12,783
Inventory	2,369	238	1,676	4,283	---
Prepaid items	(63)	---	---	(63)	---
Accounts payable and accrued liabilities	357,150	(186,147)	841	171,844	---
WRS pension accrual	14,747	9,416	2,456	26,619	---
Compensated absences	12,773	(17,741)	4,361	(607)	---
OPEB obligation	12,475	6,462	1,384	20,321	---
Unearned revenue	9,384	---	---	9,384	---
Net cash provided (used) by operating activities	\$ 3,742,241	\$ (714,700)	\$ 376,798	\$ 3,404,339	\$ (52,223)
Non-Cash Capital Activities:					
Utility plant contributions	\$ 2,493,906	\$ 1,579,094	\$ 2,560,784	\$ 6,633,784	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	(22,521)	---	(5,756)	(28,277)	---
Gain on sale of utility plant	3,500	---	---	3,500	---
Loss on sale of utility plant	---	(35,839)	(2,266)	(38,105)	---

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 (Agency) Funds
December 31, 2018

	Fiduciary (Agency)
	Funds
Assets:	
Cash and equivalents	\$ 12,603,945
Taxes receivable	46,237,500
Total assets	\$ 58,841,445
Liabilities:	
Due to other taxing units	\$ 58,841,445
Total liabilities	\$ 58,841,445

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

NOTES TO FINANCIAL STATEMENTS

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies

The Village complies with U.S. generally accepted accounting principles ("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

Under U.S. GAAP, an organization should be reported as a component unit of the primary government if the primary government is financially accountable for the organization and the existence of a potential for the component unit to provide specific financial benefits to or impose financial burdens on the Village. 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.

The Village does not report the Village of Menomonee Falls Business Improvement District ("BID") as a discretely presented component unit. Management determined that the BID did not meet the above criteria for being reported as a component unit of the primary government.

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.

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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

Government-Wide Financial Statements (continued)

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.

The Village reports the following funds:

Major Governmental Funds

- General Fund – The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally or administratively required to be accounted for in another fund.
- 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).
- Municipal Facilities and Equipment Fund – The Municipal Facilities and Equipment Fund is used to account for capital expenditures and other project related purchases and financing.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

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	Solid Waste Collection
Park Department	Library Operations and Maintenance
Community Development	Tourism Commission
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 #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 #6	Tax Incremental Financing District #13 (Proposed)
Tax Incremental Financing District #7	Tax Incremental Financing District #14 (Proposed)
Tax Incremental Financing District #8	Special Assessments
Tax Incremental Financing District #9	

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.

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 fund consists of the following:
 - Taxing Jurisdiction Fund – accounts for assets collected for other taxing jurisdictions

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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-type 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, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

In the government-wide statement of net position and statement of activities, 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, deferred outflows of resources 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting (continued)

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 operating revenue, while the portion of Storm Water Utility tax revenue budgeted to cover capital related costs should 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 operations (a) that are financed and operated in a manner similar to private business - 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 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, 2018

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 equivalents”: include all demand, savings and money market accounts, and monies invested in the Wisconsin Local Government Investment Pool. Investments are carried at cost, which approximates fair value.

Receivables

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

Property Tax Calendar – 2018 Tax Roll:

Levy date	December 2018
Tax bills mailed	December 2018
Payment in full or first installment due (real property)	January 31, 2019
Second installment due (real property)	July 31, 2019
Personal property taxes due in full	January 31, 2019
Tax settlement with other governmental units:	
First settlement	January 16, 2019
Second settlement	February 20, 2019
Third settlement	April 17, 2019
Final settlement	August 21, 2019
Lien date (by County)	September 1, 2019
Tax sale (by County) - 2018 delinquent real estate taxes	October 2022

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 funds and non-major special revenue funds 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, 2018

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
Land improvements	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.

Water Utility Depreciation Rates

The Water Utility depreciation rates are set by the Public Service Commission of Wisconsin ("PSC").

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, 2018

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 obligations are related to 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 expended 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, 2018 was \$27,751,440.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

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, 2018

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 are 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 Board of Trustees. Amounts noted as assigned relate to constraints approved by the Village Board or the Finance Director.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows of Resources

Under U.S. GAAP, 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 had a number of items that qualify for reporting in this category. Unamortized losses on refunding are reported in the statement 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. The Village also reports deferred outflows of resources related to the Village's pension plan. Deferred outflows related to pensions are reported in the statement of net position and the proprietary funds statements of net position. The Village also reports deferred outflows of resources related to the Village's OPEB – life insurance and OPEB - health plans. Deferred outflows related to OPEB are reported in the statement of net position and the proprietary funds statements of net position.

Deferred Inflows of Resources

Under U.S. GAAP, 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 had a number of 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 Village reports deferred inflows of resources related to Village's pension plan. The Village reports deferred inflows of resources related to Village's OPEB – life insurance plan. The Village also reports unavailable resources for special assessments, platting fees and miscellaneous unavailable revenue as deferred inflows of resources.

Other Post-Employment Benefits (OPEB) – Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System ("WRS") and additions to/from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

E. Adoption of New Accounting Guidance

The Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. See notes 4.B, 4.C and 4.O for additional information.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

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. 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, 2018, the Village was obligated for a total of \$95,106,810 in general obligation debt, or 37.32% of the total debt limit.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

3. Detail Notes on Transaction Classes and Accounts

A. Cash and Equivalents and Investments

Cash and equivalents and investments as shown on the Village's statement of net position are subject to the following risks:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Petty Cash	\$ 2,572	\$ ---	\$ 2,572
Custodial Risk:			
Demand deposits	2,248,749	---	2,248,749
Local Government Investment Pool (LGIP)	---	52,839,336	52,839,336
Money market	---	10,799,308	10,799,308
Custodial, Interest Rate and Credit Risk			
Certificates of deposit	---	3,802,430	3,802,430
Total	<u>\$ 2,251,321</u>	<u>\$ 67,441,074</u>	<u>\$ 69,692,395</u>

The Village's cash and equivalents and investments are reported in the financial statements as follows:

Statement of net position:	
Cash and equivalents	\$ 42,159,531
Investments	3,802,430
Restricted cash and equivalents	11,126,489
Statement of net position - fiduciary fund:	
Cash and equivalents	12,603,945
Total	<u>\$ 69,692,395</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits and 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 municipalities. Investments in the LGIP are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the 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 and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2018, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

A. Cash and Equivalents and Investments (continued)

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

Petty cash is not subject to custodial, interest rate or credit risk.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

Custodial Risk: Is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for demand deposits and other investments subject to custodial risk were \$69,689,823 at December 31, 2018 and the bank's carrying value was \$70,040,753, of which \$1,471,150 was fully insured, and \$68,569,603 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

Fluctuating cash flows during the year due to the timing of receipt of tax collections, other revenues, and financing sources may have resulted in temporary uninsured balances significantly exceeding the amounts reported under custodial risk.

Interest Rate Risk: Is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. Information regarding the exposure of the Village's investments to this risk, using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of deposit	\$ 3,802,430	\$ 2,280,986	\$ 1,521,444	\$ ---	\$ ---

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities.

Presented below is the rating for each type of investment:

Type of Investment	Amount	Rating as of Year End		
		AAA	Aa	Not Rated
Certificates of Deposit	\$ 3,802,430	\$ ---	\$ ---	\$ 3,802,430

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

A. Cash and Equivalents and Investments (continued)

The Village invests its funds in accordance with the provisions of the Wisconsin Statutes 66.04(2) and 67.11(2), which are as follows:

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.

Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations. There were no significant violations during the year or legal or contractual provisions of investments or deposits.

The Village categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village does not have any investments that are measured using Level 3 inputs.

Investments' fair value measurements are as follows at December 31, 2018:

Type of Investment	Fair Value			Exempt from Disclosure	Total
	Level 1	Level 2	Level 3		
Certificates of deposit	\$ ---	\$ ---	\$ ---	\$ 3,802,430	\$ 3,802,430
Local Government Investment Pool (LGIP)	---	---	---	52,839,336	52,839,336
Money market	---	10,799,308	---	---	10,799,308
Total	\$ ---	\$ 10,799,308	\$ ---	\$ 56,641,766	\$ 67,441,074

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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, 2019</u>
Taxes	\$ 22,472,334	\$ 8,390	\$ 22,463,944	\$ ---
Special charges on tax roll	1,314,187	---	1,314,187	---
Intergovernmental aid	1,228,820	---	1,228,820	---
Accounts	2,373,854	349,624	2,024,230	302,000
Notes	290,901	---	290,901	184,652
Special assessments	903,348	---	903,348	800,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$321,610 and for ambulance billings of \$28,014.

Business-type Activities

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2019</u>
Taxes	\$ 931,000	\$ ---	\$ 931,000	\$ ---
Special charges on tax roll	510,771	---	510,771	---
Accounts	3,267,718	14,761	3,252,957	---

Fiduciary (Agency) Funds

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2019</u>
Taxes	\$ 46,237,500	\$ ---	\$ 46,237,500	\$ ---

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

C. Interfund Balances and Transfers

Advances

Advances between funds represent interfund long-term loans.

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

The Municipal Facilities and Equipment Fund has advanced funds to TID #6 that was provided to fund operations. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

The Municipal Facilities and Equipment Fund has advanced funds to TID #9 for planning-related expenditures. No interest is being charged until the TID begins to collect increment.

The Municipal Facilities and Equipment Fund has advanced funds to TID #12, TID #13 and TID #14 for planning-related expenditures. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

The Municipal Facilities and Equipment Fund has advanced funds to Tourism Commission to fund pre-spending of room taxes. Interest is being charged at the average LGIP rate plus 1% on outstanding balances. The advance was paid in full as of December 31, 2018.

The Municipal Facilities and Equipment Fund has advanced funds to the Sewer Utility that was provided to pay off a bond issue. Interest was being charged at 2% on the outstanding balances. The advance was paid in full as of December 31, 2018.

The Municipal Facilities and Equipment Fund has advanced funds to the Storm Water Utility that was provided to fund operations. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

Aggregated balances outstanding for these advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other governmental funds \$	2,316,099
Municipal Facilities and Equipment Fund	Other governmental funds	724,799
Municipal Facilities and Equipment Fund	Storm Water Utility	2,014,173

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

C. Interfund Balances and Transfers (continued)

Transfers

Transfers between governmental funds are summarized as follows:

Transfers in	Transfers out	Amount
Debt Service Fund	General Fund	\$ 27,953
Debt Service Fund	Municipal Facilities and Equipment Fund	3,263,846
Debt Service Fund	Other governmental funds	5,651,827
Municipal Facilities and Equipment	General Fund	1,129,715
Municipal Facilities and Equipment	Other governmental funds	567,299
Other governmental funds	General Fund	1,093,703
Other governmental funds	Other governmental funds	2,399,105

These transfers were made for the following purposes:

- Transfers to the Debt Service Fund from the General Fund were made to fund the General Fund's debt service requirements.
- Transfers to the Debt Service Fund from Municipal Facilities and Equipment Fund were made to fund the Municipal Facilities and Equipment Fund's debt service requirements.
- Transfers to the Debt Service Fund from Other governmental funds were made to fund the Other governmental funds' debt service requirements.
- Transfers to Municipal Facilities and Equipment Fund from General Fund were made in the amounts of \$919,206 for revolving loan payments and \$210,509 of surplus for future capital purchases.
- Transfers to Municipal Facilities and Equipment fund from Other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.
- Transfers to the Other governmental funds from the General Fund were made in the amounts of \$375,119 to fund capital expenditures and \$718,584 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 between governmental funds and business-type activities for PILOT are summarized as follows:

Transfers in	Transfers out	Amount
General Fund	Water Utility	\$ 1,266,520

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:

- 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, 2018

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	\$ 1,622,311	\$ ---	\$ 1,622,311
Impact fee reserve	3,697,780	3,845,625	7,543,405
Special redemption reserve	80,858	---	80,858
Operation and maintenance reserve	893,300	---	893,300
Depreciation reserve	133,400	---	133,400
Total	\$ 6,427,649	\$ 3,845,625	\$ 10,273,274

Cash and equivalents of the non-major special revenue funds are restricted as a result of state statutes related to fire and park impact fees. As of December 31, 2018, the restricted cash and equivalents related to fire impact fees was \$54,432. As of December 31, 2018, the restricted cash and equivalents related to park impact fees was \$798,783.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2018 is summarized as follows:

Governmental Activities

	Balance January 1, 2018	Additions	Transfers	Disposals	Balance December 31, 2018
Nondepreciable capital assets:					
Land	\$ 98,104,154	\$ 1,783,134	\$ ---	\$ (81,420)	\$ 99,805,868
Construction in progress	17,037,752	4,750,771	(3,238,688)	(902,355)	17,647,480
Total nondepreciable capital assets	115,141,906	6,533,905	(3,238,688)	(983,775)	117,453,348
Depreciable capital assets:					
Land improvements	4,909,847	2,594	323,810	---	5,236,251
Buildings and improvements	39,765,505	39,320	---	---	39,804,825
Equipment and furnishings	19,796,349	802,017	251,900	(684,556)	20,165,710
Infrastructure	54,067,251	2,453,610	2,662,978	(1,042,498)	58,141,341
Total depreciable capital assets	118,538,952	3,297,541	3,238,688	(1,727,054)	123,348,127
Less accumulated depreciation:					
Land improvements	2,810,592	245,324	---	---	3,055,916
Buildings and improvements	15,144,269	948,605	---	---	16,092,874
Equipment and furnishings	15,301,387	1,049,570	---	(679,376)	15,671,581
Infrastructure	22,437,115	2,134,372	---	(1,042,498)	23,528,989
Total accumulated depreciation	55,693,363	4,377,871	---	(1,721,874)	58,349,360
Net depreciable capital assets	62,845,589	(1,080,300)	3,238,688	(5,180)	64,998,767
Net total capital assets	\$ 177,987,495	\$ 5,453,575	\$ ---	\$ (988,955)	\$ 182,452,115

Depreciation was charged to governmental functions as follows:

General government	\$ 485,245
Public safety	848,580
Public works	2,546,659
Culture and recreation	460,123
Conservation and development	37,264
Total depreciation	<u>\$ 4,377,871</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

E. Capital Assets (continued)

Business-type Activities

	Balance January 1, 2018	Additions	Transfers	Disposals	Balance December 31, 2018
Nondepreciable capital assets:					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	1,382,857	707,343	(1,260,295)	---	829,905
Total nondepreciable capital assets	1,991,410	707,343	(1,260,295)	---	1,438,458
Depreciable capital assets:					
Land improvements	1,913,209	---	---	---	1,913,209
Buildings and improvements	9,255,548	---	---	(106,698)	9,148,850
Equipment and furnishings	9,223,459	152,197	140,000	(504,091)	9,011,565
Infrastructure	187,294,032	6,731,890	1,120,295	(59,186)	195,087,031
Total depreciable capital assets	207,686,248	6,884,087	1,260,295	(669,975)	215,160,655
Less accumulated					
Land improvements	564,741	38,181	---	---	602,922
Buildings and improvements	5,506,917	348,073	---	(70,859)	5,784,131
Equipment and furnishings	6,134,067	378,043	---	(529,041)	5,983,069
Infrastructure	59,313,629	3,134,616	---	(56,920)	62,391,325
Total accumulated depreciation	71,519,354	3,898,913	---	(656,820)	74,761,447
Net depreciable capital assets	136,166,894	2,985,174	1,260,295	(13,155)	140,399,208
Net total capital assets	\$ 138,158,304	\$ 3,692,517	\$ ---	\$ (13,155)	\$ 141,837,666
Depreciation was charged to proprietary functions as follows:					
Water Utility					\$ 1,709,682
Water Utility - allocated					34,558
Sewer Utility					1,454,588
Storm Water Utility					700,085
Total depreciation					\$ 3,898,913

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2018 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	\$ 89,851,673	\$ 3,900,000	\$ (8,895,863)	\$ 84,855,810	\$ 25,826,953
Other liabilities:					
Accumulated unpaid sick pay	3,040,348	608,640	(600,006)	3,048,982	549,245
Total governmental long-term obligations	<u>\$ 92,892,021</u>	<u>\$ 4,508,640</u>	<u>\$ (9,495,869)</u>	<u>\$ 87,904,792</u>	<u>\$ 26,376,198</u>
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 1,142,089	\$ ---	\$ (111,790)	\$ 1,030,299	\$ 114,695
General obligation debt	10,243,090	1,340,000	(1,332,090)	10,251,000	1,411,000
Total long-term debt	11,385,179	1,340,000	(1,443,880)	11,281,299	1,525,695
Other liabilities:					
Accumulated unpaid sick pay	516,965	70,403	(78,441)	508,927	168,819
Total business-type long-term obligations	<u>\$ 11,902,144</u>	<u>\$ 1,410,403</u>	<u>\$ (1,522,321)</u>	<u>\$ 11,790,226</u>	<u>\$ 1,694,514</u>

The above schedule doesn't include \$1,713,917 of unamortized premiums on issuance, which is included in the governmental activities as bonds and notes on the Statement of Net Position.

The above schedule doesn't include \$175,426 of unamortized premiums on issuance, which is included in the business-type activities as bonds and notes on the Statement of Net Position.

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	\$ 3,040,348	\$ 516,965	\$ 3,557,313
Sick leave benefit earned – current year	608,640	70,403	679,043
Sick leave used – current year	(394,922)	(78,441)	(473,363)
Sick leave paid upon retirement	(205,084)	---	(205,084)
Balance, end of year	<u>\$ 3,048,982</u>	<u>\$ 508,927</u>	<u>\$ 3,557,909</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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:

Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/18
06/01/09	05/01/19	3.38%	\$ 3,320,000	\$ 500,000
06/01/10	06/01/20	3.16%	3,955,000	1,275,000
10/05/10	12/01/19	3.06%	11,800,000	1,750,000
06/20/11	06/01/21	2.80%	6,830,000	3,025,000
10/18/11	10/01/19	2.03%	1,800,000	50,000
07/02/12	06/01/22	2.80%	4,610,000	2,600,000
07/02/12	03/01/21	3.42%	6,400,000	2,350,000
07/02/12	03/01/22	3.34%	7,950,000	3,700,000
09/28/12	09/01/19	2.43%	1,850,000	1,000,000
06/17/13	06/01/23	2.28%	1,930,000	1,000,000
06/17/13	06/01/23	2.99%	2,370,000	1,835,000
06/16/14	06/01/24	2.91%	4,920,000	3,920,000
10/30/14	05/01/30	4.00%	8,450,000	8,300,000
11/17/14	02/15/22	0.00%	223,622	111,810
03/30/15	03/01/25	2.95%	7,850,000	7,050,000
03/30/15	03/01/25	3.11%	4,300,000	3,825,000
05/04/15	05/01/25	2.86%	3,110,000	2,945,000
08/17/15	08/01/19	2.50%	9,975,000	9,975,000
05/02/16	05/01/26	2.00%	3,190,000	3,045,000
09/01/16	09/01/19	2.00%	1,280,000	1,280,000
09/01/16	09/01/19	2.13%	5,500,000	5,500,000
11/21/16	06/01/26	2.00%	2,500,000	2,450,000
11/21/16	06/01/33	2.99%	7,425,000	7,375,000
11/22/17	03/01/20	3.38%	1,280,000	1,280,000
06/20/17	06/01/27	2.64%	14,935,000	13,725,000
06/18/18	06/01/28	3.00%	3,340,000	3,340,000
06/18/18	03/01/20	3.38%	1,900,000	1,900,000
Total general obligation debt				\$ 95,106,810
Governmental activity debt				\$ 84,855,810
Business-type activity debt				10,251,000
Total general obligation debt				\$ 95,106,810

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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

F. Long-Term Obligations (continued)

General Obligation Debt (continued)

The following summarizes the debt limit calculation as of December 31, 2018:

Equalized Value January 1, 2018	\$ 5,097,458,000
Debt limit (5% of equalized value)	\$ 254,872,900

General Obligation Debt by Funding Source:

Tax levy	\$ 14,225,110
Tipping fees	17,930,000
Special assessments	135,700
TID increments	52,565,000
Utility user fees	10,251,000
Total General Obligation debt	\$ 95,106,810

Ratio of applicable general obligation debt to debt limit	37.32 %
---	---------

Revenue Bonds

Sewer Utility revenue bonds are payable solely from revenues generated by the utility. A statutory mortgage lien upon the 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 the Sewer Utility 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 12/31/18</u>
Business-type Activities:					
Clean Water Fund Loans:					
Sewer Utility:	02/19/01	05/01/20	2.97%	\$ 217,231	\$ 29,031
	08/22/07	05/01/27	2.55%	1,887,778	1,001,268
Total business-type					\$ 1,030,299

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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	
2019	\$ 25,826,953	\$ 2,446,828	\$ ---	\$ ---	\$ 28,273,781
2020	9,617,953	1,675,194	---	---	11,293,147
2021	6,537,953	1,422,239	---	---	7,960,192
2022	6,767,951	1,231,714	---	---	7,999,665
2023	5,505,000	1,050,430	---	---	6,555,430
2024-2028	24,850,000	2,439,513	---	---	27,289,513
2029-2033	5,750,000	381,988	---	---	6,131,988
Totals	\$ 84,855,810	\$ 10,647,906	\$ ---	\$ ---	\$ 95,503,716

Business-type Activities:

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2019	\$ 1,411,000	\$ 287,182	\$ 114,695	\$ 24,874	\$ 1,837,751
2020	1,200,000	233,040	117,677	21,853	1,572,570
2021	1,055,000	200,576	105,571	18,979	1,380,126
2022	810,000	173,167	108,260	16,256	1,107,683
2023	1,860,000	133,145	111,018	13,463	2,117,626
2024-2028	3,915,000	260,388	473,078	24,477	4,672,943
Totals	\$ 10,251,000	\$ 1,287,498	\$ 1,030,299	\$ 119,902	\$ 12,688,699

Total Primary Government:

Year	General Obligation Debt		Anticipation Notes and Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2019	\$ 27,237,953	\$ 2,734,010	\$ 114,695	\$ 24,874	\$ 30,111,532
2020	10,817,953	1,908,234	117,677	21,853	12,865,717
2021	7,592,953	1,622,816	105,571	18,979	9,340,319
2022	7,577,951	1,404,881	108,260	16,256	9,107,348
2023	7,365,000	1,183,575	111,018	13,463	8,673,056
2024-2028	28,765,000	2,699,900	473,078	24,477	31,962,455
2029-2033	5,750,000	381,988	---	---	6,131,988
Totals	\$ 95,106,810	\$ 11,935,404	\$ 1,030,299	\$ 119,902	\$ 108,192,415

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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, 2018 is summarized as follows:

	Balance January 1, 2018	Additions	Amortization Expense (Benefit)	Balance December 31, 2018
Governmental Activities	\$ 2,005,274	\$ 76,362	\$ (430,198)	\$ 1,651,438
Business-type Activities:				
Water Utility	\$ 146,698	\$ 28,669	\$ (22,521)	\$ 152,846
Storm Water Utility	28,337	---	(5,757)	22,580
Total business-type activities	\$ 175,035	\$ 28,669	\$ (28,278)	\$ 175,426

Subsequent Debt Issuances

In July 2019, the Village Board approved the issuance and sale of \$2,030,000 general obligation promissory notes. The debt was issued on July 10, 2019. The proceeds from the issuance will be used to fund capital expenditures in capital projects funds. The loan matures on February 1, 2029, with an average interest rate of 3.50%.

In July 2019, the Village Board approved the issuance and sale of \$4,350,000 general obligation promissory notes. The debt was issued on July 10, 2019. The proceeds from the issuance will be used to fund capital expenditures in the water utility fund and to refund notes in TID#6 and TID#12 funds. The loan matures on February 1, 2039, with an average interest rate of 3.08%.

In July 2019, the Village Board approved the issuance and sale of \$18,435,000 general obligation promissory notes. The debt was issued on July 10, 2019. The proceeds from the issuance will be used to fund capital expenditures in the proposed TID #13 fund and to refund notes in TID#6, TID #10, TID #11 and TID#12 funds. The loan matures on September 1, 2038, with an average interest rate of 2.74%.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

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	\$ 117,453,348	
Other capital assets net of accumulated depreciation	64,998,767	
Less related long-term debt	<u>(71,252,674)</u>	
Total net investment in capital assets		\$ 111,199,441

Restricted for:

Capital Projects:

Park development and land acquisition	1,369,978	
Library facilities	170,390	
Tax Incremental District projects	<u>3,411,295</u>	
Total restricted for capital projects		4,951,663

Debt service		24,819
Library operations and maintenance		1,261,019

Other:

Community development	1,425,426	
Public safety programs	301,862	
Parks operations	<u>9,145</u>	
Total restricted for other		1,736,433

Unrestricted		<u>3,855,209</u>
Total governmental net position		\$ <u><u>123,028,584</u></u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

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	\$	1,438,458	
Other capital assets net of accumulated depreciation		140,399,208	
Less related long-term debt		<u>(8,470,988)</u>	
Total net investment in capital assets			\$ 133,366,678

Restricted for:

Capital Projects:

Interceptor sewer improvements		1,622,311	
Other sewer infrastructure improvements		3,697,780	
Other water infrastructure improvements		<u>3,845,625</u>	
Total restricted for capital projects			9,165,716

Other:

Operation and maintenance – sewer		893,300	
Depreciation fund – sewer		<u>133,400</u>	
Total restricted for other			1,026,700

Unrestricted			<u>11,662,077</u>
Total business-type net position			\$ <u><u>155,221,171</u></u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

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	\$ 33,716	
Advances to other funds	2,316,099	
Delinquent personal property taxes receivable	10,390	
Inventory of supplies	594,886	
Total nonspendable		\$ 2,955,091

Unassigned

7,002,559

Total General Fund

\$ 9,957,650

Debt Service:

Restricted: for debt service

\$ 24,819

Municipal Facilities and Equipment Fund:

Nonspendable:

Advances to other funds	\$ 2,738,972	
Total nonspendable		\$ 2,738,972

Assigned:

Capital projects	\$ 2,817,893	
Total assigned		2,817,893

Total Municipal Facilities and Equipment Fund

\$ 5,556,865

Non-major Funds:

Nonspendable:

Revolving loan receivable	\$ 190,901	
Long-term special assessments	319,545	
Total nonspendable		\$ 510,446

Restricted:

Revolving loans for community development	1,037,981	
Public safety programs	301,862	
Park development and land acquisition	1,200,978	
Parks operations	9,145	
Tourism commission	196,544	
Library facilities	170,390	
Library operations and maintenance	1,474,007	
TIF district improvements and related debt service	4,316,244	
Total restricted		8,707,151

Committed:

Community grants	10,206	
Capital projects	5,672,880	
Special assessments	100,424	
Total committed		5,783,510

Unassigned

(2,626,654)

Total non-major funds

\$ 12,374,453

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

4. Other Notes

A. Employee Pension Plan

Plan Description

The Wisconsin Retirement System ("WRS") is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

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.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earning periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a requirement benefit.

WRS also provides death and disability benefits for employees.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as for general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period (calendar year 2017), the WRS recognized \$1,205,134 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.7%	6.7%
Executives & Elected Officials	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Pension Asset (Liabilities), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the Village reported an asset of \$3,405,166 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.11468612%, which was an increase of 0.00356538% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$1,614,563.

At December 31, 2018, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,326,349	\$ 2,023,723
Changes in assumptions	672,795	---
Net difference between projected and actual earnings on pension plan investments	3,644,518	8,324,603
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,293	26,923
Employer contributions subsequent to the measurement date	1,524,901	---
Total	\$ 10,237,856	\$ 10,375,249

The amount of \$1,524,901 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 3,498,381	\$ (3,095,775)
2020	3,084,297	(3,095,775)
2021	1,099,213	(2,272,125)
2022	1,022,893	(1,911,531)
2023	8,171	(43)

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Actuarial Assumptions

The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

4. Other Notes (continued)**A. Employee Pension Plan (continued)****Actuarial Assumptions (continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2017 are summarized in the following table:

Asset Allocation Targets and Expected Returns As of December 31, 2017			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Actuarial Assumptions (continued)

Sensitivity of the Village's proportionate share of the net pension (liability) asset to changes in the discount rate. The following presents the Village's proportionate share of the net pension (liability) asset calculated using the discount rate of 7.20 percent, as well as what the Village's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension (liability) asset	\$ (8,810,329)	\$ 3,405,166	\$ 12,689,322

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

Payables to the pension plan at December 31, 2018 were \$135,542. This represents contributions earned as of December 31, 2018, but for which payment was not remitted to the pension plan until subsequent to year-end.

B. Other Post-Employment Benefits (OPEB) – Life Insurance

Plan Description

The Local Retiree Life Insurance Fund ("LRLIF") is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Benefits provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Contributions (continued)

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$5,683 in contributions from the employer

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, the Village reported a liability of \$900,360 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was .299264%, which was an increase of .0065% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$91,144.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ 12,686
Net difference between projected and actual earnings on OPEB plan investments	10,367	---
Changes in assumptions	87,004	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,784	---
Employer contributions subsequent to the measurement date	5,745	---
Total	\$ 116,900	\$ 12,686

The amount of \$5,745 reported as deferred outflows related to OPEB resulting from the employers contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 18,026	\$ 1,942
2020	18,026	1,942
2021	18,026	1,942
2022	18,026	1,942
Thereafter	39,051	4,918

Actuarial assumptions

The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Actuarial assumptions (continued)

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Actuarial assumptions (continued)

Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
Village's proportionate share of the net OPEB liability	\$ 1,272,550	\$ 900,360	\$ 614,742

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

C. Other Post-Employment Benefits (OPEB) - Health

The Village group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post-employment benefit ("OPEB") commonly referred to as an implicit rate subsidy. Employees participating in the OPEB benefit consisted of the following at January 1, 2017, the date of the latest valuation:

Retirees	19
Active	158
Number of participating employees	177

Actuarial Assumptions

The major assumptions and methods used in the latest actuarial valuation follows:

Valuation date	1/1/2017
Measurement date	12/31/2017
Reporting date	12/31/2018
Actuarial cost method	Entry Age Normal (level percent of salary)
Actuarial assumptions:	
Medical care trend	2.96% in the first year, 7.00% in the second year, 6.50% in the third year, then decreasing by 0.10% per year down to 5.00%, and level thereafter
Discount rate*	3.50% (based upon all years of projected payments discounted at a municipal bond rate of 3.50%)
Municipal rate source	Bond buyer 20-bond GO index
Mortality assumptions	Wisconsin 2012 Mortality Table

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

C. Other Post-Employment Benefits (OPEB) - Health

Actuarial assumptions (continued)

Actuarial assumptions are based upon an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-2014. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Implicit in this rate is an assumed rate of inflation of 2.50%*

Single Discount rate. A discount rate of 3.50% was used in calculating the Village's OPEB liability (based upon all projected payments discounted at a municipal bond rate of 3.50%). The discount rate is based on the 20-year AA municipal bond rate.

Total OPEB Liability

No assets are accumulated in a trust that meets all the criteria in GASB Statement No. 75, paragraph 4 because the Village's contributions are not irrevocable. Accordingly, the Village's total OPEB liability is not reduced by any assets accumulated in a trust that meets the criteria and the Village must report its total OPEB liability.

The Village's total OPEB liability is based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the Village. The following table shows the components of the Village's change in the net OPEB liability:

	Total OPEB Liability
Balance 12/31/17	\$ 1,649,038
Benefit payments	(73,097)
Changes of assumptions or other input	---
Service cost	110,051
Interest	58,363
Net changes	95,317
Balance 12/31/18	\$ 1,744,355

Sensitivity of the Village's OPEB liability to changes in the discount rate. The following presents the Village's OPEB liability calculated using the discount rate of 3.50 percent, as well as what the Village's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease to Discount Rate (2.50%)	Current Discount Rate (3.50%)	1% Increase to Discount Rate (4.50%)
Village's OPEB liability	\$ 1,844,390	\$ 1,744,355	\$ 1,654,058

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

4. Other Notes (continued)**C. Other Post-Employment Benefits (OPEB) - Health**

Sensitivity of the Village's OPEB liability to changes in Healthcare Cost Trend Rates. The following presents the Village's OPEB liability calculated using the healthcare cost trend rates of 7.00 percent, as well as what the Village's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Healthcare Cost Trend (1.96% in the first year, then 6.0% in the second year decreasing to 4.0%)	Current Healthcare Cost Trend (2.96% in the first year, then 7.0% in the second year decreasing to 5.0%)	1% Increase to Healthcare Cost Trend (3.96% in the first year, then 8.0% in the second year decreasing to 6.0%)
Village's OPEB liability	\$ 1,550,369	\$ 1,744,355	\$ 1,971,375

OPEB Expense, Deferred Outflows or Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$168,414. At December 31, 2018, the Village reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ ---
Changes in assumptions	---	---
Net difference between projected and actual earnings on pension plan investments	---	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	---	---
Employer contributions subsequent to the measurement date	48,184	---
Total	\$ 48,184	\$ ---

The amount of \$48,184 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

Payable to the OPEB Plan

At December 31, 2018, there were no payables due to the OPEB Plan.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

D. 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.

The CVMIC is made up of a membership of Wisconsin municipalities. The Village's share of assets, liabilities, and fund equity was approximately 2.73% as of December 31, 2018. The CVMIC insures the Village with \$5 million (per occurrence) coverage; a \$125,000 deductible; and \$500,000 stop loss.

The Village's Risk Management Fund was established to account for and finance the Village's uninsured risk of loss. At December 31, 2018, this fund had a net position totaling \$712,283 which is available to pay future claims. Annually, a liability for claims incurred but not yet reported is calculated by an actuary. The claims are listed at full (non-discounted) value. 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>
2018	\$	---	\$ 18,130	\$ (18,130)	\$	---
2017	\$	35,832	\$ (35,832)	\$ ---	\$	---

Summary financial information for CVMIC and WMIC for the year ended December 31, 2018 is available from the CVMIC offices. As of December 31, 2018, the CVMIC had assets of \$46,529,488 and a policyholders' surplus of \$25,257,485.

E. 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #4 – Heritage Reserve

On May 6, 1996, the Village created Tax Incremental District #4 ("TID #4"). TID #4 had a statutory life of 23 years which expired on May 6, 2019. On April 1, 2019, subsequent to year end TID #4 was terminated. On April 15, 2002, the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. In 2010, the Village and joint review board approved sharing increments from the District (donor district) to TID 8 (donee district). The amendment requires the District to maintain a net recovered cost of approximately \$1.8 million, which shall be paid to the overlying taxing jurisdictions and to the General Fund of the Village upon termination of the District. Transfers for the year ending December 31, 2018 of \$2,106,616 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2011. TIF increment sharing is valid for the life of the district and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes. 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, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 56,085,164	\$ 33,862,225	\$ 56,085,164	\$ 31,939,204	\$ ---

T.I.D. #5 – Westbrook Corporate Center

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 April 1, 2019, subsequent to year end TID #5 was terminated. On December 18, 2000, the original project plan was amended to increase certain planned project expenditures. On July 16, 2001, the project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On July 20, 2009, the original project plan was amended to include developer grants and a multi-use path. The last date to incur project costs was June 14, 2017. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 20,527,977	\$ 19,354,116	\$ 20,527,977	\$ 19,726,044	\$ 1,500,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #6 – Main St Corridor

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. On September 17, 2018, the original project plan was amended to increase certain planned project expenditures. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 45,328,981	\$ 2,028,179	\$ 45,328,981	\$ 14,256,471	\$ 12,229,274

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, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 11,096,724	\$ 3,204,476	\$ 11,096,724	\$ 3,379,270	\$ 184,440

T.I.D. #8 – Falls Parkway

On July 21, 2008, the Village created Tax Incremental District #8 ("TID #8"). TID #8 has a statutory life of 27 years which will expire July 21, 2035. On January 18, 2010, 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 21, 2030. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 58,945,750	\$ 19,614,095	\$ 58,945,750	\$ 41,983,893	\$ 22,630,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #9 – Village Centre / Appleton Ave

On January 18, 2010, the Village created Tax Incremental District #9 ("TID #9"). TID #9 has a statutory life of 20 years which will expire January 18, 2030. The last date to incur project costs is January 18, 2025. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 23,481,963	\$ 494,162	\$ 23,481,963	\$ 1,350,977	\$ 947,969

T.I.D. #10 – Woodland Prime

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, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 40,307,876	\$ 3,586,744	\$ 40,307,876	\$ 16,932,835	\$ 14,075,000

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, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 4,501,500	\$ 690,866	\$ 4,501,500	\$ 1,057,569	\$ 525,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #12 – Lilly Rd Industrial

On September 15, 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, 2018:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/18</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/18</u>	<u>Outstanding Debt as of 12/31/18</u>
\$ 4,157,250	\$ 378,080	\$ 4,157,250	\$ 3,440,337	\$ 3,500,896

F. 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. 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.
- 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

G. Municipal Revenue Obligations

The Village has entered into municipal revenue obligations (MRO) with developers in certain tax incremental districts. An MRO is similar to a revenue bond in that it is only payable out of the revenue generated from tax increment (less a provision for administrative and other costs) and is not a general obligation of the Village. Unlike a revenue bond; however, there is no obligation to pay any outstanding balance beyond the maturity date. All MROs accrue interest at 0%, except for the TID #7, which accrues interest at 8.5%. Payments are made in annual installments.

<u>TID</u>	<u>Principal</u>	<u>Paid in 2018</u>	<u>Total Paid</u>	<u>Potential Remaining Obligation</u>	<u>Maturity Year</u>
5	\$ 3,100,000	\$ 308,293	\$ 1,872,922	\$ ---	2018
7	10,921,725	367,215	2,947,706	7,974,019	2026 *
8	4,000,000	---	---	4,000,000	2035
9	1,200,000	---	---	1,200,000	2030
9	3,952,860	---	---	3,952,860	2030
10	2,500,000	183,754	1,106,579	1,393,421	2024
11	500,000	66,837	407,524	92,476	2019

* Maturity date may be extended at the sole discretion of the Village

H. Other 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. The agreement was renewed in 2018 for a period of an additional ten years. Charges under this agreement are approximately \$130,000 per month.

During 2017 & 2018, the Village entered into multiple construction contracts for the building of a new Department of Public Works facility. The total amount of the construction contracts amounted to \$17,575,888. As of December 31, 2018, \$17,469,888 has been paid on the contract.

I. 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.

J. 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. Water rates were increased effective January 1, 2017.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

K. 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, 2018. Future minimum lease payments receivable in conjunction with this lease is as follows:

Year:	Amount
2019	\$ 32,780
2020	<u>13,658</u>
Total	\$ <u>46,438</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 \$80,124 for the year ended December 31, 2018. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2019	\$ 38,754
2020	34,109
2021	11,900
2022	12,258
2023	<u>12,625</u>
Total	\$ <u>109,646</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 \$237,993 for the year ended December 31, 2018. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2019	\$ 258,582
2020	267,964
2021	131,958
2022	63,771
2023	12,000
2024-2028	118,000
2029-2033	120,000
2034-2038	120,000
2039	<u>24,000</u>
Total	\$ <u>1,116,275</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2018

4. Other Notes (continued)

L. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (August 23, 2019). See note 3.F for disclosure of subsequent debt issuances. See note 4.E for subsequent termination of TID #4 and TID #5. There were no other disclosures necessary for subsequent events.

M. Deficit Fund Balances

As of December 31, 2018, the following non-major individual funds had deficit fund balances:

Fund	Deficit
Capital Projects Funds:	
T.I.D. #6	\$ 1,773,292
T.I.D. #7	174,794
T.I.D. #9	656,815
T.I.D. #13	9,835
T.I.D. #14	2,846
Special Revenue Funds:	
Solid Waste Collection	9,072

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

N. Effect of New Accounting Standards on Financial Statements

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

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, Including Director Borrowings and Direct Placements*
- Statement No. 89, *Accounting for interest-cost incurred before the end of a construction period*
- Statement No. 90, *Majority Equity Interest – An amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2018

4. Other Notes (continued)

O. Adjustment Due to Change in Accounting Principle

The Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement modified requirements for the accounting and financial statement reporting for postemployment benefits. The Village participates in the Local Retiree Life Insurance Fund which is a multi-employer defined benefit OPEB plan as well as an OPEB plan for health. Due to the application of GASB Statement No. 75 and a change in allocation percentages between funds, a prior period adjustment of \$(641,981) in the governmental activities funds was recorded for the OPEB liability on the statement of activities. Due to the application of GASB Statement No. 75, a prior period adjustment of \$64,478 in the business-type activities was recorded for the OPEB liability on the statement of activities.

Business-Type Activities:

Water Utility	\$ 96,689
Sewer Utility	(33,422)
Stormwater Utility	<u>1,211</u>
Total enterprise funds	\$ <u>64,478</u>

P. Excess of Expenditures over Appropriations

Certain departments in the General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2018:

<u>Department</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund:			
Public works	\$ 3,734,400	\$ 3,808,322	\$ 73,922

**REQUIRED SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability)
Year Ended December 31, 2018

Wisconsin Retirement System
Last 10 Fiscal Years*

	Village's Proportion of the Net Pension Asset (Liability)	Village's Proportionate Share of the Net Pension Asset (Liability)	Village's Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
2018	0.1147%	\$ 3,405,166	\$ 13,809,611	24.66%	102.93%
2017	0.1111%	(915,900)	13,622,704	6.72%	99.12%
2016	0.1099%	(1,785,211)	13,201,573	13.52%	98.20%
2015	0.1120%	2,745,315	12,593,512	21.80%	102.74%

*The amounts presented for each year end are based on measurement dates of the prior year-end.

*GASB Pronouncement 68 requires the presentation of the last 10 prior years completed under this pronouncement. The years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

Schedule of Employer Contributions
Year Ended December 31, 2018

Wisconsin Retirement System
Last 10 Fiscal Years*

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Village's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 1,205,134	\$ 1,205,134	\$ ---	\$ 13,809,611	8.73%
2017	1,087,135	1,087,135	---	13,622,704	7.98%
2016	1,068,023	1,068,023	---	13,201,573	8.09%
2015	1,067,234	1,067,234	---	12,593,512	8.47%

*The amounts presented for each year end are based on measurement dates of the prior year-end.

*GASB Pronouncement 68 requires the presentation of the last 10 prior years completed under this pronouncement. The years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See independent auditors' report

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB - Life Insurance Asset (Liability)
Year Ended December 31, 2018

Local Retiree Life Insurance
Last 10 Fiscal Years*

	Village's Proportion of the Net OPEB Asset (Liability)	Village's Proportionate Share of the Net OPEB Asset (Liability)	Village's Covered- Employee Payroll	Net OPEB Asset (Liability) as a Percentage of Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Asset (Liability)
2018	0.2993%	\$ (900,360)	\$ 12,584,907	7.15%	44.81%

*The amounts presented for each year end are based on measurement dates of the prior year-end.

*GASB Pronouncement 75 requires the presentation of the last 10 prior years completed under this pronouncement. The years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

Schedule of Employer Contributions
Year Ended December 31, 2018

Local Retiree Life Insurance
Last 10 Fiscal Years*

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Village's Covered- employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2018	\$ 5,683	\$ 5,683	\$ ---	\$ 12,584,907	0.05%

*The amounts presented for each year end are based on measurement dates of the prior year-end.

*GASB Pronouncement 75 requires the presentation of the last 10 prior years completed under this pronouncement. The years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See independent auditors' report

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Changes in Total OPEB - Health Liability and Related Ratios
December 31, 2018
Last 10 Fiscal Years*

<u>Total OPEB Liability</u>	<u>2018</u>
Service Cost	\$ 110,051
Interest	58,363
Change of benefit terms	---
Differences between expected and actual experiences	---
Changes in assumptions or other input	---
Benefit payments	<u>(73,097)</u>
Net change in total OPEB liability	95,317
 Total OPEB liability - beginning	 <u>1,649,038</u>
 Total OPEB liability - ending	 <u><u>\$ 1,744,355</u></u>
 Covered-employee payroll	 \$ 12,175,597
 Total OPEB liability as a percentage of covered-employee payroll	 14.33%

*GASB Pronouncement 75 requires the presentation of the last ten prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Required Supplementary Information

December 31, 2018

1. Wisconsin Retirement System (WRS)

There were no changes of benefit terms for any participating employer in WRS. There were no changes in the assumptions.

2. Other Postemployment Benefits (OPEB) – Life Insurance

There were no changes of benefit terms for any participating employee in the LRLIF. There were no changes in the assumptions.

3. Other Postemployment Benefits (OPEB) – Health Plan Information

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4:

- Contributions from the employer and any non-employer contributing entities, and earning thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors to the employer, non-employer contributing entities, the plan administrator, and plan members.

There were no changes to the OPEB plan that significantly affect trends in amounts reported.

Methods and assumptions used include:

Valuation date	1/1/2017
Measurement date	12/31/2017
Reporting date	12/31/2018
Actuarial cost method	Entry Age Normal (level percent of salary)
Actuarial assumptions:	
Medical care trend	2.96% in the first year, 7.00% in the second year, 6.50% in the third year, then decreasing by 0.10% per year down to 5.00%, and level thereafter
Discount rate*	3.50% (based upon all years of projected payments discounted at a municipal bond rate of 3.50%)
Municipal rate source	Bond buyer 20-bond GO index
Mortality assumptions	Wisconsin 2012 Mortality Table

OTHER SUPPLEMENTARY INFORMATION

**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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Cash and equivalents	\$ 13,116,910	\$ 14,926,587
Certificate of deposit	3,802,430	4,092,054
Accounts receivable:		
Taxes	11,575,529	9,658,096
Special charges on the tax roll	8,015	16,699
Intergovernmental aid	527,679	205,664
Accounts	966,179	1,000,888
Prepaid items	33,716	63,851
Inventory	594,886	323,819
Advance to other governmental funds	<u>2,316,099</u>	<u>2,292,007</u>
Total assets	32,941,443	32,579,665
Liabilities:		
Accounts payable and other accrued liabilities	2,389,573	2,846,569
Compensated absences	1,007,369	961,189
Deposits	190,077	178,939
Prepaid rent	<u>17,540</u>	<u>4,092</u>
Total liabilities	3,604,559	3,990,789
Deferred Inflows of Resources:		
Deferred revenue - subsequent year's taxes	18,964,812	18,689,692
Miscellaneous unavailable revenue	<u>414,422</u>	<u>213,526</u>
Total deferred inflows of resources	19,379,234	18,903,218
Fund Balances:		
Nonspendable	2,955,091	2,683,102
Unassigned	<u>7,002,559</u>	<u>7,002,556</u>
Total fund balances	\$ <u><u>9,957,650</u></u>	\$ <u><u>9,685,658</u></u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues:			
Property taxes	\$ 18,494,098	\$ 18,001,498	\$ 492,600
Other taxes	182,506	175,688	6,818
Licenses and permits	1,534,990	1,436,318	98,672
Fines and forfeitures	482,625	552,804	(70,179)
Intergovernmental	2,824,958	2,841,204	(16,246)
Donations	7,734	-	7,734
Charges for services	1,445,902	1,519,262	(73,360)
Investment earnings	308,838	144,213	164,625
Interest on advances to governmental funds	64,791	36,020	28,771
Other	198,761	138,884	59,877
Total revenues	<u>25,545,203</u>	<u>24,845,891</u>	<u>699,312</u>
Expenditures:			
General Government:			
Village board	42,235	56,340	(14,105)
Village manager	81,203	73,827	7,376
Clerk services	663,563	539,936	123,627
Human resources	108,185	103,273	4,912
Assessment of property	182,744	182,504	240
Building maintenance	384,835	345,352	39,483
Insurance and benefits	74,617	89,891	(15,274)
Judicial	232,420	228,679	3,741
Legal services	471,890	363,891	107,999
Financial services	398,291	385,440	12,851
Communications and information services	1,271,154	1,029,048	242,106
Capital outlay	107,016	60,637	46,379
Total general government	<u>4,018,153</u>	<u>3,458,818</u>	<u>559,335</u>
Public Safety:			
Police	8,659,808	8,475,136	184,672
Emergency dispatch	---	16,018	(16,018)
Fire	701,479	660,394	41,085
Fire protection services	1,573,861	1,573,861	---
Weed control	26,980	42,103	(15,123)
Emergency government	11,773	1,635	10,138
EMS	3,667,630	3,358,251	309,379
Other protection services	21,124	10,380	10,744
Capital outlay	189,870	97,296	92,574
Total public safety	<u>14,852,525</u>	<u>14,235,074</u>	<u>617,451</u>

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, 2018 and 2017
(Continued)

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Public Works:			
Street and alley repair	\$ 3,194,417	\$ 2,940,424	\$ 253,993
Equipment maintenance	481,008	473,465	7,543
Municipal garages	120,997	59,092	61,905
Capital outlay	11,900	6,093	5,807
Total public works	<u>3,808,322</u>	<u>3,479,074</u>	<u>329,248</u>
Culture and Recreation:			
Historical society and museum	20,417	29,866	(9,449)
Parks operations	732,784	830,095	(97,311)
Parks projects	13,436	15,043	(1,607)
Community quality of life	67,891	69,003	(1,112)
Capital outlay	7,995	---	7,995
Total culture and recreation	<u>842,523</u>	<u>944,007</u>	<u>(101,484)</u>
Conservation and Development:			
Community development	36,156	33,860	2,296
Building inspection	611,004	682,225	(71,221)
Engineering	135,241	54,291	80,950
Planning	355,903	383,346	(27,443)
Capital outlay	---	---	---
Total conservation and development	<u>1,138,304</u>	<u>1,153,722</u>	<u>(15,418)</u>
Total general fund expenditures	<u>24,659,827</u>	<u>23,270,695</u>	<u>1,389,132</u>
Excess of revenues over expenditures	885,376	1,575,196	(689,820)
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	371,467	---	371,467
Transfers from water utility - PILOT	1,266,520	1,294,564	(28,044)
Transfers out	(2,251,371)	(2,869,760)	618,389
Net other financing uses	<u>(613,384)</u>	<u>(1,575,196)</u>	<u>961,812</u>
Net change in fund balance	271,992	---	271,992
Fund Balance:			
Beginning of year	9,685,658	9,685,658	---
End of year	<u>\$ 9,957,650</u>	<u>\$ 9,685,658</u>	<u>\$ 271,992</u>

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, 2018

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Property taxes	\$ 2,357,000	\$ 2,357,000	\$ 2,357,000
Investment earnings	15,000	15,000	16,105
Total revenues	<u>2,372,000</u>	<u>2,372,000</u>	<u>2,373,105</u>
Expenditures:			
Principal	8,896,000	8,896,000	8,895,863
Interest and fiscal charges	2,685,000	2,685,000	2,684,714
Debt issuance costs	---	---	70,507
Total expenditures	<u>11,581,000</u>	<u>11,581,000</u>	<u>11,651,084</u>
Deficit of revenues under expenditures	<u>(9,209,000)</u>	<u>(9,209,000)</u>	<u>(9,277,979)</u>
Other Financing Sources:			
Transfers in	8,944,000	8,944,000	8,943,626
Bond premiums	---	---	76,362
Net other financing sources	<u>8,944,000</u>	<u>8,944,000</u>	<u>9,019,988</u>
Net change in fund balance	<u>(265,000)</u>	<u>(265,000)</u>	<u>(257,991)</u>
Fund Balance:			
Beginning of year	283,000	283,000	282,810
End of year	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 24,819</u>

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, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets:			
Cash and equivalents	\$ 3,599,023	\$ 10,748,281	\$ 14,347,304
Restricted assets:			
Cash and equivalents	853,215	---	853,215
Accounts receivable:			
Taxes	1,732,000	6,781,415	8,513,415
Special charges on tax roll	1,269,421	36,751	1,306,172
Intergovernmental aid	---	701,141	701,141
Special assessments	---	903,348	903,348
Accounts	228,906	640,313	869,219
Notes	190,901	100,000	290,901
Total assets	7,873,466	19,911,249	27,784,715
Liabilities:			
Accounts payable and other accrued liabilities	55,130	798,744	853,874
Accrued compensated absences	64,575	---	64,575
Deposits	---	113,737	113,737
Long-term advances from other governmental funds	---	3,040,898	3,040,898
Total liabilities	119,705	3,953,379	4,073,084
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	3,001,819	7,482,556	10,484,375
Special assessments	---	583,803	583,803
Miscellaneous unavailable revenue	---	100,000	100,000
Platting fees	169,000	---	169,000
Total deferred inflows of resources	3,170,819	8,166,359	11,337,178
Fund Balances:			
Nonspendable	190,901	319,545	510,446
Restricted:			
Capital projects	1,371,368	4,316,244	5,687,612
Other	3,019,539	---	3,019,539
Committed	10,206	5,773,304	5,783,510
Unassigned	(9,072)	(2,617,582)	(2,626,654)
Total fund balances	\$ 4,582,942	\$ 7,791,511	\$ 12,374,453

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, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 1,732,000	\$ 6,412,930	\$ 8,144,930
Other taxes	290,788	---	290,788
Charges for services:			
Fines and forfeitures	18,447	---	18,447
Program revenues	1,384,930	217,378	1,602,308
Fire dues	181,694	---	181,694
Operating grants and contributions:			
Intergovernmental	151,024	597,660	748,684
Donations	25,908	---	25,908
Other	26,707	---	26,707
Capital grants and contributions:			
Special assessments and interest	---	41,338	41,338
Contributions from developers	---	298,725	298,725
Platting fees	40,000	---	40,000
Impact fees	758,759	---	758,759
Investment earnings	96,507	279,174	375,681
Other revenues	16,503	---	16,503
Total governmental revenues	<u>4,723,267</u>	<u>7,847,205</u>	<u>12,570,472</u>
Expenditures:			
Current:			
General government	---	152,614	152,614
Public safety	27,604	---	27,604
Public works	2,080,877	5,100,079	7,180,956
Culture and recreation	2,001,680	7,734	2,009,414
Conservation and development	62,151	1,057,100	1,119,251
Capital outlay	1,490,645	1,538,699	3,029,344
Debt Service:			
Interest on advances to governmental funds	851	69,199	70,050
Bond expenses	---	12,251	12,251
Total expenditures	<u>5,663,808</u>	<u>7,937,676</u>	<u>13,601,484</u>
Deficit of revenues under expenditures	(940,541)	(90,471)	(1,031,012)
Other Financing Sources (Uses):			
Transfers in	718,584	2,774,224	3,492,808
Transfers out	(859,788)	(7,758,443)	(8,618,231)
Bonds and notes issued	---	3,900,000	3,900,000
Total other financing sources (uses)	<u>(141,204)</u>	<u>(1,084,219)</u>	<u>(1,225,423)</u>
Net change in fund balances	(1,081,745)	(1,174,690)	(2,256,435)
Fund balance, beginning of year	5,664,687	8,966,201	14,630,888
Fund balance, end of year	<u>\$ 4,582,942</u>	<u>\$ 7,791,511</u>	<u>\$ 12,374,453</u>

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.

Cable TV - To account for the financing and expenditures of funds designated for local government cable TV channels.

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.

Tourism Commission - To account for the financing and expenditures for tourism funded by hotel room tax.

EDMF TID #9 - To account for the loans issued and receivable under a program initially subsidized TID #9. Loans are approved by the Village's Community Development Authority.

VILLAGE OF MENOMOMNEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2018

	Non-major Special Revenue Funds														Total Non-Major Special Revenue Funds
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Solid Waste Collection	Library Operations and Maintenance	Tourism Commission	TID #9 EDMF		
Assets:															
Cash and equivalents	\$ 1,004,266	\$ 205,192	\$ 34,694	\$ 9,145	\$ 402,195	\$ 170,390	\$ 10,206	\$ 7,570	\$ 22,500	\$ ---	\$ 1,561,602	\$ 137,318	\$ 33,945	\$ 3,599,023	
Restricted assets:															
Cash and equivalents	---	---	54,432	---	798,783	---	---	---	---	---	---	---	---	853,215	
Receivables:															
Taxes	---	---	---	---	---	---	---	---	---	---	1,732,000	---	---	1,732,000	
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	1,269,421	---	---	---	1,269,421	
Accounts	---	---	---	---	169,000	---	---	---	---	456	224	59,226	---	228,906	
Notes	78,573	---	---	---	---	---	---	---	---	---	---	---	112,328	190,901	
Total assets	1,082,839	205,192	89,126	9,145	1,369,978	170,390	10,206	7,570	22,500	1,269,877	3,293,826	196,544	146,273	7,873,466	
Liabilities:															
Accounts payable and other accrued liabilities	---	---	---	---	---	---	---	26	22,500	9,130	23,244	---	230	55,130	
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	64,575	---	---	64,575	
Total liabilities	---	---	---	---	---	---	---	26	22,500	9,130	87,819	---	230	119,705	
Deferred Inflows of Resources:															
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	1,269,819	1,732,000	---	---	3,001,819	
Unavailable revenue - accounts receivable	---	---	---	---	169,000	---	---	---	---	---	---	---	---	169,000	
Total deferred inflows of resources	---	---	---	---	169,000	---	---	---	---	1,269,819	1,732,000	---	---	3,170,819	
Fund Balances:															
Nospendable	78,573	---	---	---	---	---	---	---	---	---	---	---	112,328	190,901	
Restricted:															
Capital projects	---	---	---	---	1,200,978	170,390	---	---	---	---	---	---	---	1,371,368	
Other	1,004,266	205,192	89,126	9,145	---	---	---	7,544	---	---	1,474,007	196,544	33,715	3,019,539	
Committed	---	---	---	---	---	---	10,206	---	---	---	---	---	---	10,206	
Unassigned	---	---	---	---	---	---	---	---	---	(9,072)	---	---	---	(9,072)	
Total fund balances	\$ 1,082,839	\$ 205,192	\$ 89,126	\$ 9,145	\$ 1,200,978	\$ 170,390	\$ 10,206	\$ 7,544	\$ ---	\$ (9,072)	\$ 1,474,007	\$ 196,544	\$ 146,043	\$ 4,582,942	

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, 2018**

Non-major Special Revenue Funds

	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Solid Waste Collection	Library Operations and Maintenance	Tourism Commission	TID #9 EDMF	Total Non-Major Special Revenue Funds
Revenues:														
Property taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	1,732,000	---	---	1,732,000
Other taxes	---	---	---	---	---	---	---	---	---	---	---	290,788	---	290,788
Public charges for services:														
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	18,447	---	---	18,447
Fire dues	---	---	181,694	---	---	---	---	---	---	---	---	---	---	181,694
Program revenue	3,325	1,057	1,861	---	---	---	---	475	103,000	1,272,991	---	---	2,221	1,384,930
Operating grants and contributions:														
Intergovernmental	---	---	7,375	---	---	---	---	---	---	80,027	63,622	---	---	151,024
Tree conservation	---	---	---	---	26,707	---	---	---	---	---	---	---	---	26,707
Donations	---	19,947	550	1,500	---	1,100	---	---	---	---	2,811	---	---	25,908
Capital grants and contributions:														
Platting fees	---	---	---	---	40,000	---	---	---	---	---	---	---	---	40,000
Impact fees	---	---	437,040	---	321,719	---	---	---	---	---	---	---	---	758,759
Investment earnings	894	2,541	3,625	135	38,731	3,299	164	128	---	7,708	38,382	900	---	96,507
Other revenues	---	---	---	---	---	---	---	---	---	---	16,503	---	---	16,503
Total revenues	4,219	23,545	632,145	1,635	427,157	4,399	164	603	103,000	1,360,726	1,871,765	291,688	2,221	4,723,267
Expenditures:														
Current:														
Public safety	---	7,358	18,997	---	---	---	---	1,249	---	---	---	---	---	27,604
Public works	---	---	---	---	---	---	---	---	---	2,080,877	---	---	---	2,080,877
Culture, recreation and education	---	---	---	---	26,752	10,026	---	---	103,000	---	1,792,102	69,800	---	2,001,680
Conservation and development	---	---	---	---	---	---	---	---	---	---	---	---	62,151	62,151
Interest on advances from governmental funds	---	---	---	---	---	---	---	---	---	---	---	851	---	851
Capital outlay	---	---	---	---	1,490,645	---	---	---	---	---	---	---	---	1,490,645
Total expenditures	---	7,358	18,997	---	1,517,397	10,026	---	1,249	103,000	2,080,877	1,792,102	70,651	62,151	5,663,808
Excess (deficit) of revenues over (under) expenditures	4,219	16,187	613,148	1,635	(1,090,240)	(5,627)	164	(646)	---	(720,151)	79,663	221,037	(59,930)	(940,541)
Other Financing Sources (Uses):														
Transfers in	---	---	---	---	---	---	---	---	---	718,584	---	---	---	718,584
Transfers out	---	---	(567,298)	---	(292,490)	---	---	---	---	---	---	---	---	(859,788)
Total other financing sources (uses)	---	---	(567,298)	---	(292,490)	---	---	---	---	718,584	---	---	---	(141,204)
Net change in fund balances	4,219	16,187	45,850	1,635	(1,382,730)	(5,627)	164	(646)	---	(1,567)	79,663	221,037	(59,930)	(1,081,745)
Fund Balance - beginning of year	1,078,620	189,005	43,276	7,510	2,583,708	176,017	10,042	8,190	---	(7,505)	1,394,344	(24,493)	205,973	5,664,687
Fund Balance - end of year	\$ 1,082,839	\$ 205,192	\$ 89,126	\$ 9,145	\$ 1,200,978	\$ 170,390	\$ 10,206	\$ 7,544	\$ ---	\$ (9,072)	\$ 1,474,007	\$ 196,544	\$ 146,043	\$ 4,582,942

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.

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 Center.

Tax Incremental Financing District #6 - To account for the financing and construction of the Main Street Corridor.

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.

Tax Incremental Financing District #13 (Proposed) - To account for the financing and construction of the planned projects within the District.

Tax Incremental Financing District #14 (Proposed) - 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, 2018

Non-major Capital Projects Funds

	Capital Projects	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Center	T.I.D. #6 Main St Corridor	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Village Centre/ Appleton Ave	T.I.D. #10 Woodland Prime	T.I.D. #11 Wacker Neuson	T.I.D. #12 Lilly Rd Industrial	(Proposed) T.I.D. #13 Flint Drive/ DRS	(Proposed) T.I.D. #14 Glenroy	Special Assessments	Total Non-Major Capital Projects Funds
Assets:														
Cash and equivalents	\$ 5,462,590	\$ 1,923,021	\$ 1,128,072	\$ 982	\$ 9,646	\$ 688,244	\$ 91,154	\$ 728,909	\$ 158,297	\$ 493,055	\$ 484	\$ 154	\$ 63,673	\$ 10,748,281
Receivables:														
Taxes	---	1,738,578	2,042,556	229,382	372,103	1,709,857	134,796	196,033	36,092	322,018	---	---	---	6,781,415
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	---	---	36,751	36,751
Intergovernmental aid	---	333,112	177,167	7,598	5,581	28,688	8,855	90,292	46,433	3,415	---	---	---	701,141
Special assessments	---	---	---	---	---	---	---	---	---	---	---	---	903,348	903,348
Accounts	640,313	---	---	---	---	---	---	---	---	---	---	---	---	640,313
Notes receivable	---	---	---	100,000	---	---	---	---	---	---	---	---	---	100,000
Total assets	6,102,903	3,994,711	3,347,795	337,962	387,330	2,426,789	234,805	1,015,234	240,822	818,488	484	154	1,003,772	19,911,249
Liabilities:														
Accounts payable and other accrued liabilities	316,286	---	---	---	---	428,042	---	---	---	54,416	---	---	---	798,744
Deposits	113,737	---	---	---	---	---	---	---	---	---	---	---	---	113,737
Advances from other capital projects funds	---	---	---	110,584	---	---	280,000	---	---	320,896	10,319	3,000	---	724,799
Advances from municipality	---	---	---	1,663,690	184,440	---	467,969	---	---	---	---	---	---	2,316,099
Total liabilities	430,023	---	---	1,774,274	184,440	428,042	747,969	---	---	375,312	10,319	3,000	---	3,953,379
Deferred Inflows of Resources:														
Special assessments	---	---	---	---	---	---	---	---	---	---	---	---	583,803	583,803
Unavailable revenue - notes receivable	---	---	---	100,000	---	---	---	---	---	---	---	---	---	100,000
Deferred revenue - subsequent year's taxes	---	2,071,690	2,219,723	236,980	377,684	1,738,545	143,651	286,325	82,525	325,433	---	---	---	7,482,556
Total deferred inflows of resources	---	2,071,690	2,219,723	336,980	377,684	1,738,545	143,651	286,325	82,525	325,433	---	---	583,803	8,166,359
Fund Balances:														
Nonspendable	---	---	---	---	---	---	---	---	---	---	---	---	319,545	319,545
Restricted	---	1,923,021	1,128,072	---	---	260,202	---	728,909	158,297	117,743	---	---	---	4,316,244
Committed	5,672,880	---	---	---	---	---	---	---	---	---	---	---	100,424	5,773,304
Unassigned	---	---	---	(1,773,292)	(174,794)	---	(656,815)	---	---	---	(9,835)	(2,846)	---	(2,617,582)
Total fund balances	\$ 5,672,880	\$ 1,923,021	\$ 1,128,072	\$ (1,773,292)	\$ (174,794)	\$ 260,202	\$ (656,815)	\$ 728,909	\$ 158,297	\$ 117,743	\$ (9,835)	\$ (2,846)	\$ 419,969	\$ 7,791,511

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, 2018

	Non-major Capital Projects Funds													Total Non-Major Capital Projects Funds
	Capital Projects	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Center	T.I.D. #6 Main St Corridor	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Village Centre/ Appleton Ave	T.I.D. #10 Woodland Prime	T.I.D. #11 Wacker Neuson	T.I.D. #12 Lilly Rd Industrial	(Proposed) T.I.D. #13 Flint Drive/ DRS	(Proposed) T.I.D. #14 Glenroy	Special Assessments	
Revenues:														
Tax increment	\$ ---	\$ 1,793,040	\$ 1,962,206	\$ 241,060	\$ 372,703	\$ 1,548,548	\$ ---	\$ 183,754	\$ 65,622	\$ 245,997	\$ ---	\$ ---	\$ ---	\$ 6,412,930
Public charges for services:														
Program revenues	217,378	---	---	---	---	---	---	---	---	---	---	---	---	217,378
Operating grants and contributions:														
Intergovernmental	---	300,940	146,386	4,152	398	7,023	8,647	85,668	44,446	---	---	---	---	597,660
Capital grants and contributions:														
Special assessments and interest	---	---	---	---	---	---	---	---	---	---	---	---	41,338	41,338
Contributions from developers	298,725	---	---	---	---	---	---	---	---	---	---	---	---	298,725
Investment earnings	138,063	60,162	23,983	1,616	3,582	13,461	3,177	17,411	3,386	12,479	---	---	1,854	279,174
Total revenues	<u>654,166</u>	<u>2,154,142</u>	<u>2,132,575</u>	<u>246,828</u>	<u>376,683</u>	<u>1,569,032</u>	<u>11,824</u>	<u>286,833</u>	<u>113,454</u>	<u>258,476</u>	<u>---</u>	<u>---</u>	<u>43,192</u>	<u>7,847,205</u>
Expenditures:														
Prepaid rent														
Current:														
General government	12,561	5,817	5,848	27,911	6,967	23,165	20,306	23,330	6,017	8,030	9,816	2,846	---	152,614
Public works	2,881,410	6,223	---	2,300	---	262,227	34,863	14,079	---	1,894,145	---	---	4,832	5,100,079
Culture, recreation and education	7,734	---	---	---	---	---	---	---	---	---	---	---	---	7,734
Conservation and development	---	---	320,889	---	367,215	39,529	47,000	215,630	66,837	---	---	---	---	1,057,100
Capital Outlay	1,536,105	---	---	---	---	2,594	---	---	---	---	---	---	---	1,538,699
Debt Service:														
Interest on advances from governmental funds	---	---	---	47,109	5,165	---	13,100	---	---	3,806	19	---	---	69,199
Interest and fiscal charges	---	---	748	1,291	---	5,099	349	1,292	542	2,142	---	---	788	12,251
Total expenditures	<u>4,437,810</u>	<u>12,040</u>	<u>327,485</u>	<u>78,611</u>	<u>379,347</u>	<u>332,614</u>	<u>115,618</u>	<u>254,331</u>	<u>73,396</u>	<u>1,908,123</u>	<u>9,835</u>	<u>2,846</u>	<u>5,620</u>	<u>7,937,676</u>
Excess (deficit) of revenues over (under) expenditures	(3,783,644)	2,142,102	1,805,090	168,217	(2,664)	1,236,418	(103,794)	32,502	40,058	(1,649,647)	(9,835)	(2,846)	37,572	(90,471)
Other Financing Sources (Uses):														
Transfers in	667,608	---	---	---	---	2,106,616	---	---	---	---	---	---	---	2,774,224
Transfers out	---	(2,106,616)	(1,534,938)	(474,881)	---	(3,078,025)	(56,250)	(336,500)	(11,156)	(43,200)	---	---	(116,877)	(7,758,443)
Bonds and notes issued	2,000,000	---	---	---	---	---	---	---	---	1,900,000	---	---	---	3,900,000
Total other financing sources (uses)	<u>2,667,608</u>	<u>(2,106,616)</u>	<u>(1,534,938)</u>	<u>(474,881)</u>	<u>---</u>	<u>(971,409)</u>	<u>(56,250)</u>	<u>(336,500)</u>	<u>(11,156)</u>	<u>1,856,800</u>	<u>---</u>	<u>---</u>	<u>(116,877)</u>	<u>(1,084,219)</u>
Net change in fund balances	(1,116,036)	35,486	270,152	(306,664)	(2,664)	265,009	(160,044)	(303,998)	28,902	207,153	(9,835)	(2,846)	(79,305)	(1,174,690)
Fund balance, beginning of year	6,788,916	1,887,535	857,920	(1,466,628)	(172,130)	(4,807)	(496,771)	1,032,907	129,395	(89,410)	---	---	499,274	8,966,201
Fund balance, end of year	<u>\$ 5,672,880</u>	<u>\$ 1,923,021</u>	<u>\$ 1,128,072</u>	<u>\$ (1,773,292)</u>	<u>\$ (174,794)</u>	<u>\$ 260,202</u>	<u>\$ (656,815)</u>	<u>\$ 728,909</u>	<u>\$ 158,297</u>	<u>\$ 117,743</u>	<u>\$ (9,835)</u>	<u>\$ (2,846)</u>	<u>\$ 419,969</u>	<u>\$ 7,791,511</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 9,594,933	\$ 7,296,946
Receivables:		
Special charges on the tax roll	159,402	162,425
Utility customers	976,136	1,081,923
Other	25,956	28,177
Prepaid items	2,119	2,056
Inventory	86,746	89,115
Total current assets	<u>10,845,292</u>	<u>8,660,642</u>
Noncurrent assets:		
Restricted assets:		
Cash and equivalents - restricted (noncurrent)	3,845,625	3,206,462
Net pension asset	153,232	---
Land and construction in progress	1,068,077	1,261,123
Other capital assets, net of depreciation	60,482,012	58,931,812
Total noncurrent assets	<u>65,548,946</u>	<u>63,399,397</u>
Total assets	<u>76,394,238</u>	<u>72,060,039</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	460,704	368,965
Deferred outflows related to OPEB - life insurance	13,327	---
Deferred outflows related to OPEB - health	2,795	---
Total deferred outflows of resources	<u>476,826</u>	<u>368,965</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	382,761	57,259
Compensated absences - vacation due within one year	104,511	98,307
Compensated absences - sick due within one year	76,922	29,560
Unearned revenue	142,871	133,487
Current portion of general obligation notes	825,000	755,000
Accrued interest	40,084	34,903
Total current liabilities	<u>1,572,149</u>	<u>1,108,516</u>
Long-Term Liabilities:		
Compensated absences - sick pay	240,458	281,251
Net OPEB - life insurance liability	102,641	---
Net OPEB - health liability	101,173	273,351
Net pension liability	---	40,300
General obligation notes	7,472,846	6,951,699
Total long-term liabilities	<u>7,917,118</u>	<u>7,546,601</u>
Total liabilities	<u>9,489,267</u>	<u>8,655,117</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	466,886	166,868
Deferred inflows related to OPEB - life insurance	1,446	---
Total deferred inflows of resources	<u>468,332</u>	<u>166,868</u>
Net Position:		
Net investment in capital assets	54,712,681	53,008,577
Restricted	3,845,625	3,206,462
Unrestricted	8,355,159	7,391,980
Total net position	<u>\$ 66,913,465</u>	<u>\$ 63,607,019</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Charges for services	\$ 6,818,479	\$ 6,913,513
Operating Expenses:		
Operation and maintenance	2,523,053	2,572,408
Administrative expense	1,209,825	1,174,729
Depreciation expense	1,709,682	1,682,899
Regulatory commission remainder assessments	6,941	6,764
Total operating expenses	<u>5,449,501</u>	<u>5,436,800</u>
Operating income	1,368,978	1,476,713
Nonoperating Revenues (Expenses):		
Investment earnings	226,019	82,643
Sale of materials	19,269	13,987
Grant revenue	---	850
Gain on retirement of property and plant	3,500	3,125
Impact fees	579,806	639,813
Fiscal charges on debt	(2,938)	(2,211)
Amortization of debt issuance premiums, discounts and losses on refundings	22,521	18,647
Debt issuance costs	(24,746)	(22,357)
Interest on long-term debt	(210,038)	(188,171)
Net nonoperating revenues	<u>613,393</u>	<u>546,326</u>
Net income before capital contributions	1,982,371	2,023,039
Transfers to governmental funds - PILOT	(1,266,520)	(1,294,564)
Capital contributions	<u>2,493,906</u>	<u>554,191</u>
Net increase in net position	3,209,757	1,282,666
Net position:		
Balance, beginning of year	63,607,019	62,324,353
Adjustment due to change in accounting principle	96,689	---
Balance, beginning of year as adjusted	<u>63,703,708</u>	<u>62,324,353</u>
Balance, end of year	<u>\$ 66,913,465</u>	<u>\$ 63,607,019</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 5,284,735	\$ 5,224,123
Payments to suppliers	(1,948,864)	(2,361,925)
Payments to and on behalf of employees	(1,355,962)	(1,292,970)
Internal activity - receipts from other funds	1,745,367	1,756,476
Other receipts	18,789	17,617
Other payments	(1,824)	(2,663)
Net cash provided by operating activities	<u>3,742,241</u>	<u>3,340,658</u>
Cash Flows From Noncapital Financing Activities		
Transfers to governmental funds - PILOT	(1,266,520)	(1,294,564)
Net cash used by noncapital financing activities	<u>(1,266,520)</u>	<u>(1,294,564)</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	3,500	3,125
Payments to dispose of property and plant	(24,950)	---
Additions to property and plant	(564,845)	(1,632,517)
Fair value of debt issued	1,340,000	1,285,000
Debt issuance premiums	28,668	48,169
Debt issuance costs	(24,746)	(22,357)
Principal payments on debt	(755,000)	(670,000)
Interest on debt	(204,857)	(184,415)
Fiscal charges on debt	(2,938)	(2,211)
Impact fees	579,806	639,813
Net cash provided (used) by capital and related financing activities	<u>374,638</u>	<u>(535,393)</u>
Cash Flows From Investing Activities:		
Investment earnings	226,019	82,643
Net cash provided by investing activities	<u>226,019</u>	<u>82,643</u>
Net increase in cash and equivalents	3,076,378	1,593,344
Cash and equivalents, beginning of year	<u>10,503,408</u>	<u>8,910,064</u>
Cash and equivalents, end of year	<u><u>\$ 13,579,786</u></u>	<u><u>\$ 10,503,408</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 9,594,933	\$ 7,296,946
Cash and cash equivalents - restricted	3,845,625	3,206,462
Total cash and equivalents	<u><u>\$ 13,440,558</u></u>	<u><u>\$ 10,503,408</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2018 and 2017
(Continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 1,368,978	\$ 1,476,713
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,709,682	1,682,899
Depreciation charged to other accounts	124,446	115,307
Proceeds from sales of materials	19,269	13,987
Grant revenue	---	850
Changes in assets and liabilities related to operations:		
Receivables	111,031	(33,799)
Prepaid items	(63)	(51)
Inventory	2,369	(2,417)
Due from other funds	---	5,571
Accounts payable and accrued liabilities	357,150	(32,641)
WRS pension accrual	14,747	61,954
Compensated absences	12,773	23,792
OPEB obligation	12,475	18,125
Unearned revenue	9,384	10,368
Net cash provided by operating activities	\$ <u>3,742,241</u>	\$ <u>3,340,658</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 2,493,906	\$ 554,191
Amortization of debt issuance premiums, discounts and losses on refundings	(22,521)	(18,647)
Gain on sale of utility plant	3,500	3,125

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Sewer Utility
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 1,145,464	\$ 2,194,078
Cash and equivalents - restricted (current)	80,858	79,404
Receivables:		
Special charges on the tax roll	351,369	344,481
Utility customers	1,756,605	1,763,433
Other	493,598	330,530
Inventory	14,066	14,304
Total current assets	<u>3,841,960</u>	<u>4,726,230</u>
Noncurrent Assets:		
Restricted assets:		
Cash and equivalents (noncurrent)	6,346,791	5,723,949
Net pension asset	78,319	---
Prepaid capacity charge	2,864,981	3,117,133
Land and construction in progress	117,223	568,953
Other capital assets net of depreciation	49,291,018	48,467,336
Total noncurrent assets	<u>58,698,332</u>	<u>57,877,371</u>
Total assets	<u>62,540,292</u>	<u>62,603,601</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	235,471	192,868
Deferred outflows related to OPEB - life insurance	8,066	---
Deferred outflows related to OPEB - health	578	---
Total deferred outflows of resources	<u>244,115</u>	<u>192,868</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	129,126	232,638
Compensated absences - vacation due within one year	53,801	53,945
Compensated absences - sick due within one year	75,087	15,952
Current portion of advance	---	91,233
Current portion of general obligation notes	25,000	71,090
Current portion of revenue bonds	38,231	37,264
Accrued interest	155	364
Liabilities payable from restricted assets:		
Current portion of revenue bonds	76,464	74,526
Accrued interest	4,394	4,878
Total current liabilities	<u>402,258</u>	<u>581,890</u>
Long-Term Liabilities:		
Compensated absences - sick pay	69,471	146,203
Net OPEB - life insurance liability	62,125	---
Net OPEB - health liability	20,932	35,403
Net pension liability	---	21,066
General obligation notes	35,000	60,000
Revenue bonds	915,604	1,030,299
Total long-term liabilities	<u>1,103,132</u>	<u>1,292,971</u>
Total liabilities	<u>1,505,390</u>	<u>1,874,861</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	238,631	87,227
Deferred inflows related to OPEB - life insurance	875	---
Total deferred inflows of resources	<u>239,506</u>	<u>87,227</u>
Net Position:		
Net investment in capital assets	49,348,241	48,905,199
Restricted	6,346,791	5,723,949
Unrestricted	5,344,479	6,205,233
Total net position	<u>\$ 61,039,511</u>	<u>\$ 60,834,381</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Charges for services	\$ 8,951,157	\$ 8,543,988
Operating Expenses:		
Operation and maintenance	8,600,819	8,395,470
Administrative expense	884,273	911,917
Depreciation expense	1,454,588	1,412,207
Total operating expenses	<u>10,939,680</u>	<u>10,719,594</u>
Operating loss	(1,988,523)	(2,175,606)
Nonoperating Revenues (Expenses):		
Investment earnings	131,557	59,444
Sale of materials	364	---
Miscellaneous revenues	25,507	18,000
Private lateral repair	(465,441)	(709)
Intergovernmental	472,739	---
Loss on retirement of property and plant	(35,839)	(27,884)
Donated rent	(18,000)	(18,000)
Fiscal charges on debt	(292)	(250)
Impact fees	569,448	595,912
Interest on long-term debt	(30,237)	(35,585)
Interest on advances	(1,825)	(3,614)
Net nonoperating revenues	<u>647,981</u>	<u>587,314</u>
Net loss before capital contributions	(1,340,542)	(1,588,292)
Capital contributions	1,579,094	632,600
Increase (decrease) in net position	<u>238,552</u>	<u>(955,692)</u>
Net Position:		
Balance, beginning of year	60,834,381	61,790,073
Adjustment due to change in accounting principle	(33,422)	---
Balance, beginning of year as adjusted	<u>60,800,959</u>	<u>61,790,073</u>
Balance, end of year	<u>\$ 61,039,511</u>	<u>\$ 60,834,381</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 8,788,410	\$ 8,859,787
Payments to suppliers	(8,545,441)	(8,136,720)
Payments to and on behalf of employees	(810,356)	(768,592)
Internal activity - receipts from other funds	---	3,233
Internal activity - payments to other funds	(155,184)	(163,308)
Other receipts	7,871	---
Net cash used by operating activities	<u>(714,700)</u>	<u>(205,600)</u>
Cash Flows From Noncapital Financing Activities		
Lateral repair program	7,298	(709)
Net cash provided (used) by noncapital financing activities	<u>7,298</u>	<u>(709)</u>
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(110,761)	(200,630)
Principal payments on debt	(182,880)	(180,047)
Interest on debt	(30,930)	(36,259)
Fiscal charges on debt	(292)	(250)
Payments on advances from municipality	(91,233)	(89,445)
Interest on advances	(1,825)	(3,614)
Impact fees	569,448	595,912
Net cash provided by capital and related financing activities	<u>151,527</u>	<u>85,667</u>
Cash Flows From Investing Activities:		
Investment earnings	131,557	59,444
Net cash provided by investing activities	<u>131,557</u>	<u>59,444</u>
Net decrease in cash and equivalents	(424,318)	(61,198)
Cash and equivalents, beginning of year	<u>7,997,431</u>	<u>8,058,629</u>
Cash and equivalents, end of year	<u><u>\$ 7,573,113</u></u>	<u><u>\$ 7,997,431</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 1,145,464	\$ 2,194,078
Cash and cash equivalents - restricted	6,427,649	5,803,353
Total cash and equivalents	<u><u>\$ 7,573,113</u></u>	<u><u>\$ 7,997,431</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2018 and 2017
(Continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$ (1,988,523)	\$ (2,175,606)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	1,364,700	1,322,559
Amortization of prepaid capacity	252,152	252,151
Miscellaneous revenues	7,507	---
Proceeds from sales of materials	364	---
Changes in assets and liabilities related to operations:		
Receivables	(163,128)	319,007
Inventory	238	(191)
Due from other funds	---	3,233
Accounts payable and accrued liabilities	(186,147)	29,584
WRS pension accrual	9,416	32,164
Unearned revenue	---	(7,000)
Compensated absences	(17,741)	15,467
OPEB obligation	6,462	3,032
Net cash used by operating activities	\$ <u>(714,700)</u>	\$ <u>(205,600)</u>
 Noncash Capital Activities:		
Utility plant contributions	\$ 1,579,094	\$ 632,600
Loss on sale of utility plant	(35,839)	(27,884)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Storm Water Utility
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 569,267	\$ 597,791
Receivables:		
Taxes	931,000	931,000
Other	662	567
Inventory	29,421	31,097
Total current assets	<u>1,530,350</u>	<u>1,560,455</u>
Noncurrent Assets:		
Net pension asset	20,431	---
Land and construction in progress	253,158	161,334
Other capital assets, net of depreciation	30,626,178	28,767,746
Total noncurrent assets	<u>30,899,767</u>	<u>28,929,080</u>
Total assets	<u>32,430,117</u>	<u>30,489,535</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	61,427	50,313
Deferred outflows related to OPEB - life insurance	1,637	---
Deferred outflows related to OPEB - health	193	---
Total deferred outflows of resources	<u>63,257</u>	<u>50,313</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	9,967	9,126
Deposits	50,000	50,000
Compensated absences - vacation due within one year	16,440	15,069
Compensated absences - sick due within one year	16,810	3,405
Current portion of general obligation notes	561,000	506,000
Accrued interest	6,019	7,727
Total current liabilities	<u>660,236</u>	<u>591,327</u>
Long-Term Liabilities:		
Compensated absences - sick pay	30,179	40,594
Net OPEB - life insurance liability	12,605	---
Net OPEB - health liability	6,977	17,757
Net pension liability	---	5,495
Advances from other funds	2,014,173	1,714,801
General obligation notes	1,507,580	2,074,336
Total long-term liabilities	<u>3,571,514</u>	<u>3,852,983</u>
Total liabilities	<u>4,231,750</u>	<u>4,444,310</u>
Deferred inflows of resources:		
Deferred revenue - subsequent year's taxes	931,000	931,000
Deferred inflows related to pensions	62,251	22,755
Deferred inflows related to OPEB - life insurance	178	---
Total deferred inflows of resources	<u>993,429</u>	<u>953,755</u>
Net Position:		
Net investment in capital assets	29,305,756	26,843,744
Unrestricted	(2,037,561)	(1,701,961)
Total net position	<u>\$ 27,268,195</u>	<u>\$ 25,141,783</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
General property taxes	\$ 931,000	\$ 931,250
Charges for services	45,842	45,548
Total operating revenues	<u>976,842</u>	<u>976,798</u>
Operating Expenses:		
Operation and maintenance	336,266	400,332
Administrative expense	274,401	294,551
Depreciation expense	700,085	676,482
Total operating expenses	<u>1,310,752</u>	<u>1,371,365</u>
Operating loss	(333,910)	(394,567)
Nonoperating Revenues (Expenses):		
Investment earnings	14,598	7,752
Miscellaneous revenues	---	1,000
Loss on retirement of property and plant	(2,266)	(212,209)
Fiscal charges on debt	(987)	(695)
Amortization of debt issuance premiums, discounts and losses on refundings	5,756	5,756
Interest on long-term debt	(69,402)	(83,195)
Interest on advances	(49,372)	(25,562)
Net nonoperating expenses	<u>(101,673)</u>	<u>(307,153)</u>
Net loss before capital contributions	(435,583)	(701,720)
Capital contributions	2,560,784	581,904
Increase (decrease) in net position	<u>2,125,201</u>	<u>(119,816)</u>
Net Position:		
Balance, beginning of year	25,141,783	25,261,599
Adjustment due to change in accounting principle	1,211	---
Balance, beginning of year as adjusted	<u>25,142,994</u>	<u>25,261,599</u>
Balance, end of year	<u>\$ 27,268,195</u>	<u>\$ 25,141,783</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 45,747	\$ 46,864
Payments to suppliers	(102,423)	(114,230)
Payments to and on behalf of employees	(497,526)	(554,663)
Internal activity - receipts from other funds	---	759
Other receipts	931,000	932,250
Net cash provided by operating activities	<u>376,798</u>	<u>310,980</u>
Cash Flows From Noncapital Financing Activities		
Advances from Municipality	299,372	325,562
Interest on advances	(49,372)	(25,562)
Net cash provided by noncapital financing activities	<u>250,000</u>	<u>300,000</u>
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(91,823)	(239,233)
Principal payments on debt	(506,000)	(476,000)
Interest on debt	(71,110)	(84,700)
Fiscal charges on debt	(987)	(696)
Net cash used by capital and related financing activities	<u>(669,920)</u>	<u>(800,629)</u>
Cash Flows From Investing Activities:		
Investment earnings	14,598	7,752
Net cash provided by investing activities	<u>14,598</u>	<u>7,752</u>
Net decrease in cash and equivalents	(28,524)	(181,897)
Cash and equivalents, beginning of year	<u>597,791</u>	<u>779,688</u>
Cash and equivalents, end of year	<u><u>\$ 569,267</u></u>	<u><u>\$ 597,791</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2018 and 2017
(Continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (333,910)	\$ (394,567)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	700,085	676,482
Miscellaneous revenues	---	1,000
Changes in assets and liabilities related to operations:		
Receivables	(95)	1,566
Inventory	1,676	12,467
Due to or from other funds	---	759
Accounts payable and accrued liabilities	841	222
WRS pension accrual	2,456	7,122
Compensated absences	4,361	5,537
OPEB obligation	1,384	642
Deferred revenue	---	(250)
Net cash provided by operating activities	<u><u>\$ 376,798</u></u>	<u><u>\$ 310,980</u></u>
Noncash Capital Activities:		
Utility plant contributions	\$ 2,560,784	\$ 581,904
Amortization of debt issuance premiums, discounts and losses on refundings	(5,756)	(5,756)
Loss on retirement of property and plant	(2,266)	(212,209)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Risk Management Fund
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Cash and equivalents	\$ 679,101	\$ 700,385
Receivables	<u>33,182</u>	<u>45,965</u>
Total assets	712,283	746,350
Liabilities:		
Total liabilities	<u>---</u>	<u>---</u>
Net Position:		
Unrestricted	<u>712,283</u>	<u>746,350</u>
Total net position	<u>\$ 712,283</u>	<u>\$ 746,350</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Charges for services	\$ ---	\$ ---
Operating Expenses:	<u>65,006</u>	<u>54,518</u>
Operating loss	(65,006)	(54,518)
Nonoperating Revenues:		
Investment earnings	12,291	5,735
Dividend on investment in CVMIC	18,648	30,705
Miscellaneous	<u>---</u>	<u>35,832</u>
Net nonoperating revenues	<u>30,939</u>	<u>72,272</u>
Increase (decrease) in net assets	(34,067)	17,754
Net Position:		
Balance, beginning of year	746,350	728,596
Balance, end of year	<u>\$ 712,283</u>	<u>\$ 746,350</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (46,876)	\$ (54,518)
Other payments	(18,130)	---
Other receipts	12,783	2,855
Net cash used by operating activities	<u>(52,223)</u>	<u>(51,663)</u>
Cash Flows From Investing Activities:		
Investment earnings	30,939	36,440
Net cash provided by investing activities	<u>30,939</u>	<u>36,440</u>
Net decrease in cash and equivalents	(21,284)	(15,223)
Cash and equivalents, beginning of year	<u>700,385</u>	<u>715,608</u>
Cash and equivalents, end of year	<u><u>\$ 679,101</u></u>	<u><u>\$ 700,385</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:		
Operating loss	\$ (65,006)	\$ (54,518)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	12,783	2,855
Net cash used by operating activities	<u><u>\$ (52,223)</u></u>	<u><u>\$ (51,663)</u></u>

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FIDUCIARY (AGENCY) 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statements of Net Position - Fiduciary (Agency) Funds
December 31, 2018

	<u>Taxing Jurisdictions</u>
Assets:	
Cash and equivalents	\$ 12,603,945
Taxes receivable	<u>46,237,500</u>
Total assets	<u><u>\$ 58,841,445</u></u>
 Liabilities:	
Due to other taxing units	\$ <u>58,841,445</u>
Total liabilities	<u><u>\$ 58,841,445</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Changes in Assets and Liabilities - Fiduciary (Agency) Funds
Year Ended December 31, 2018

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2018</u>
Assets:				
Cash and equivalents	\$ 16,627,696	\$ 55,696,318	\$ (59,720,069)	\$ 12,603,945
Taxes receivable	<u>43,092,373</u>	<u>58,841,445</u>	<u>(55,696,318)</u>	<u>46,237,500</u>
Total assets	<u>\$ 59,720,069</u>	<u>\$ 114,537,763</u>	<u>\$ (115,416,387)</u>	<u>\$ 58,841,445</u>
Liabilities:				
Due to other taxing units	<u>\$ 59,720,069</u>	<u>\$ 58,841,445</u>	<u>\$ (59,720,069)</u>	<u>\$ 58,841,445</u>

See independent auditors' report.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2018
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2018	New Issues	Payments	Balance Outstanding December 31, 2018	Interest Paid 2018	Principal Due 2019	Interest Due 2019
General Fund :												
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	520,000	---	(520,000)	---	10,400	---	---
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	502,600	---	(251,300)	251,300	13,287	251,300	4,523
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	1,333,000	---	(406,000)	927,000	37,432	456,000	23,424
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	2,770,000	---	(530,000)	2,240,000	77,069	695,000	59,688
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	1,335,000	1,055,000	---	(125,000)	930,000	28,881	115,000	26,181
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	2,000,000	---	---	2,000,000	60,000	---	60,000
2014 G.O. Notes	11/17/14	0.00%	02/15	N/A	223,622	139,763	---	(27,953)	111,810	---	27,953	---
2015 G.O. Notes	04/20/15	2.87%	05/01	05/01 & 11/01	2,000,000	2,000,000	---	---	2,000,000	57,000	---	57,000
2016 G.O. Notes	05/02/16	2.00%	05/01	05/01 & 11/01	2,000,000	1,940,000	---	---	1,940,000	38,800	---	38,800
Total General Fund						\$ 12,260,363	\$ ---	\$ (1,860,253)	\$ 10,400,110	\$ 322,869	\$ 1,545,253	\$ 269,616
Municipal Facilities and Equipment Fund:												
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	\$ 6,400,000	\$ 3,075,000	\$ ---	\$ (725,000)	\$ 2,350,000	\$ 108,500	\$ 750,000	\$ 79,000
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	7,950,000	4,575,000	---	(875,000)	3,700,000	156,750	875,000	130,500
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	1,400,000	---	(200,000)	1,200,000	37,000	200,000	31,000
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	11,650,000	11,650,000	---	(970,000)	10,680,000	425,610	1,105,000	270,340
Total Municipal Facilities Fund						\$ 20,700,000	\$ ---	\$ (2,770,000)	\$ 17,930,000	\$ 727,860	\$ 2,930,000	\$ 510,840
Capital Projects Fund:												
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	\$ 2,000,000	\$ 2,000,000	\$ ---	\$ (175,000)	\$ 1,825,000	\$ 72,767	\$ 280,000	\$ 45,190
2018 G.O. Notes	06/18/18	3.00%	06/01	06/01 & 12/01	2,000,000	---	2,000,000	---	2,000,000	---	205,000	84,092
Total Capital Projects Fund						\$ 2,000,000	\$ 2,000,000	\$ (175,000)	\$ 3,825,000	\$ 72,767	\$ 485,000	\$ 129,282
Special Assessment Fund:												
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	\$ 589,100	\$ 58,910	\$ ---	\$ (58,910)	\$ ---	\$ 1,178	\$ ---	\$ ---
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	35,400	---	(17,700)	17,700	936	17,700	319
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	57,000	---	(19,000)	38,000	1,572	19,000	955
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	110,000	50,000	---	(10,000)	40,000	1,388	10,000	1,106
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	70,000	45,000	---	(5,000)	40,000	1,194	10,000	1,025
Total Special Assessment Fund						\$ 246,310	\$ ---	\$ (110,610)	\$ 135,700	\$ 6,268	\$ 56,700	\$ 3,405
TID District #5:												
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 900,000	\$ 600,000	\$ ---	\$ (100,000)	\$ 500,000	\$ 15,563	\$ 100,000	\$ 13,313
2012 Refi #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	1,850,000	1,350,000	---	(350,000)	1,000,000	34,125	1,000,000	26,250
2014 Go Notes Refund #87	03/17/14	1.95%	04/01	04/01 & 10/01	3,825,000	1,025,000	---	(1,025,000)	---	10,250	---	---
Total TID District #5						\$ 2,975,000	\$ ---	\$ (1,475,000)	\$ 1,500,000	\$ 59,938	\$ 1,100,000	\$ 39,563

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2018
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2018	New Issues	Payments	Balance Outstanding December 31, 2018	Interest Paid 2018	Principal Due 2019	Interest Due 2019
TID District #6:												
2014 GO Hotel Debt Refinance	10/20/14	3.42%	05/01	05/01 & 11/01	\$ 8,450,000	\$ 8,400,000	\$ ---	\$ (100,000)	\$ 8,300,000	\$ 330,687	\$ 125,000	\$ 327,375
2016 G.O Notes - Refinance	09/01/16	2.00%	09/01	03/01 & 09/01	1,280,000	1,280,000	---	---	1,280,000	25,600	1,280,000	25,600
2016 G.O Notes - Refinance	09/01/16	2.13%	09/01	03/01 & 09/01	875,000	875,000	---	---	875,000	18,594	875,000	18,594
Total TID District #6						<u>\$ 10,555,000</u>	<u>\$ ---</u>	<u>\$ (100,000)</u>	<u>\$ 10,455,000</u>	<u>\$ 374,881</u>	<u>\$ 2,280,000</u>	<u>\$ 371,569</u>
TID District #8:												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	11,800,000	\$ 3,400,000	\$ ---	\$ (1,650,000)	\$ 1,750,000	\$ 122,188	\$ 1,750,000	\$ 66,500
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	100,000	---	(50,000)	50,000	2,500	50,000	1,250
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	160,000	---	(30,000)	130,000	4,056	30,000	3,381
2015 G.O. Notes	03/16/15	3.11%	03/01	03/01 & 09/01	4,300,000	4,000,000	---	(175,000)	3,825,000	119,656	175,000	115,938
2015 G.O. Notes	03/16/15	2.95%	03/01	03/01 & 09/01	7,850,000	7,400,000	---	(350,000)	7,050,000	207,437	375,000	200,187
2016 G.O. Notes	11/21/16	2.00%	06/01	06/01 & 12/01	2,500,000	2,500,000	---	(50,000)	2,450,000	49,500	200,000	47,000
2016 G.O. Notes	11/21/16	2.99%	06/01	06/01 & 12/01	7,425,000	7,425,000	---	(50,000)	7,375,000	217,688	200,000	215,188
Total TID District #8						<u>\$ 24,985,000</u>	<u>\$ ---</u>	<u>\$ (2,355,000)</u>	<u>\$ 22,630,000</u>	<u>\$ 723,025</u>	<u>\$ 2,780,000</u>	<u>\$ 649,444</u>
TID District #9:												
2012 G.O. Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 250,000	<u>\$ 250,000</u>	<u>\$ ---</u>	<u>\$ (50,000)</u>	<u>\$ 200,000</u>	<u>\$ 6,250</u>	<u>\$ 50,000</u>	<u>\$ 5,125</u>
TID District #10:												
2015 G.O. Refunding Bonds	08/03/15	2.50%	08/01	02/01 & 08/01	\$ 9,975,000	\$ 9,975,000	\$ ---	\$ ---	\$ 9,975,000	\$ 249,375	\$ 9,975,000	\$ 249,375
2016 G.O Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	4,100,000	4,100,000	---	---	4,100,000	87,125	4,100,000	87,125
Total TID District #10						<u>\$ 14,075,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,075,000</u>	<u>\$ 336,500</u>	<u>\$ 14,075,000</u>	<u>\$ 336,500</u>
TID District #11:												
2016 G.O. Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	\$ 525,000	<u>\$ 525,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 525,000</u>	<u>\$ 11,156</u>	<u>\$ 525,000</u>	<u>\$ 11,156</u>
TID District #12:												
2017 G.O. Notes	02/22/17	3.38%	03/01	03/01 & 09/01	\$ 1,280,000	\$ 1,280,000	\$ ---	\$ ---	\$ 1,280,000	\$ 43,200	\$ ---	\$ 43,200
2018 G.O. Notes	06/18/18	3.38%	03/01	03/01 & 09/01	1,900,000	---	1,900,000	---	1,900,000	---	---	77,128
Total TID District #12						<u>\$ 1,280,000</u>	<u>\$ 1,900,000</u>	<u>\$ ---</u>	<u>\$ 3,180,000</u>	<u>\$ 43,200</u>	<u>\$ ---</u>	<u>\$ 120,328</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2018
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2018	New Issues	Payments	Balance Outstanding December 31, 2018	Interest Paid 2018	Principal Due 2019	Interest Due 2019
Water Utility :												
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	\$ 790,000	\$ 260,000	\$ ---	\$ (85,000)	\$ 175,000	\$ 7,204	\$ 85,000	\$ 4,441
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	365,000	---	(85,000)	280,000	9,872	90,000	7,406
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	605,000	---	(115,000)	490,000	15,250	120,000	12,606
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	920,000	---	(50,000)	870,000	27,200	50,000	26,200
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	1,200,000	---	(200,000)	1,000,000	27,400	200,000	23,800
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	920,000	770,000	---	(50,000)	720,000	21,900	45,000	20,475
2015 G.O. Notes	05/04/15	2.83%	05/01	05/01 & 11/01	1,110,000	1,000,000	---	(55,000)	945,000	26,837	55,000	25,738
2016 G.O. Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	525,000	1,155,000	---	(50,000)	1,105,000	22,600	50,000	21,600
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	1,285,000	1,285,000	---	(65,000)	1,220,000	46,594	65,000	30,695
2018 G.O. Notes	06/18/18	3.00%	06/01	06/01 & 12/01	1,340,000	---	1,340,000	---	1,340,000	---	65,000	57,427
Total Water Utility						\$ 7,560,000	\$ 1,340,000	\$ (755,000)	\$ 8,145,000	\$ 204,857	\$ 825,000	\$ 230,388
Sewer Utility:												
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	\$ 217,231	\$ 42,923	\$ ---	\$ (13,891)	\$ 29,032	\$ 1,068	\$ 14,303	\$ 650
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,887,778	1,099,166	---	(97,899)	1,001,267	26,749	100,392	24,224
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	46,090	---	(46,090)	---	922	---	---
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	85,000	---	(25,000)	60,000	2,191	25,000	1,487
Total Sewer Utility						\$ 1,273,179	\$ ---	\$ (182,880)	\$ 1,090,299	\$ 30,930	\$ 139,695	\$ 26,361
Storm Water Utility:												
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	\$ 1,015,000	\$ 412,000	\$ ---	\$ (181,000)	\$ 231,000	\$ 11,371	\$ 231,000	\$ 4,158
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	200,000	---	(65,000)	135,000	5,549	65,000	3,436
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	530,000	---	(125,000)	405,000	14,309	130,000	10,719
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	385,000	---	(75,000)	310,000	9,681	75,000	7,994
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	1,025,000	---	(60,000)	965,000	30,200	60,000	29,000
Total Storm Water Utility						\$ 2,552,000	\$ ---	\$ (506,000)	\$ 2,046,000	\$ 71,110	\$ 561,000	\$ 55,307
Total long-term obligations						\$ 101,236,852	\$ 5,240,000	\$ (10,339,743)	\$ 96,137,109	\$ 2,991,611	\$ 27,352,648	\$ 2,758,884

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:	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and condition have changed over time.	120 - 132
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.	133 - 137
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.	138 - 143
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.	144 - 145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	146 - 148

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Net investment in capital assets	\$ 111,199,441	\$ 104,160,129	\$ 102,173,468	\$ 96,772,895	\$ 103,412,007	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481
Restricted	7,973,934	7,609,860	14,118,882	14,201,491	4,263,413	8,154,210	15,340,255	5,425,086	5,989,717	9,964,612
Unrestricted	3,855,209	8,179,100	1,691,916	(1,058,717)	(2,568,467)	3,202,645	3,353,935	6,247,496	8,956,797	5,714,651
Total governmental activities net position	<u>\$ 123,028,584</u>	<u>\$ 119,949,089</u>	<u>\$ 117,984,266</u>	<u>\$ 109,915,669</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 133,366,678	\$ 128,757,520	\$ 129,672,477	\$ 123,987,544	\$ 124,026,180	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050	\$ 121,095,716
Restricted	10,192,416	8,930,411	8,225,993	7,522,670	5,676,161	4,797,439	4,837,262	6,585,206	10,019,745	13,067,810
Unrestricted	11,662,077	11,895,252	11,477,555	12,246,507	12,454,702	13,322,201	12,262,744	11,038,425	12,191,413	8,893,049
Total business-type activities net position	<u>\$ 155,221,171</u>	<u>\$ 149,583,183</u>	<u>\$ 149,376,025</u>	<u>\$ 143,756,721</u>	<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>
Primary government:										
Net investment in capital assets	\$ 244,566,119	\$ 232,917,649	\$ 231,845,945	\$ 220,760,439	\$ 227,438,187	\$ 215,663,450	\$ 211,358,322	\$ 220,417,094	\$ 215,904,341	\$ 212,148,197
Restricted	18,166,350	16,540,271	22,344,875	21,724,161	9,939,574	12,951,649	20,177,517	12,010,292	16,009,462	23,032,422
Unrestricted	15,517,286	20,074,352	13,169,471	11,187,790	9,886,235	16,524,846	15,616,679	17,285,921	21,148,210	14,607,700
Total primary government net position	<u>\$ 278,249,755</u>	<u>\$ 269,532,272</u>	<u>\$ 267,360,291</u>	<u>\$ 253,672,390</u>	<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>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Total expenses	\$ 42,488,662	\$ 40,943,590	\$ 38,813,296	\$ 44,719,283	\$ 47,812,954	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219
Total program revenues	<u>14,081,192</u>	<u>11,833,289</u>	<u>16,754,738</u>	<u>14,661,773</u>	<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>
Net program expense	(28,407,470)	(29,110,301)	(22,058,558)	(30,057,510)	(30,553,097)	(25,587,627)	(25,839,029)	(30,478,171)	(24,731,956)	(16,009,786)
Total general revenues and other changes in net position	32,128,946	31,075,124	30,127,155	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742
Prior period adjustment	(641,981)	---	---	5,499,742	121,324	(923,763)	---	---	---	---
Change in net position	<u>3,079,495</u>	<u>1,964,823</u>	<u>8,068,597</u>	<u>4,808,714</u>	<u>(1,281,766)</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>
Business-type activities:										
Total expenses	18,579,539	18,120,673	16,889,816	18,411,294	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260	17,509,431
Total program revenues	<u>23,598,516</u>	<u>18,507,469</u>	<u>22,496,093</u>	<u>18,253,238</u>	<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>
Net program revenue	5,018,977	386,796	5,606,277	(158,056)	2,127,230	(1,528,781)	(1,521,364)	(1,445,552)	(358,525)	(1,950,713)
Total general revenues and other changes in net position	554,533	(179,638)	13,027	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891
Prior period adjustment	64,478	---	---	471,099	---	(4,692,718)	---	---	---	---
Change in net position	<u>5,637,988</u>	<u>207,158</u>	<u>5,619,304</u>	<u>1,599,678</u>	<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>
Total primary government										
Change in net position	<u>\$ 8,717,483</u>	<u>\$ 2,171,981</u>	<u>\$ 13,687,901</u>	<u>\$ 6,408,392</u>	<u>2,124,051</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>

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government	\$ 4,684,122	\$ 4,153,483	\$ 4,222,904	\$ 4,228,723	\$ 4,720,166	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070	\$ 4,041,098
Public safety	16,365,784	15,905,633	16,128,775	14,350,057	14,436,356	14,060,147	14,059,166	14,270,726	14,200,950	13,681,300
Public works	13,568,975	12,515,134	9,181,890	11,973,544	9,346,862	9,161,630	8,508,057	8,643,954	8,700,112	8,134,046
Culture and recreation	3,352,517	3,356,222	3,618,566	3,394,861	3,405,817	3,202,857	3,082,115	3,319,499	3,328,134	3,474,168
Conservation and development	2,310,685	2,603,249	3,322,732	8,573,095	13,245,448	2,075,907	5,322,277	7,316,955	1,639,911	1,044,474
Loss on retirement of capital assets	---	---	---	---	---	---	---	---	---	58,698
Interest on advances from utilities	---	---	---	---	---	---	---	---	---	6,388
Interest and fiscal charges	2,206,579	2,409,869	2,338,429	2,199,003	2,658,305	2,525,635	3,040,542	2,990,375	2,843,439	2,523,047
Total governmental activities expenses	<u>42,488,662</u>	<u>40,943,590</u>	<u>38,813,296</u>	<u>44,719,283</u>	<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>
Business-type activities:										
Water Utility	5,661,202	5,627,767	5,620,359	6,720,087	6,641,515	6,784,586	6,728,861	6,677,008	6,473,258	6,389,476
Sewer Utility	11,491,314	10,805,636	9,855,946	10,303,191	10,166,494	10,109,008	10,153,534	9,492,870	9,213,515	9,770,633
Storm Water Utility	1,427,023	1,687,270	1,413,511	1,388,016	1,366,436	1,289,972	1,375,279	1,386,266	1,314,487	1,349,322
Total business-type activities expenses	<u>18,579,539</u>	<u>18,120,673</u>	<u>16,889,816</u>	<u>18,411,294</u>	<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>
Total primary government expenses	<u>\$ 61,068,201</u>	<u>\$ 59,064,263</u>	<u>\$ 55,703,112</u>	<u>\$ 63,130,577</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Charges for services	\$ 9,272,576	\$ 8,161,483	\$ 7,953,646	\$ 7,998,176	\$ 7,126,005	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835	\$ 6,302,663
Operating grants and contributions	3,183,182	3,261,846	3,211,421	3,760,572	2,935,157	2,318,766	2,613,573	2,441,155	2,361,517	2,680,384
Capital grants and contributions	1,625,434	409,960	5,589,671	2,903,025	7,198,695	1,048,838	1,714,561	773,126	1,240,308	7,970,386
Total governmental activities program revenues	<u>14,081,192</u>	<u>11,833,289</u>	<u>16,754,738</u>	<u>14,661,773</u>	<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>
Business-type activities:										
Charges for services	15,815,478	15,503,049	15,286,679	15,187,279	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582	14,977,719
Capital grants and contributions	7,783,038	3,004,420	7,209,414	3,065,959	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153	580,999
Total business-type activities program revenues	<u>\$ 23,598,516</u>	<u>\$ 18,507,469</u>	<u>\$ 22,496,093</u>	<u>\$ 18,253,238</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
General government	\$ 559,056	\$ 548,446	\$ 633,606	\$ 555,285	\$ 539,299	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962	\$ 461,226
Public safety	2,187,991	2,023,814	1,795,184	1,875,189	1,585,437	1,641,121	1,639,585	1,513,795	1,548,880	1,439,822
Public works	4,707,137	4,249,073	4,247,237	4,204,374	3,978,709	3,644,103	5,779,785	4,479,108	3,773,328	3,793,143
Culture and recreation	432,937	366,769	62,504	123,286	122,347	122,973	120,513	124,526	127,391	108,368
Conservation and development	1,385,455	973,381	1,215,115	1,240,042	900,213	707,409	667,551	642,507	707,274	500,104
Total governmental activities charges for services	<u>9,272,576</u>	<u>8,161,483</u>	<u>7,953,646</u>	<u>7,998,176</u>	<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>
Business-type activities:										
Sewer Utility	8,951,157	8,543,988	8,418,856	8,309,028	8,114,553	8,229,711	8,526,609	8,287,181	8,652,539	8,789,253
Water Utility	6,818,479	6,913,513	6,821,982	6,838,038	6,535,141	6,641,814	7,097,796	6,577,855	6,144,447	6,154,632
Storm Water Utility	45,842	45,548	45,841	40,213	28,633	27,926	28,260	32,237	33,596	33,834
Total business-type activities charges for services	<u>15,815,478</u>	<u>15,503,049</u>	<u>15,286,679</u>	<u>15,187,279</u>	<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>
Total primary government charges for services	<u>\$ 25,088,054</u>	<u>\$ 23,664,532</u>	<u>\$ 23,240,325</u>	<u>\$ 23,185,455</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
General government	\$ ---	\$ ---	\$ 2,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Public safety	482,631	629,364	637,730	900,570	586,717	440,209	487,864	311,550	242,256	302,725
Public works	2,235,560	2,069,462	2,031,294	2,133,358	1,826,242	1,774,408	1,977,282	2,033,841	2,027,059	2,127,402
Culture and recreation	69,033	65,729	63,225	61,116	42,057	28,177	41,352	34,814	44,121	45,431
Conservation and development	395,958	497,291	477,172	665,528	480,141	75,972	107,075	60,950	48,081	204,826
Total governmental activities operating grants and contributions	<u>\$ 3,183,182</u>	<u>\$ 3,261,846</u>	<u>\$ 3,211,421</u>	<u>\$ 3,760,572</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
General government	\$ ---	\$ ---	\$ 178,616	\$ 103,000	\$ 4,269,900	\$ ---	\$ ---	\$ 5,000	\$ 14,569	\$ ---
Public safety	---	---	---	---	---	---	107,000	---	---	60,000
Public works	1,625,434	409,960	5,236,347	2,800,025	2,928,795	1,048,838	1,604,161	768,126	1,225,739	7,910,386
Conservation and development	---	---	174,708	---	---	---	3,400	---	---	---
Total governmental activities capital grants and contributions	<u>1,625,434</u>	<u>409,960</u>	<u>5,589,671</u>	<u>2,903,025</u>	<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>
Business-type activities:										
Water Utility	3,073,712	1,194,004	1,579,499	1,333,453	2,583,029	367,561	709,702	543,002	830,793	287,657
Sewer Utility	2,148,542	1,228,512	3,394,397	1,160,330	1,606,521	308,582	373,943	454,450	981,360	278,529
Storm Water Utility	2,560,784	581,904	2,235,518	572,176	1,433,798	1,079,191	---	215,867	---	14,813
Total business-type activities capital grants and contributions	<u>7,783,038</u>	<u>3,004,420</u>	<u>7,209,414</u>	<u>3,065,959</u>	<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>
Total primary government capital grants and contributions	<u>\$ 9,408,472</u>	<u>\$ 3,414,380</u>	<u>\$ 12,799,085</u>	<u>\$ 5,968,984</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Taxes	\$ 30,462,169	\$ 28,896,754	\$ 27,932,557	\$ 27,213,075	\$ 27,345,166	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386	\$ 24,728,311
Grants and contributions not restricted to specific programs	1,241,904	1,251,900	1,360,274	1,762,237	1,542,891	1,050,489	1,047,409	1,230,437	1,100,295	1,263,645
Impact fees	---	---	305,993	---	---	---	---	---	---	---
Investments earnings	746,136	436,866	223,544	100,583	71,074	65,991	118,049	120,702	151,238	234,227
Interest on advances to utilities	51,197	29,176	19,606	7,087	12,849	19,171	25,232	22,082	38,824	31,048
Gain (loss) on retirement of capital assets	(573,256)	175,999	---	149,057	---	(192,379)	(4,138,753)	13,182	32,391	---
Debt payments received	---	---	---	---	---	---	213,716	---	---	---
Developer incentives returned	---	---	---	---	---	2,000,000	---	---	---	---
Other revenues	200,796	284,429	285,181	134,443	178,027	118,125	81,500	97,446	65,883	62,511
Total governmental activities general revenues and other changes in net position	<u>32,128,946</u>	<u>31,075,124</u>	<u>30,127,155</u>	<u>29,366,482</u>	<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>
Business-type activities:										
Taxes	931,000	931,250	931,250	1,231,250	1,231,250	1,231,250	1,231,250	1,231,250	1,212,990	1,195,085
Transfers - PILOT	(1,266,520)	(1,294,564)	(1,316,613)	---	---	---	---	---	---	---
Investments earnings	372,174	149,839	69,424	18,838	13,602	14,561	24,509	27,662	41,540	124,673
Interest on advances to governmental funds	---	---	---	---	---	---	---	---	---	6,388
Gain (loss) on retirement of capital assets	---	---	---	---	---	5,178	(1,575)	24,135	4,678	147
Other revenues	517,879	33,837	328,966	36,547	33,735	33,453	63,185	56,575	40,950	14,598
Total business-type activities general revenues and other changes in net position	<u>554,533</u>	<u>(179,638)</u>	<u>13,027</u>	<u>1,286,635</u>	<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>
Total primary government general revenues and other changes in net position	<u>\$ 32,683,479</u>	<u>\$ 30,895,486</u>	<u>\$ 30,140,182</u>	<u>\$ 30,653,117</u>	<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>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:										
Nonspendable	\$ 2,955,091	\$ 2,683,102	\$ 2,264,263	\$ 2,252,876	\$ 2,375,001	\$ 2,189,844	\$ 2,498,367	\$ 2,391,707	\$ ---	\$ ---
Restricted	---	---	---	---	---	---	91,526	11,094	---	---
Unassigned	7,002,559	7,002,556	7,421,395	7,387,708	7,265,583	7,340,740	6,675,691	6,843,969	---	---
Reserved	---	---	---	---	---	---	---	---	2,018,827	2,060,963
Unreserved	---	---	---	---	---	---	---	---	6,076,505	6,034,369
Total general fund	<u>9,957,650</u>	<u>9,685,658</u>	<u>9,685,658</u>	<u>9,640,584</u>	<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>
All Other Governmental Funds:										
Nonspendable	3,249,418	2,872,078	2,090,552	1,881,590	1,232,169	15,369,451	15,985,377	17,818,086	---	---
Restricted	8,731,970	9,631,125	11,169,562	10,819,886	8,961,001	10,579,623	17,177,241	11,860,659	---	---
Committed	5,783,510	6,970,364	9,592,988	8,918,811	2,995,623	4,114,678	1,043,079	6,311,798	---	---
Assigned	2,817,893	7,157,630	5,263,510	4,174,551	4,487,089	3,215,701	7,399,395	534,957	---	---
Unassigned	(2,626,654)	(2,261,744)	(1,798,726)	(1,381,051)	(1,174,729)	(386,481)	(3,289,054)	(887,452)	---	---
Reserved	---	---	---	---	---	---	---	---	30,420,048	14,826,220
Unreserved, reported in:										
Special Revenue funds	---	---	---	---	---	---	---	---	6,485,333	91,966
Capital Projects funds	---	---	---	---	---	---	---	---	(230,554)	3,429,420
Total all other governmental funds	<u>17,956,137</u>	<u>24,369,453</u>	<u>26,317,886</u>	<u>24,413,787</u>	<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>
Total all governmental funds	<u>\$ 27,913,787</u>	<u>\$ 34,055,111</u>	<u>\$ 36,003,544</u>	<u>\$ 34,054,371</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues	\$ 43,800,718	\$ 41,183,675	\$ 40,383,973	\$ 40,435,293	\$ 38,641,760	\$ 38,062,033	\$ 37,617,444	\$ 36,384,093	\$ 35,084,872	\$ 34,781,784
Expenditures	<u>55,600,623</u>	<u>59,259,005</u>	<u>45,543,439</u>	<u>56,789,395</u>	<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>
Deficiency of revenues under expenditures	(11,799,905)	(18,075,330)	(5,159,466)	(16,354,102)	(22,209,575)	(5,499,941)	(20,663,868)	(13,194,014)	(19,860,823)	(5,755,589)
Other financing sources (uses) and other Changes in fund balances	5,658,581	15,671,372	7,108,639	24,266,735	5,806,432	341,875	23,360,672	13,308,673	38,188,044	5,443,025
Prior period adjustment	<u>---</u>	<u>455,525</u>	<u>---</u>	<u>---</u>	<u>121,324</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total change in fund balance	<u>\$ (6,141,324)</u>	<u>\$ (1,948,433)</u>	<u>\$ 1,949,173</u>	<u>\$ 7,912,633</u>	<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>

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Taxes	\$ 29,469,322	\$ 27,841,438	\$ 26,597,863	\$ 25,904,061	\$ 26,266,221	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550	\$ 23,618,142
Special assessment & interest	41,338	43,250	39,096	208,782	192,256	95,737	178,285	195,095	156,193	271,814
Licenses and permits	1,534,990	1,436,318	1,791,721	1,728,039	1,347,111	1,187,601	1,141,357	1,094,714	1,102,585	877,195
Fines and penalties	501,072	572,666	607,211	609,413	563,671	744,985	649,989	648,116	755,247	662,503
Intergovernmental aid	3,573,712	3,599,603	3,675,400	4,681,534	3,607,341	3,219,203	3,186,673	3,800,609	3,355,012	3,821,062
Program revenues	1,602,308	1,408,988	1,371,170	1,384,278	1,440,025	1,474,779	1,447,884	1,511,174	1,410,802	1,244,290
Fire dues	181,694	---	---	---	---	---	---	---	---	---
Other charges for service	4,634,751	4,425,975	4,367,503	4,212,352	3,726,595	3,322,434	5,395,570	4,064,142	3,346,548	3,472,847
Interest income	761,562	424,017	197,861	72,211	42,985	48,315	70,775	89,279	120,726	222,381
Interest on advances	121,247	76,131	47,201	27,703	32,280	237,966	241,269	104,066	112,724	84,728
Developer incentives returned	---	---	---	---	---	2,000,000	---	---	---	---
Other revenue	1,378,722	1,355,289	1,688,947	1,606,920	1,423,275	750,477	462,596	329,325	250,485	506,822
Total revenues	<u>\$ 43,800,718</u>	<u>\$ 41,183,675</u>	<u>\$ 40,383,973</u>	<u>\$ 40,435,293</u>	<u>\$ 38,641,760</u>	<u>\$ 38,062,033</u>	<u>\$ 37,617,444</u>	<u>\$ 36,384,093</u>	<u>\$ 35,084,872</u>	<u>\$ 34,781,784</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current:										
General government	\$ 4,069,770	\$ 3,551,177	\$ 3,630,500	\$ 3,656,043	\$ 3,909,661	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621	\$ 3,462,236
Public safety	15,186,791	14,199,667	14,378,386	13,860,652	13,823,637	13,403,094	13,349,480	13,532,420	13,440,800	13,087,197
Public works	10,977,378	9,646,965	6,809,817	9,951,007	7,101,179	7,331,797	6,806,723	6,915,529	6,905,932	6,390,586
Culture and recreation	2,843,942	2,840,922	3,079,854	2,891,428	2,921,152	2,666,107	2,587,993	2,758,347	2,792,380	2,933,828
Conservation and development	2,257,555	2,520,884	3,028,937	7,006,218	1,486,607	2,039,586	5,111,837	7,410,485	1,645,679	1,145,049
Uncollectible accounts	---	---	---	---	5,261,620	---	---	---	---	---
Capital outlay	8,530,210	16,533,564	4,769,966	10,381,143	7,579,866	4,120,998	16,066,598	5,119,767	10,597,430	2,730,380
Debt service:										
Principal	8,895,863	7,220,863	6,984,369	6,434,369	15,756,416	6,670,417	6,548,416	6,258,415	12,688,416	8,027,416
Interest and fiscal charges	2,686,306	2,411,470	2,485,688	2,178,219	2,667,067	2,956,176	3,022,128	3,355,521	2,465,653	2,609,863
Interest on advances	70,050	46,955	27,594	20,616	19,431	218,795	216,037	81,984	73,900	60,068
Debt issuance costs	82,758	286,538	348,328	409,700	324,699	200,271	393,613	205,922	692,884	90,750
Total expenditures	<u>\$ 55,600,623</u>	<u>\$ 59,259,005</u>	<u>\$ 45,543,439</u>	<u>\$ 56,789,395</u>	<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>
Debt service as a percentage of										
Noncapital expenditures	<u>24.61%</u>	<u>22.54%</u>	<u>23.23%</u>	<u>18.56%</u>	<u>34.58%</u>	<u>24.41%</u>	<u>22.67%</u>	<u>21.62%</u>	<u>34.17%</u>	<u>28.14%</u>

Source: Comprehensive Annual Financial Reports

Note: Noncapital expenditures percentage is calculated as follows: debt service / (total expenditures - capital outlay)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating transfers in	\$ 14,133,448	\$ 12,564,073	\$ 12,630,432	\$ 18,816,352	\$ 21,284,579	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073	\$ 7,471,082
Operating transfers out	(14,133,448)	(12,564,073)	(12,630,432)	(18,816,352)	(21,284,578)	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)	(7,471,082)
Transfers - PILOT	1,266,520	1,294,564	1,316,613	1,290,385	1,259,422	1,393,941	1,292,036	1,203,973	1,200,836	1,110,169
Proceeds from sale of capital assets	415,699	175,999	646,594	6,997,349	(55,294)	41,906	---	13,182	32,391	87,106
Fair market of bond/notes issued	3,900,000	13,650,000	4,750,000	15,430,000	4,223,622	7,175,000	28,940,000	11,855,000	32,025,000	4,155,000
Fair market of refunding bonds issued	---	1,280,000	13,955,000	9,975,000	12,275,000	6,780,000	---	---	4,080,000	---
Payment to refunding escrow agent	---	(1,280,000)	(13,955,000)	(10,025,000)	(12,325,000)	(15,154,270)	(8,600,000)	---	---	---
Debt issuance premiums	76,362	550,809	395,432	599,001	609,158	105,298	1,514,920	236,518	849,817	90,750
Debt payments received	---	---	---	---	---	---	213,716	---	---	---
Distribution upon closure of TID	---	---	---	---	(180,477)	---	---	---	---	---
Total other financing sources (uses)										
and other changes in fund balance	\$ 5,658,581	\$ 15,671,372	\$ 7,108,639	\$ 24,266,735	\$ 5,806,432	\$ 341,875	\$ 23,360,672	\$ 13,308,673	\$ 38,188,044	\$ 5,443,025

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Assessed and Estimated 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				
2018	\$ 4,741,865,260	\$ 4,986,326,700	\$ 104,982,500	\$ 111,131,300	\$ 4,846,847,760	\$ 5.23	\$ 5,097,458,000	0.9508
2017	4,646,965,460	4,782,064,200	179,374,930	180,583,200	4,826,340,390	5.23	4,962,647,400	0.9725
2016	4,548,546,260	4,550,377,900	174,516,280	177,999,900	4,723,062,540	5.17	4,728,377,800	0.9989
2015	4,427,051,360	4,424,078,642	159,081,780	158,974,958	4,586,133,140	5.20	4,583,053,600	1.0007
2014	4,378,109,960	4,331,625,189	163,982,250	162,249,611	4,542,092,210	5.20	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	5.19	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	4,169,903,100	4,438,094,157	142,107,780	151,247,243	4,312,010,880	5.22	4,589,341,400	0.9396

Menomonee Falls School District	\$ 3,730,448,890
Hamilton Sussex School District	<u>1,116,398,870</u>
Total assessed value	<u>\$ 4,846,847,760</u>

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
2018	\$ 3,197,798,160	\$ 1,526,263,700	\$ 17,803,400	\$ 4,741,865,260	802	\$ 49,950,000	149	\$ 83,110,000
2017	3,137,555,560	1,492,015,900	17,394,000	4,646,965,460	761	53,590,000	143	48,020,000
2016	3,084,284,360	1,447,556,700	16,705,200	4,548,546,260	740	47,560,000	146	70,020,000
2015	3,045,248,960	1,365,294,700	16,507,700	4,427,051,360	696	37,791,221	169	115,540,528
2014	3,011,914,460	1,349,447,800	16,747,700	4,378,109,960	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	2,954,622,400	1,277,237,400	16,882,400	4,248,742,200	573	18,709,627	147	47,333,453
2010	2,945,222,500	1,262,085,590	17,393,200	4,224,701,290	617	23,057,560	128	36,981,941
2009	2,935,215,100	1,216,130,000	18,558,000	4,169,903,100	439	15,597,552	77	21,646,277

(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)

Fiscal Year	Village Direct Rates						Overlapping Rates					School Tax Credit	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		Menomonee Falls School District	Sussex Hamilton School District
2018 for 2019	\$ 4.19	\$ 0.49	\$ 0.36	\$ ---	\$ 0.19	\$ 5.23	\$ ---	\$ 1.99	\$ 11.18	\$ 9.38	\$ 0.38	\$ (1.93)	\$ 16.85	\$ 15.05
2017 for 2018	4.19	0.49	0.36	---	0.19	5.23	---	2.01	11.56	8.79	0.38	(1.94)	17.24	14.47
2016 for 2017	4.12	0.49	0.36	---	0.20	5.17	0.17	2.00	11.69	8.92	0.37	(1.80)	17.60	14.83
2015 for 2016	4.12	0.51	0.37	---	0.20	5.20	0.17	2.04	11.60	9.60	0.38	(1.87)	17.52	15.52
2014 for 2015	4.02	0.52	0.38	0.07	0.21	5.20	0.17	2.06	11.41	9.66	0.38	(1.66)	17.56	15.81
2013 for 2014	4.02	0.52	0.38	0.07	0.21	5.20	0.16	2.01	11.61	9.58	1.24	(1.68)	18.54	16.51
2012 for 2013	4.00	0.53	0.39	0.07	0.21	5.20	0.17	2.05	11.50	10.15	1.27	(1.72)	18.47	17.12
2011 for 2012	3.97	0.54	0.40	0.07	0.21	5.19	0.17	2.04	11.61	10.25	1.27	(1.72)	18.56	17.20
2010 for 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
2009 for 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

Source: Village Financial Services Department taxation records

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ten Largest Assessed Valuations
Years 2018 and 2009

Name	Nature of Business	2018			2009		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 130,135,330	2.68%	1	\$ 90,192,770	2.09%	1
Fred the Junction LLC	Property management	40,700,900	0.84%	2	---	0.00%	
Harley-Davidson Motor Company	Motorcycle manufactor	32,331,700	0.67%	3	36,556,600	0.85%	2
Ryan X LLC	Property management	29,825,400	0.62%	4	---	---	
Woodland Prime LLC	Property development	27,366,300	0.56%	5	32,640,860	0.76%	3
NHMC Land LLC	Real estate	22,722,700	0.47%	6	---	---	
Woodmans Food Market	Supermarket	19,530,780	0.40%	7	---	0.00%	
R-K Associates of Waukesha	Property management	17,388,500	0.36%	8	15,823,710	0.37%	9
Wells Fargo Financial	Investment advisory/management	17,032,770	0.35%	9	20,391,860	0.47%	4
Burke Business Park LLC	Property development	17,021,400	0.35%	10	16,938,200	0.39%	7
Centerpoint Properties Trust	Property development	---	---		18,889,100	0.44%	5
Arandell Corp	Publishing	---	---		17,471,200	0.41%	6
Gillville LLC	Real estate	---	---		16,300,700	0.38%	8
Waste Management	Solid waste management	---	---		15,607,200	0.36%	10
Total, ten largest taxpayers		<u>354,055,780</u>	<u>7.30%</u>		<u>280,812,200</u>	<u>6.52%</u>	
Total, other taxpayers		<u>4,492,791,980</u>	<u>92.70%</u>		<u>4,031,198,680</u>	<u>93.48%</u>	
Total assessed valuations		<u>\$ 4,846,847,760</u>	<u>100.00%</u>		<u>\$ 4,312,010,880</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
2018	\$ 30,256,414	\$ 6,418,732	21.21%	\$ ---	\$ 6,418,732	21.21%
2017	29,925,929	8,264,831	27.62%	21,659,236	29,924,067	99.99%
2016	28,355,892	11,315,400	39.90%	17,039,224	28,354,624	100.00%
2015	27,266,228	10,119,445	37.11%	17,141,401	27,260,846	99.98%
2014	26,885,382	7,153,462	26.61%	19,727,415	26,880,877	99.98%
2013	27,276,674	7,077,544	25.95%	20,191,984	27,269,528	99.97%
2012	26,031,321	5,629,313	21.63%	20,399,280	26,028,593	99.99%
2011	25,923,450	6,245,829	24.09%	19,672,090	25,917,919	99.98%
2010	25,677,430	3,577,353	13.93%	22,061,363	25,638,716	99.85%
2009	25,669,521	4,794,029	18.68%	20,873,205	25,667,234	99.99%

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	
2018	\$ 84,855,810	\$ ---	\$ ---	\$ ---	\$ 1,030,299	\$ 10,251,000	\$ ---	\$ 96,137,109	3.70%	1.89%	\$ 2,559
2017	89,851,673	---	---	---	1,142,089	10,243,090	---	101,236,852	4.13%	2.04%	2,706
2016	83,422,536	---	---	---	1,251,046	10,175,180	---	94,848,762	4.02%	2.01%	2,570
2015	85,656,905	---	---	---	1,422,408	10,143,764	---	97,223,077	6.12%	2.12%	2,706
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

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		
2018	\$ 95,106,810	\$ 80,881,700	\$ 14,225,110	\$ 24,819	\$ 14,200,291	0.28%	\$ 378
2017	100,094,763	85,834,400	14,260,363	282,810	13,977,553	0.28%	374
2016	93,597,716	76,315,100	17,282,616	66,336	17,216,280	0.36%	466
2015	95,800,669	82,985,708	12,814,961	116,906	12,698,055	0.28%	353
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

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Sewer Utility Revenue Bond Coverage
Last Ten Years

Year	Operating Revenue	Operating Expenses (A)	Operating Income	Debt Service Requirements			Coverage (C)
				Principal (B)	Interest	Total	
2018	\$ 9,649,492	\$ 9,485,092	\$ 164,400	\$ 111,790	\$ 27,817	\$ 139,607	1.1776
2017	9,188,751	9,307,387	(118,636)	108,957	30,687	139,644	(0.8496)
2016	9,083,014	8,053,443	1,029,571	171,362	37,871	209,233	4.9207
2015	9,673,484	8,900,342	773,142	166,647	43,153	209,800	3.6851
2014	9,285,340	8,754,564	530,776	162,063	43,958	206,021	2.5763
2013	8,720,703	8,745,565	(24,862)	249,495	49,943	299,438	(0.0830)
2012	8,994,807	8,745,692	249,115	242,322	57,223	299,545	0.8316
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

(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
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</u>		<u>Operating</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
	<u>Revenue (A)</u>	<u>Expenses (B)</u>		<u>Principal (D)</u>	<u>Interest (D)</u>	<u>Total</u>	
2018	\$ 7,647,073	\$ 3,739,819	\$ 3,907,254	\$ ---	\$ ---	---	---
2017	7,653,931	3,753,901	3,900,030	---	---	---	---
2016	7,530,118	3,696,551	3,833,567	---	---	---	---
2015	7,630,437	3,584,133	4,046,304	---	---	---	---
2014	6,936,849	3,594,305	3,342,544	---	---	-	---
2013	6,829,451	3,594,987	3,234,464	2,735,000	67,660	2,802,660	1.1541
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

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) 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, 2018

Equalized value of real and personal property	\$ 5,097,458,000
Debt limit, five percent of equalized valuation	\$ 254,872,900
Total obligation bonds and notes applicable to debt limit at December 31, 2018	<u>(95,106,810) *</u>
Remaining legal debt margin	\$ 159,766,090
* Includes:	
Water Utility portion of G.O. notes	\$ 8,145,000
Sewer Utility portion of G.O. notes	60,000
Storm Water Utility portion of G.O. notes	2,046,000

Historical Data					
Year		Limit	Debt to Limit	Legal Margin	Percentage of Legal Limit
2018	\$	254,872,900	\$ 95,106,810	\$ 159,766,090	37.32%
2017		248,132,370	100,094,763	148,037,607	40.34%
2016		236,418,890	93,597,716	142,821,174	39.59%
2015		229,152,680	95,800,669	133,352,011	41.81%
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%

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Direct and Overlapping Debt
December 31, 2018

	<u>Total Direct Debt</u>		<u>Applicable to Village Residents</u>
		<u>Percent</u>	<u>Amount</u>
Direct debt	\$ 84,855,810	100.00%	\$ 84,855,810
Overlapping Debt:			
Menomonee Falls School District	\$ 48,129,963	98.07%	\$ 47,201,055
Hamilton School District	59,945,000	32.97%	19,763,867
Waukesha County	74,595,000	9.02%	6,728,469
Waukesha County Technical College	<u>25,280,000</u>	8.82%	<u>2,229,696</u>
Total overlapping debt	<u>207,949,963</u>		<u>75,923,087</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>	
2018	37,574	2.5 %	2.7 %	3.0 %	\$ 69,111	\$ 50,756	\$ 2,596,776,714
2017	37,413	2.9	2.9	3.3	65,522	47,850	2,451,374,586
2016	36,907	3.6	3.6	4.1	63,995	47,275	2,361,863,465
2015	35,928	3.7	3.8	4.6	44,186	45,617	1,587,514,608
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

(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 (2010-2018 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 2018 and 2009

<u>Employer</u>	<u>Number of Employees</u>	
	<u>2018</u>	<u>2009</u>
Kohls Corporation	4,936	4,300
Froedtert Health (formerly Community Memorial Hospital)	1,323	1,528
Harley Davidson	775	800
FIS Management Services LLC (formerly Metavante)	655	---
Arandell Schmidt	625	750
Menomonee Falls School District	559	945
Wacker Neuson Corporation	550	286
Wells Fargo Financial (formely Strong Capital Management)	400	648
Bradley Corporation	370	347
Village of Menomonee Falls	228	230
Medical Associates	---	590
Alto-Schaam	---	330
Linden Grove	---	261

Sources:

Employer list and related employee data from debt issuance Official Statement

Employment in 2009 obtained from HSE report as of February 2009 inquiries of employers

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Full-Time Equivalent Employees By Function
Last Ten Years

Function	Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government and administration	26	24	25	25	35	33	34	33	33	34
Public Safety	127	132	137	133	95	96	96	100	100	104
Public Works	22	20	20	20	20	21	22	26	26	30
Culture and recreation	22	23	24	23	25	25	25	26	27	25
Conservation and Development	14	16	16	16	14	13	13	14	14	18
Sanitary Sewer	3	3	3	3	4	4	5	4	4	6
Water Utility	14	14	15	14	14	14	15	17	17	17
Storm Water Utility	---	---	---	---	1	1	1	1	1	1
Totals	<u>228</u>	<u>232</u>	<u>240</u>	<u>234</u>	<u>208</u>	<u>207</u>	<u>211</u>	<u>221</u>	<u>222</u>	<u>235</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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Number of employees	26	24	25	25	35	33	34	33	33	34
Registered voters	25,327	24,038	26,373	23,888	24,735	24,083	24,206	24,539	25,180	24,697
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	74	75	71	71	64	64	66	67	69	70
Crimes	885	986	1,022	1,027	991	905	846	1,038	1,053	1,121
Number of violations/enforcement	12,312	14,028	16,249	17,208	15,059	17,630	18,475	19,221	21,797	22,039
Accidents	788	764	789	763	765	717	700	780	510	557
Fire:										
Number of stations	5	5	5	5	4	4	4	4	4	4
Number of employees	54	56	55	50	18	20	18	22	21	21
Number of fires	57	64	55	69	54	64	80	73	60	73
Rescue and EMS	3,068	3,061	2,708	2,479	2,306	2,128	2,063	2,033	1,852	1,812
Hazardous conditions	108	149	99	100	106	83	74	91	96	103
Service call	579	408	390	371	296	239	251	320	341	255
Good intent call	317	298	122	102	71	80	106	125	119	114
False alarm and false call	328	304	269	245	206	198	191	185	201	264
*Dispatch:										
Number of employees	---	1	10	11	13	12	12	12	13	13
Number of event calls	36,211	30,349	42,425	44,058	40,881	40,059	43,268	41,928	43,027	65,562
Public Works:										
Number of employees	22	20	20	20	20	21	22	26	26	30
Miles of streets and roads-Village owned	215	215	215	211	209	208	207	207	207	207
Miles - All roads, State, County, Village	241	241	241	236	234	233	233	233	249	249

Source: Village departments

*- Dispatch was operated at the Village through January 2017. Therefore, the total employee count only represents full-time equivalent employees for one month's time. Waukesha County now provides the Village v dispatch services. The number of event calls is not comparable to prior years due to the County's way of of tracking calls differs from prior years tracking at the Village.

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Culture and recreation:										
Library:										
Number of employees	19	19	19	19	19	19	19	21	21	16
Volumes	135,950	134,457	136,261	134,864	137,946	139,932	136,259	141,577	124,337	123,099
E-Volumes *	207,446	250,476	189,525	174,660	152,975	103,097	39,063	N/A	N/A	N/A
Circulation	352,900	343,176	337,449	337,449	348,902	362,733	328,433	351,023	371,600	381,864
E-Circulation	38,510	30,077	21,702	21,702	16,996	12,184	5,872	---	---	---
Parks:										
Number of employees	3	4	5	6	6	6	5	5	6	4
Number of parks	22	22	22	16	16	16	16	11	11	8
Acres of parkland - Village owned	814	814	814	1,165	1,165	1,165	1,165	1,525	1,525	1,508
Acres of parkland - County owned	458	458	458	321	321	321	321	321	321	544
Conservation and Development:										
Number of employees	14	16	16	16	14	13	13	14	14	18
Number of permits issued	951	904	886	865	861	865	734	720	745	516
Permit value	133,060,000	101,610,000	117,580,000	153,331,749	113,616,135	60,212,119	56,911,030	66,043,080	60,039,501	37,243,829
Water Utility:										
Number of employees	14	14	15	14	14	14	15	17	17	17
Number of customers	12,429	12,348	12,194	12,118	12,029	11,979	11,911	11,853	11,802	11,755
Gallons pumped annually (in thousands)	1,197,849	1,219,158	1,266,342	1,274,354	1,251,716	1,220,082	1,355,139	1,206,533	1,175,398	1,260,820
Number of water towers/reservoirs	9	9	9	9	9	9	9	9	9	9
Number of wells	7	7	7	7	7	7	7	7	7	7
Number of hydrants	2,984	2,923	2,896	2,868	2,818	2,804	2,790	2,777	2,780	2,773
Miles of mains	234	233	230	226	225	221	221	218	218	220
Sewer Utility:										
Number of employees	3	3	3	3	4	4	5	4	4	6
Number of customers	12,704	12,592	11,668	11,568	11,536	11,508	11,462	11,407	11,571	10,853
Gallons pumped annually (in thousands)	843,470	856,184	847,902	836,712	825,492	839,355	890,894	843,689	808,422	853,332
Number of lift stations	9	10	10	11	11	11	10	10	10	8
Miles of main	225	223	222	219	218	216	213	213	212	212
Storm Water Utility:										
Number of employees	---	---	---	---	1	1	1	1	1	1
Number of retention basins	21	14	13	13	13	10	10	10	10	10
Miles of storm main	154	154	153	148	147	145	143	142	141	140

Source: Village departments

N/A - Information is not available

* - E-volumes consist of electronic material such as Kindle books. E-materials are leased by the Library. Information available from 2012 to current.

See independent auditors' report.