

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

**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2010**

**Prepared by Financial Services Department**  
**Mary M. Datka, CPA, CPM - Director**

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

**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2010**

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**Waukesha County, Wisconsin**

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# **INTRODUCTION**



*Village of Menomonee Falls*  
W156 N8480 Pilgrim Road  
Menomonee Falls, WI 53051-3140  
Telephone: (262) 532-4200  
[www.menomonee-falls.org](http://www.menomonee-falls.org)

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June 02, 2011

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. Pursuant to those requirements, the Comprehensive Annual Financial Report of the Village of Menomonee Falls for the fiscal year ended December 31, 2010 is hereby submitted.

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 unqualified opinion on the Village's financial statements for the year ended December 31, 2010. The auditor's opinion is located at the front of the financial section of this report.

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

This report was prepared by the Village's Financial Services Department and contains representations concerning the finances of the Village. We believe the data, as presented, is accurate in all material respects, and is organized in a manner designed to present fairly the financial position and results of operations of the Village as measured by the financial activity of its various funds and account groups. 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 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 33.3 square miles and has a population of 34,600 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

The governing and legislative body of the Village is the seven-member Village Board. The Village operates under the Village 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.

## **VILLAGE PROFILE (continued)**

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

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

## **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

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

In developing the Village's overall accounting system, consideration was given to the adequacy of the internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial resources for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

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

The Village aggressively uses Tax Incremental Financing Districts ("TIDs") as catalysts for development. The Village Board policy of working for continued growth is evident in its commitment to capital expenditures in the TIDs. Despite the current economy, the Village issued significant levels of debt in 2010 for projects in the TIDs.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy (continued)**

Recognizing the need to revitalize underperforming areas, the Village is currently focused on the needs of the downtown district and Appleton Avenue, one of our major thoroughfares and shopping areas known as TID #9. The Village has designed revolving loan and grants funds to encourage current business owners to remodel or reface older buildings in these areas.

In TID #8 – Richfield Way, a vacant manufacturing building was demolished in preparation for commercial development. In addition, a land swap convinced one business to move to another location to make way for infrastructure and roads. Major infrastructure development is planned in this area for 2011.

In TID#5 – Westbrook Corporate Park, a manufacturing facility was expanded and renovated, along with substantial completion of a new office building for Actuant Corporation. TID 5 also saw the completion of a large, employee owned food market known as Woodman's.

Non-TID activity includes the preparation for a new 145,000 square foot, multi-tenant medical office building across the street from Community Memorial Hospital. The Village also purchased several parcels of land for future development and parks.

Management ceaselessly strives to continue the trend of increasing equalized values. Such efforts are evidenced by a 44% increase in 2010 permit revenue, a positive sign of economic improvement.

The Village's 6.6% unemployment rate is well below that of the State of Wisconsin's 7.4%. We expect these percentages to improve in the future as projects are completed.

### **Financial Policies and Planning**

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

The Village Board is committed to maintaining a General Fund balance equal to a minimum of two months of operating expenditures. As of December 31, 2010, the unreserved General Fund balance approximated 3.8 months of 2011 budgeted expenditures, providing a cushion for unanticipated emergencies.

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

Current economic conditions have required a reassessment of operational efficiencies. As a result, the work force has been reduced 16.5% since 2001. The reductions were the result of attrition and layoffs. The Village is also designing a central public works facility to streamline operations for public works operations. In addition, the Village has reached an agreement with the Menomonee Falls School District in which the Village leases space in the Municipal Building to the School District for their central office operations. Future consolidation of support services is possible. The measures just mentioned allow the Village to be proactive in dealing with both the current economic situation and requirements imposed by the State of Wisconsin.

The State of Wisconsin has recently enacted a law regarding employee benefits and collective bargaining agreements. In addition, the Governor's proposed budget reduces State aid to municipalities for 2012. The Village is assessing the total impact of the State's law and proposed budget.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Financial Policies and Planning (continued)**

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

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

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

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Menomonee Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **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.

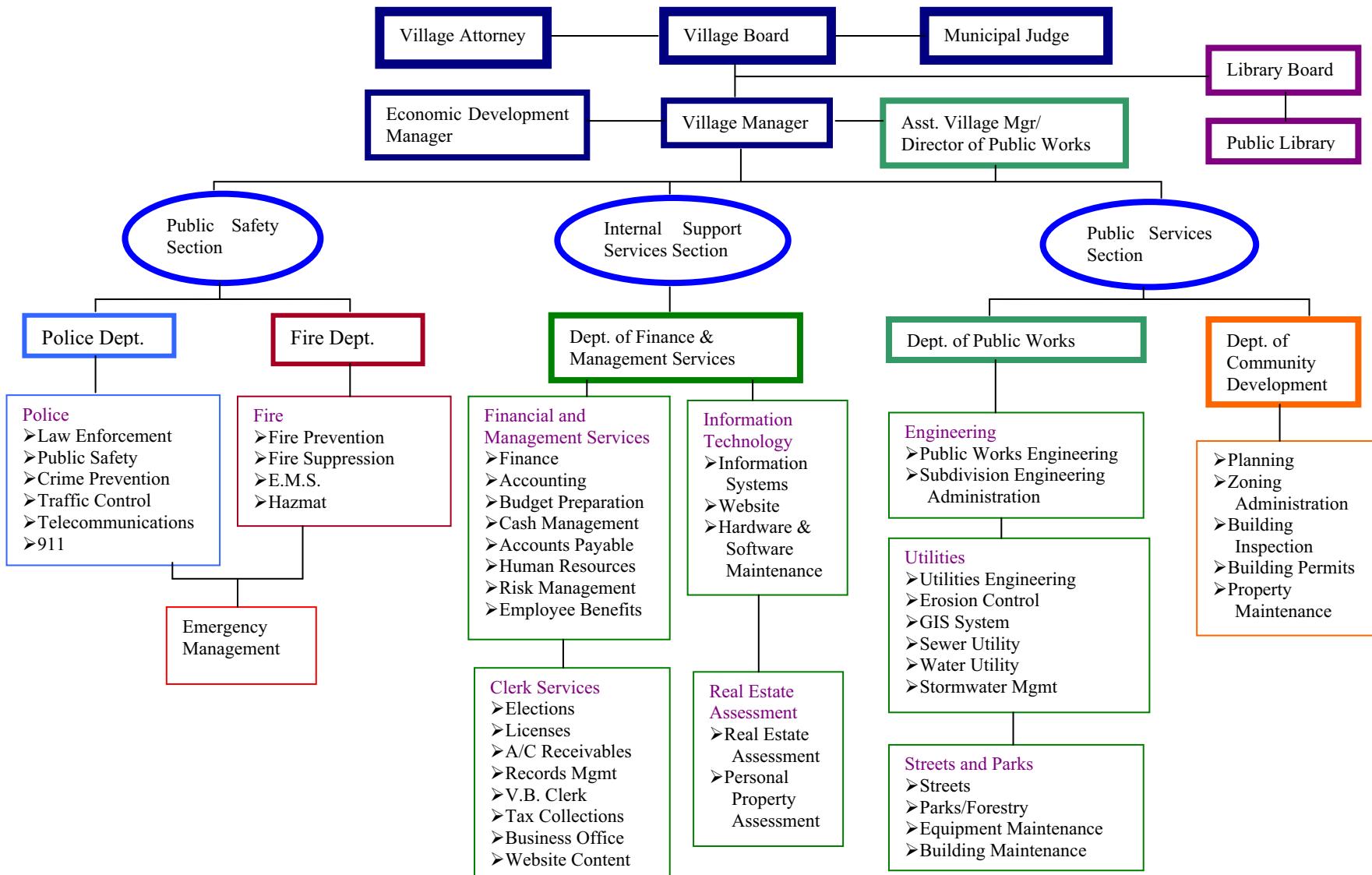
Respectfully submitted,



Mary M. Datka, CPA, CPM  
Director of Financial and Management Services/Treasurer

# VILLAGE OF MENOMONEE FALLS

## Functional Organization Chart



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

**Directory of Officials**  
**As of December 31, 2010**

**Elected Officials:**

<b>Village Board:</b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Randall R. Newman	President	April 2012
Michael K. McDonald	Trustee	April 2013
Jeffrey R. Steliga	Trustee	April 2013
Sharon K. Ellis	Trustee	April 2011
Dennis M. Farrell	Trustee	April 2011
James A. Jeskewitz	Trustee	April 2011
Stephen C. Raymonds	Trustee	April 2013

**Certified Public Accountants:**

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

**Bond Counsel:**

Quarles & Brady, Milwaukee, Wisconsin

**Financial Advisor:**

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Village of Menomonee Falls Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



President



Executive Director

## **FINANCIAL SECTION**

Richard A. Raymaker  
Steven C. Barney  
Steven R. Volz  
Daniel R. Brophy  
Thomas G. Wieland  
Michael W. Van Wagenen



David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich  
Carrie A. Gindt  
Patrick G. Hoffert

## Independent Auditor's Report

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

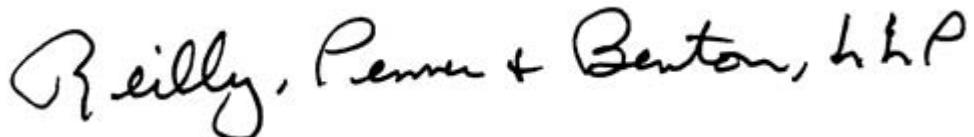
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin, as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Menomonee Falls, Wisconsin's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin, as of December 31, 2010, 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 conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 10 through 24, 31 and 73 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Menomonee Falls' financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, other supplementary information as listed in the table of contents and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The 2010 combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, The Village of Menomonee Falls, Wisconsin's basic financial statements for the year ended December 31, 2009, which are not presented with the accompanying financial statements. In our report dated June 3, 2010, we expressed unqualified opinions of the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the 2009 data included in the other supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2009, taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

A handwritten signature in black ink that reads "Reilly, Penn & Benton, LLP". The signature is fluid and cursive, with "Reilly" on the first line, "Penn & Benton" on the second line, and "LLP" on the third line to the right.

May 27, 2011  
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, 2010. 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 25.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 25 and 26) 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 27. 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 25. 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 Assets 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 and liabilities 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 assets and changes in them. Net assets are 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 assets 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 Assets and the Statement of Activities:

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

The Statement of Net Assets and the Statement of Activities also include the financial information for a component unit of the Village, the Community Development Authority, a legally separate entity, over which the Village exercises significant control. Financial information for this entity is reported separately from the financial information of the primary government. Separately issued financial statements for this entity may be obtained from the Financial Services Department of the Village.

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

The analysis of the Village's major funds begins on page 27, and provides detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by state law and bond covenants. However, the Village establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like donations). The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

- Governmental Funds**

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general operations and the basic services it provides. Governmental fund information helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. A reconciliation 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. The Village charges fees to customers for water and sewer services. Storm water related services are funded by property taxes. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Village uses an internal service fund (the other component of proprietary funds) to report self-insurance activities.

- Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are therefore not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is an agency 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 37 of this report.

- Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information can be found on page 73 of this report. Combining and individual fund statements and schedules begin on page 74 of this report.

## Government-wide Financial Analysis

### Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Menomonee Falls, assets exceeded liabilities by \$243,918,056 as of December 31, 2010. The largest portion of the Village's net assets (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 assets, 6.6%, represents resources that are subject to external restriction on how they may be used. The remaining deficit of unrestricted net assets will be discussed in later sections of this analysis.

**Condensed Net Assets**  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Capital assets	\$ 143.7	\$ 135.3	\$ 130.2	\$ 129.5	\$ 273.9	\$ 264.8
Other assets	80.4	58.7	28.5	28.7	108.9	87.4
<b>Total assets</b>	<b>224.1</b>	<b>194.0</b>	<b>158.7</b>	<b>158.2</b>	<b>382.8</b>	<b>352.2</b>
<b>Liabilities:</b>						
Long-term liabilities	82.9	64.8	10.7	11.3	93.6	76.1
Other liabilities	41.3	31.4	4.0	3.8	45.3	35.2
<b>Total liabilities</b>	<b>124.2</b>	<b>96.2</b>	<b>14.7</b>	<b>15.1</b>	<b>138.9</b>	<b>111.3</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	94.1	82.9	121.8	121.1	215.9	204.0
Restricted	6.0	9.9	10.0	13.1	16.0	23.0
Unrestricted	(0.2)	5.0	12.2	8.9	12.0	13.9
<b>Total net assets</b>	<b>\$ 99.9</b>	<b>\$ 97.8</b>	<b>\$ 144.0</b>	<b>\$ 143.1</b>	<b>\$ 243.9</b>	<b>\$ 240.9</b>

### Changes in Net Assets

Net assets of the Village as a whole increased by \$3,010,272, or 1.3%.

Net assets of governmental activities increased 2.1% to \$99,919,848 as of December 31, 2010. Restricted assets include \$187,212 for debt service and \$3,426,485 for capital projects including TIDs, and \$2,376,020 for special revenue fund purposes. Unrestricted net assets of governmental activities amount to a deficit of \$187,160. The deficit is primarily due to activity in the tax incremental districts involving issuance of debt unrelated to capital assets. Further information is presented in this section's discussion of Governmental Fund Financial Analysis.

## Government-wide Financial Analysis (Continued)

### Government-wide Activities (Continued)

#### Changes in Net Assets

Net assets of business activities totaled \$143,998,208 as of December 31, 2010. Business-type net assets totaling \$10,019,745 are restricted for debt service, operations and maintenance, capital projects and depreciation. The Village may use the unrestricted net assets totaling \$12,191,413 to finance continuing operations and capital projects of the utilities.

All governmental revenues other than program revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

#### Changes in Net Assets

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 6.7	\$ 6.3	\$ 14.8	\$ 15.0	\$ 21.5	\$ 21.3
Operating grants and contributions	2.4	2.7	-	-	2.4	2.7
Capital grants and contributions	1.2	8.0	1.8	0.6	3.0	8.6
<b>General revenues:</b>						
Property taxes	25.7	24.7	1.2	1.2	26.9	25.9
Unrestricted grants and contributions	1.1	1.3	-	-	1.1	1.3
Investment earnings	0.1	0.2	0.1	0.1	0.2	0.3
Other revenues	0.1	0.1	-	-	0.1	0.1
<b>Total revenues</b>	<b>37.3</b>	<b>43.3</b>	<b>17.9</b>	<b>16.9</b>	<b>55.2</b>	<b>60.2</b>
<b>Expenses:</b>						
General government	4.2	4.0	-	-	4.2	4.0
Public safety	14.3	13.7	-	-	14.3	13.7
Public works	8.7	8.1	-	-	8.7	8.1
Culture and recreation	3.3	3.5	-	-	3.3	3.5
Conservation and development	1.7	4.1	-	-	1.7	4.1
Loss on retirement of assets	-	0.1	-	-	-	0.1
Interest on long-term debt	3.1	3.0	-	-	3.1	3.0
Sewer Utility	-	-	9.2	9.3	9.2	9.3
Water Utility	-	-	6.5	6.4	6.5	6.4
Storm Water Utility	-	-	1.3	1.3	1.3	1.3
Loss on debt defeasance	-	-	-	0.5	-	0.5
<b>Total expenses</b>	<b>35.3</b>	<b>36.5</b>	<b>17.0</b>	<b>17.5</b>	<b>52.3</b>	<b>54.0</b>
<b>Increase (decrease) in net assets</b>	<b>2.0</b>	<b>6.8</b>	<b>0.9</b>	<b>(0.6)</b>	<b>2.9</b>	<b>6.2</b>
Net assets, beginning of year	\$ 97.9	\$ 91.1	\$ 143.1	\$ 143.7	\$ 241.0	\$ 234.8
<b>Net assets, end of year</b>	<b>\$ 99.9</b>	<b>\$ 97.9</b>	<b>\$ 144.0</b>	<b>\$ 143.1</b>	<b>\$ 243.9</b>	<b>\$ 241.0</b>

## **Government-wide Financial Analysis (Continued)**

### **Government-wide Activities (Continued)**

Governmental activities increased net assets by \$2,068,639. Significant changes in revenues and expenses were as follows:

#### **Revenues:**

Property tax revenue increased \$856,692 (3.6%) overall. The General Fund tax levy increased \$1,452,644 (9.9%), partially offset by a decrease amounting to \$1,149,089 in general debt service. TID incremental revenues increased \$519,107, and taxes for Library operations and maintenance accounted for another \$34,030 increase.

Charges for services totaled \$6,635,835, an increase of \$333,172 from 2009. A significant portion of the increase is due to building related fees and permits for development, both residential and commercial.

Operating grants and contributions totaled \$2,361,517, a decrease of \$318,867 (1%) from 2009. State transportation aids decreased \$81,711 and shared revenues decreased \$98,252. Further decreases are attributable to one-time donations received in 2009 for Police and Fire projects.

Capital grants and contributions totaled \$1,240,308, a decrease of \$6,730,078 (85%) from 2009. A significant portion of the decrease is due to the decline in contributed assets, reflective of the current recession. Infrastructure contributed by the Village totaled \$2,027,077.

#### **Expenses:**

Governmental expenses totaled \$35,233,038 a decrease of \$1,263,680 from 2009.

Most of the decrease in governmental expenses involved tax incremental district (TID) expenditures. The Village recorded a \$3,100,000 developer incentive in 2009, which has no corresponding expense in 2010.

General Fund 2010 retirement payouts were \$429,090 less than 2009 due primarily to 2009 early retirements incentives.

The Village spent a total of \$7,846,538 on land in 2010, both for development within tax incremental districts and future parks.

The Village is aggressively dealing with street and road deterioration, spending over \$3 million in 2010 on road construction and repairs. Funding for the construction and repairs came from the tax levy and debt issuance.

Governmental expenses included \$3,259,972 in depreciation expense.

An additional \$265,415 in post-retirement health care benefits was recorded as required by Governmental Accounting Standards Board (GASB) Statement #45.

## Government-wide Financial Analysis (Continued)

### Business-Type Activities

Business-type activities, which include the operations of the sewer, water and storm water utilities, accounted for an increase of \$941,633 in the Village's net assets. Total expenses exceeded charges for services by \$2,170,678. The deficit was offset by general revenues totaling \$1,300,158 and capital grants and contributions totaling \$1,812,153.

#### Sewer Utility

The Sewer Utility reported a net operating loss of \$415,668 for 2010, a \$348,519 decrease from the \$67,149 loss reported in 2009. The Utility had an overall increase in net assets totaling \$748,593, a \$1,060,597 improvement over the net decrease in 2009 of \$312,004. The overall increase included a \$764,895 decline in debt service expenses from that reported in 2009. A major portion of the decrease is directly related to the defeasance of debt in 2009. In addition, capital contributions improved by \$748,907 primarily due to capital assets related to Bonnie Lane reconstruction and improvements relates to Woodman's Food Market.

Charges for services decreased \$136,714. Investment earnings continue to be minimal due to the economic recession. The Sewer Utility capitalized \$2,323,767 of improvements during 2010, the majority of which was related to the Menomonee Avenue trunk sewer project. Operating expenses totaled \$9,068,207, an increase of \$211,805 (2.4%). Direct operating expenses increased 1% and administrative expenses increased 4.8%. Depreciation expense increased 7.8% primarily due to capitalization of infrastructure related to the Menomonee Avenue trunk sewer project.

The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2010, the Village paid MMSD \$1,686,782 for user charges, a 2.5% increase, and \$4,263,981 for capital charges, a 2% decrease from 2009.

#### Sewer Utility Activity Summary (in millions of dollars)

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Charges for services	\$ 8.7	\$ 8.8	\$ (0.1)
Operating expenses	9.1	8.8	0.3
<b>Operating income</b>	<b>(0.4)</b>	<b>-</b>	<b>(0.4)</b>
Nonoperating income	0.4	0.2	0.2
Capital contributions	0.8	-	0.8
Special item, loss on debt defeasance	-	(0.5)	0.5
<b>Net increase (decrease) in net assets</b>	<b>0.8</b>	<b>(0.3)</b>	<b>1.1</b>
Net assets, beginning of year	66.4	66.7	(0.3)
<b>Net assets, end of year</b>	<b>\$ 67.2</b>	<b>\$ 66.4</b>	<b>\$ 0.8</b>

## Government-wide Financial Analysis (Continued)

### Business-Type Activities

#### Water Utility

The Water Utility reported net operating income of \$85,192 for 2010, a 59% decrease from the \$207,839 reported in 2009. Operating revenues of the Water Utility totaled \$6,144,447 for 2010, substantially the same as 2009. Operating expenses totaled \$6,059,255, an increase of \$112,462 (1.9%). Real estate taxes paid to the Village increased \$90,667 primarily due to assets capitalized.

Overall 2010 net income totaled \$533,661, a significant improvement over the \$89,213 reported in 2009. The increase in overall net income is due primarily to the increase of \$583,134 in capital contributions from capital projects, including water mains contributed by the Waste Management area project. The Water Utility capitalized \$1,636,080 of improvements during 2010, including completion of Well #10 and \$222,800 in new transponders.

The Village purchases water from Milwaukee Water Works and supplements with water from Village deep wells. The Village paid \$1,278,198 to Milwaukee Water Works in 2010, a slight decrease from 2009. A focus on water conservation contributed to the decrease.

The Village applied for, and the Public Service Commission approved, a 5.3% increase in residential user charges effective December 1, 2010.

#### Water Utility Activity Summary (in millions of dollars)

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Charges for services	\$ 6.1	\$ 6.2	\$ (0.1)
Operating expenses	6.0	6.0	-
<b>Operating income</b>	<b>0.1</b>	<b>0.2</b>	<b>(0.1)</b>
Nonoperating income	(0.2)	(0.2)	-
Capital contributions	0.7	0.1	0.6
<b>Net income</b>	<b>0.6</b>	<b>0.1</b>	<b>0.5</b>
Net assets, beginning of year	54.2	54.1	0.1
<b>Net assets, end of year</b>	<b>\$ 54.8</b>	<b>\$ 54.2</b>	<b>\$ 0.6</b>

## Government-wide Financial Analysis (Continued)

### Business-Type Activities

#### Storm Water Utility

The Storm Water Utility reported a net operating loss of \$279,722 for 2010, a \$66,357 improvement over the \$346,079 loss reported in 2009. The overall 2010 net loss totaled \$340,621, a \$46,410 improvement over 2009. The Storm Water Utility capitalized \$ 245,646 of improvements during 2010, including assets related to the reconstruction of Jefferson Avenue and the Manor Hills culvert project.

The Storm Water Utility is funded primarily through property taxes.

Operating revenues of the Storm Water Utility totaled \$946,586 for 2010, a slight increase over 2009. A 2% increase in real estate tax revenue contributed to the increase. Operating expenses totaled \$1,226,308, a slight decrease of \$48,690 (3.8%). The retirement of a supervisor resulted in a decrease in the cost of salaries and benefits.

#### Storm Water Utility Activity Summary (in millions of dollars)

	<u>2010</u>	<u>2009</u>	<u>Change</u>
<b>Operating income (loss)</b>	(0.3)	(0.3)	-
Nonoperating expense	-	(0.1)	0.1
Capital contributions	-	-	-
<b>Net income (loss)</b>	(0.3)	(0.4)	0.1
Net assets, beginning of year	22.3	22.7	
<b>Net assets, end of year</b>	\$ 22.0	\$ 22.3	\$ (0.3)

## Fund Financial Analysis

Fund financial reporting, beginning on page 27, focuses on short-term spendable resources and fund balances available for future use.

### Governmental Funds

As of December 31, 2010, Village governmental funds reported a combined fund balance of \$44,770,159, an increase of \$18,327,221 (69.3%) over last year's total of \$26,442,938.

#### General Fund

The fund balance of the General Fund amounted to \$8,095,332, the same as the prior year. The total General Fund fund balance equates to 31.4% of the 2011 budgeted expenditures.

Revenues:

Revenues for the General Fund are primarily property taxes. Significant changes in General Fund revenues are as follows:

General Fund property tax revenue increased \$1,452,644 due primarily to a reduction in taxes allocated to debt service.

Earnings on investments continue to be insignificant to overall operations due to the current economic situation.

Revenues related to permits and licenses increased \$225,390 primarily due to developments in the TID districts and residents taking advantage of federal energy credits.

Expenditures:

General Fund expenditures were \$954,601 less than expected. A portion of the favorable result was due to delayed hiring subsequent to employee terminations. Additional savings were noted in fuel and telephone service due to more efficient methods of operations, and the delay in implementation of several planned computer projects.

In addition to operating expenditures, the Village Board authorized the transfer to the Capital Projects Funds for the following:

Future capital equipment	\$ 1,750,662
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#### Debt Service Fund

The Debt Service Fund balance increased \$184,433 to \$187,212. The increase is due primarily to debt issue premiums set aside for future debt service. Annual debt service requirements were met primarily by property taxes levied of \$2,220,515 and transfers from other governmental funds of \$8,881,054.

#### Tax Incremental District #6 – Main Street

During 2010, the Village issued \$17,650,000 in Note Anticipation Notes in relation to a developer's agreement for reconstruction of a hotel. \$12,158,477 was expended on the project during the current year. Under the agreement, the developer will reimburse the Village the debt service on the Notes. The Notes are scheduled to be refinanced in 2014. In the interim, the developer has agreed to pay \$4,100,000 to be used to reduce the amount of debt refinanced to long-term. The Village recorded a note receivable in the amount of \$11,998,339 as of December 31, 2010. At year end, \$1,305,562 is available for interest expense over the next three years and \$309,426 is available to reduce the 2014 refinancing. None of the debt proceeds are related to capital assets of the Village and, thus, contribute to the deficit unrestricted net assets reported in the Statement of Net Assets.

## **Fund Financial Analysis (continued)**

### **Governmental Funds (continued)**

#### **Tax Incremental District #8 – Richfield Way**

During 2010, the Village issued \$11,800,000 in General Obligation Debt for the redevelopment in TID #8. Expenditures related to the project totaled \$5,505,675 during the current year. The project is a multi-phase project, with land acquisition, demolition of existing buildings, and relocation of some business to other areas of the Village, followed by infrastructure and road improvements. None of the debt proceeds are related to capital assets of the Village and, thus, contribute to the deficit unrestricted net assets reported in the Statement of Net Assets.

#### **Special Revenue Funds – Non-major**

Special revenue fund balances experienced a net decrease of \$6,303,686. The major reasons for the decrease are as follows:

The Community Development Fund decreased \$1,641,594, due primarily to the purchase of park land with park impact and platting fees totaling \$1,682,786. The remaining fund balance totaling \$1,068,813 will be used to fund land acquisition and construction of future park facilities.

Library operations revenues exceeded expenditures by \$70,840.

The Village Board authorized the merger of the Municipal Facilities Fund with the Revolving Capital Loan Fund, a Capital Projects Fund, effective December 31, 2010. Accordingly, the Municipal Facilities fund balance, amounting to \$3,434,293, was transferred to the newly titled Municipal Facilities and Equipment Fund at year end. The merger of the two funds will enhance the ability of the Board to effectively deal with future major equipment and facility expenditures.

#### **Capital Projects Funds – Non-major**

The Non-Major Capital Projects fund balance increased \$667,474. Major transactions are summarized as follows:

The General Capital Projects Fund decreased \$453,536 due to primarily to the on-going street, sidewalk and curb & gutter replacement program.

The newly titled Municipal Facilities and Equipment Fund increased \$4,536,048 primarily due to the transfer of the Municipal Facilities fund balance as discussed above, and the transfer from the General Fund in the amount of \$1,750,662 for future equipment purchases.

TID #2, Village Centre, decreased \$2,261,444 due to early retirement of debt.

TID #4, Heritage Reserve, decreased \$313,766, due primarily to a \$740,000 land purchase.

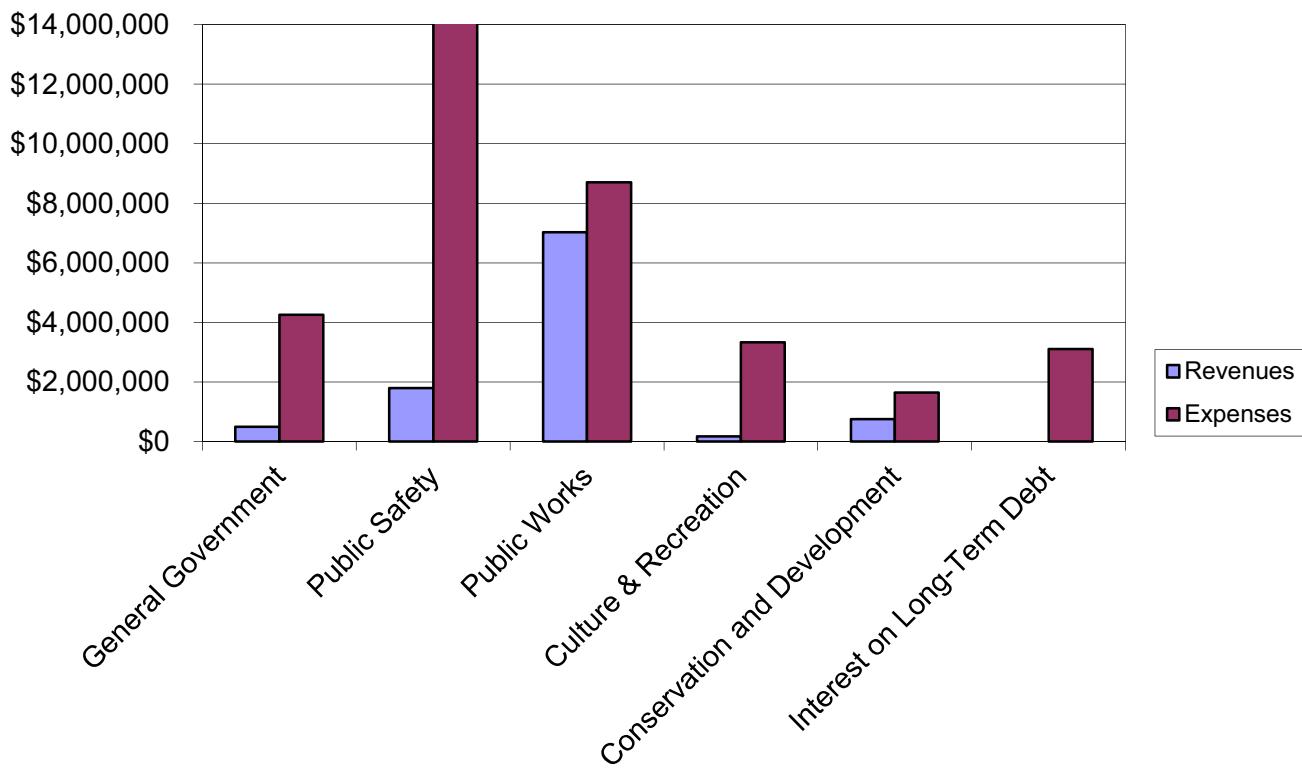
TID #5, Westbrook Corporate Park, decreased \$129,528, due primarily to debt service exceeding tax increments.

Special Assessments fund decreased \$703,397 due to transfers for debt service and to the General Fund.

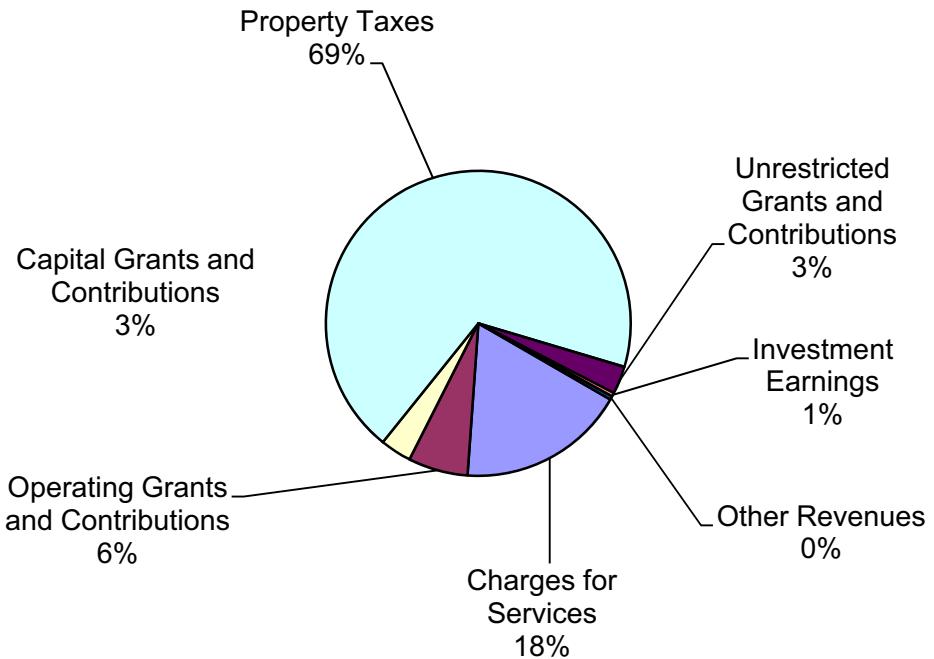
#### **Proprietary Funds**

The Sewer, Water and Storm Water Utilities were discussed in the Governmental-wide Analysis on pages 5-17.

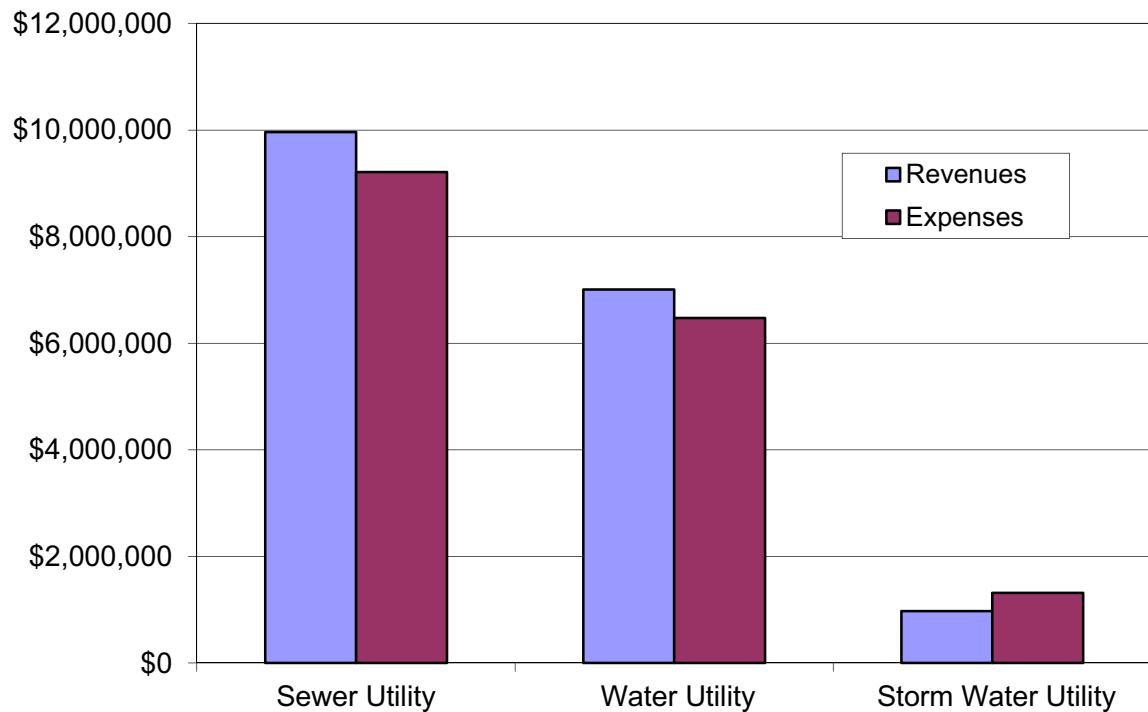
## Program Revenues and Expenses - Governmental Activities



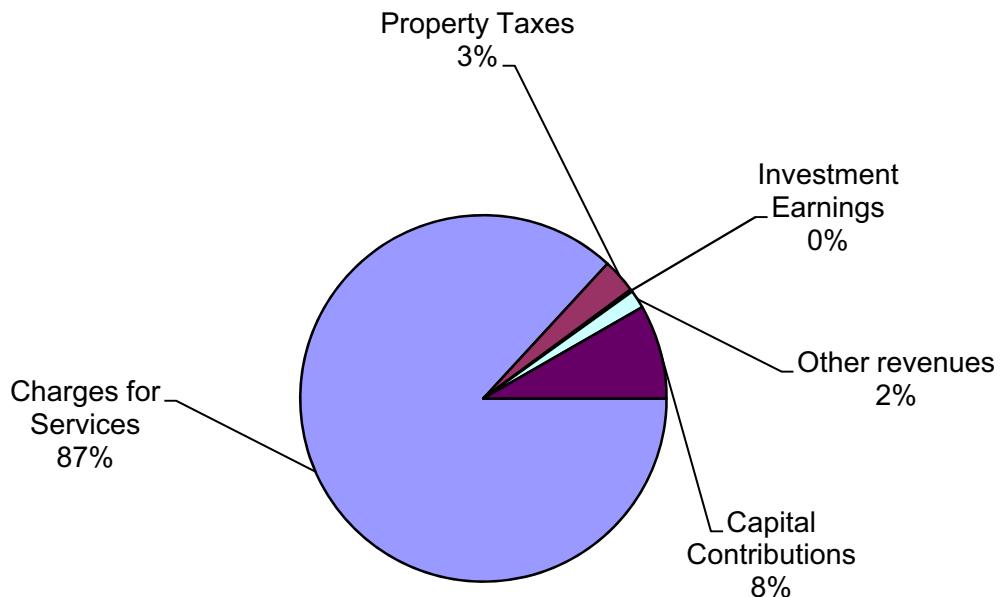
## Program and General Revenues by Source - Governmental Activities



## Program Revenues and Expenses - Business-type Activities



## Revenues by Source - Business-type Activities



## Capital Assets

As of December 31, 2010, the Village had \$273.9 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.

<u><b>Capital Assets</b></u> (in millions of dollars)							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>		<b>2009</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	
<b>Nondepreciable assets:</b>							
Land	\$ 86.6	\$ 80.3	0.6	\$ 0.6	\$ 87.2	\$ 80.9	
Construction in progress	2.8	0.5	1.0	2.7	3.8	3.2	
<b>Total nondepreciable</b>	<b>89.4</b>	<b>80.8</b>	<b>1.6</b>	<b>3.3</b>	<b>91.0</b>	<b>84.1</b>	
<b>Depreciable assets:</b>							
Land improvements	3.6	2.8	1.0	1.0	4.6	3.8	
Buildings and improvements	33.0	32.9	8.0	6.5	41.0	39.4	
Equipment and furnishings	16.8	16.5	9.3	9.0	26.1	25.5	
Infrastructure	37.1	35.6	162.0	158.6	199.1	194.2	
<b>Total depreciable</b>	<b>90.5</b>	<b>87.8</b>	<b>180.3</b>	<b>175.1</b>	<b>270.8</b>	<b>262.9</b>	
<b>Accumulated depreciation</b>	<b>(36.2)</b>	<b>(33.3)</b>	<b>(51.7)</b>	<b>(48.9)</b>	<b>(87.9)</b>	<b>(82.2)</b>	
<b>Net depreciable assets</b>	<b>54.3</b>	<b>54.5</b>	<b>128.6</b>	<b>126.2</b>	<b>182.9</b>	<b>180.7</b>	
<b>Total capital assets</b>	<b>\$ 143.7</b>	<b>\$ 135.3</b>	<b>\$ 130.2</b>	<b>\$ 129.5</b>	<b>\$ 273.9</b>	<b>\$ 264.8</b>	

The Village's 2010 capital budget anticipated a spending level of \$5.6 million for capital projects. The Village borrowed approximately \$4 million to fund these expenditures. Vehicle and equipment are funded via the Village's Municipal Facilities and Equipment Fund (formerly the Revolving Capital Loan Fund).

Major changes in capital assets of governmental activities included the following:

Purchase of land for future parks and development	\$	7,846,538
Vehicles for various departments		634,892
Public Works facility planning		453,976
Pilgrim Road reconstruction		739,267
Jefferson Avenue reconstruction		420,903
2010 Road program		248,337

Major changes in capital assets of business type activities included the following:

Bonnie Lane sewer and water	\$	1,090,244
Menomonee Avenue trunk sewer		1,188,943
Woodman's sewer and water improvements		298,272
Well #10 construction		227,814
Annual sanitary sewer relining		203,587

## Long-term Debt

As of December 31, 2010, long-term debt outstanding totaled \$97.2 million compared to \$74.2 million at December 31, 2010, a net increase of \$23 million. The net increase included the following debt issuances:

General obligation debt	General capital projects	\$ 3,955,000
Bond anticipation notes refinancing	Tax incremental districts	4,080,000
General obligation debt	Tax incremental districts	29,450,000
	Total debt issued	\$ <u>37,485,000</u>

Principal paid on outstanding debt totaled \$14,483,596.

Information related to the 2010 Capital budget and related borrowing is summarized as follows:

2010 Sidewalk, road and curb and gutter program	\$ 1,160,000
General reconstruction projects- streets	1,415,000
Water Utility projects	790,000
Storm water projects	<u>590,000</u>
Total debt issuance	\$ <u>3,955,000</u>

### Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General obligation bonds and notes	\$ 76.6	\$ 53.2	\$ 6.1	\$ 5.2	\$ 82.7	\$ 58.4
Municipal revenue obligations	8.2	8.2	-	-	8.2	8.2
Mortgage revenue bonds	-	-	6.3	7.6	6.3	7.6
Totals	\$ 84.8	\$ 61.4	\$ 12.4	\$ 12.8	\$ 97.2	\$ 74.2

The Village's general obligation bond rating is Aa2. The Water Utility mortgage revenue bonds are rated Mig-1 from Moody's Investors Service. During 2009, the Sewer Utility mortgage revenue bonds were down-graded to Baa1 due to failure to meet bond covenant ratios in 2008. Since the early defeasance of Sewer Utility debt, the debt coverage ratio has improved significantly. The Village has not received an updated rating on the Sewer Utility debt as of the date of this report.

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 \$221,879,205. As of December 31, 2010 the Village had \$80,235,000 in outstanding general obligation debt, or 36.16%.

For more information related to long-term debt obligations, see Note 3 F.

Other long-term obligations include accrued sick leave and OPEB obligation.

## **Economic Factors and Next Year's Budgets and Rates**

The 2011 General Fund operating budget increased 1.05% from 2010. The Village Board authorized a conservative 1.3% overall increase in property taxes to fund the budget. Other revenues are expected to remain relatively stable, except for an estimated \$224,000 in hotel/motel taxes due to the expected completion of a hotel in TID #6.

The Village contracted for a revaluation during 2010 resulting in an increase in assessed values of 1.3%, to a total value of \$4,368,316,880 from the \$4,314,656,980 reported in the prior year. A change in the State of Wisconsin's method of equalized valuation resulted in a decrease in the overall equalized value of \$151,757,300, or 3.3%. The ratio of assessed values to equalized values was 98.44% as of January 1, 2010.

## **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 Assets - Fiduciary Fund on page 36. The Village excludes these assets from other financial statements because the Village cannot use these assets to finance its operations.

## **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, 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 Assets**  
**December 31, 2010**

	<b>Primary Government</b>				Component Unit	
	<b>Business-</b>		<b>Total</b>			
	<b>Governmental Activities</b>	<b>type Activities</b>				
<b>Assets:</b>						
Cash and equivalents	\$ 38,718,318	\$ 8,128,644	\$ 46,846,962	\$ 114,879		
Investments	2,095,693	---	2,095,693			
Taxes receivable	20,600,206	1,231,250	21,831,456			
Special charges on the tax roll	1,314,914	620,494	1,935,408			
Intergovernmental aid receivable	626,594	---	626,594			
Accounts receivable	1,196,188	2,666,320	3,862,508			
Internal balances	344,098	(344,098)				
Inventories	265,366	142,171	407,537			
Prepaid items	565,345	1,794	567,139			
Notes receivable	12,361,563	---	12,361,563		795,456	
Pledges receivable	15,383	---	15,383			
Special assessments	1,106,678	---	1,106,678			
Restricted assets:						
Cash and equivalents	---	11,504,114	11,504,114			
Advances to enterprise funds	427,946	(427,946)				
Unamortized debt issuance costs	729,095	51,119	780,214			
Deferred charges	---	4,882,195	4,882,195			
<b>Capital assets:</b>						
Land and construction in progress	89,400,105	1,641,005	91,041,110			
Other capital assets net of accumulated depreciation	54,344,719	128,580,821	182,925,540			
<b>Total assets</b>	<b>\$ 224,112,211</b>	<b>\$ 158,677,883</b>	<b>\$ 382,790,094</b>	<b>\$ 910,335</b>		
<b>Liabilities and Net Assets:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 7,503,496	\$ 442,881	\$ 7,946,377	\$ 2,455		
Incurred but not reported claims	90,436	---	90,436			
Deposits	131,238	50,000	181,238			
Deferred revenue	26,214,433	1,377,687	27,592,120			
<b>Liabilities payable from restricted assets:</b>						
Current portion of notes	---	281,448	281,448			
Current portion of revenue bonds	---	1,161,406	1,161,406			
Accrued interest	---	41,515	41,515			
Compensated absences - vacation due within one year	960,869	121,463	1,082,332			
Compensated absences - sick leave more than one year	2,896,113	391,263	3,287,376			
OPEB obligation	729,269	134,301	863,570			
Bonds and notes - due within one year	6,360,836	524,088	6,884,924			
Bonds and notes - due in more than one year	79,305,673	10,153,623	89,459,296			
<b>Total liabilities</b>	<b>124,192,363</b>	<b>14,679,675</b>	<b>138,872,038</b>	<b>2,455</b>		
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	94,117,291	121,787,050	215,904,341			
<b>Restricted for:</b>						
Capital projects	3,426,485	8,639,095	12,065,580			
Debt service	187,212	23,321	210,533			
Other	2,376,020	1,357,329	3,733,349		907,880	
<b>Unrestricted (deficit)</b>	<b>(187,160)</b>	<b>12,191,413</b>	<b>12,004,253</b>			
<b>Total net assets</b>	<b>99,919,848</b>	<b>143,998,208</b>	<b>243,918,056</b>	<b>907,880</b>		
<b>Total liabilities and net assets</b>	<b>\$ 224,112,211</b>	<b>\$ 158,677,883</b>	<b>\$ 382,790,094</b>	<b>\$ 910,335</b>		

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, 2010**

							Net Revenue (Expense) and Changes in Net Assets		
	Program Revenues			Primary Government					
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>	
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General government	\$ 4,257,070	\$ 478,962	\$ ---	\$ 14,569	\$ (3,763,539)	\$ ---	\$ (3,763,539)	\$ ---	---
Public safety	14,200,950	1,548,880	242,256	---	(12,409,814)	---	(12,409,814)	---	---
Public works	8,700,112	3,773,328	2,027,059	1,225,739	(1,673,986)	---	(1,673,986)	---	---
Culture and recreation	3,328,134	127,391	44,121	---	(3,156,622)	---	(3,156,622)	---	---
Conservation and development	1,639,911	707,274	48,081	---	(884,556)	---	(884,556)	---	---
Interest on long-term debt	3,106,861	---	---	---	(3,106,861)	---	(3,106,861)	---	---
<b>Total governmental activities</b>	<b>35,233,038</b>	<b>6,635,835</b>	<b>2,361,517</b>	<b>1,240,308</b>	<b>(24,995,378)</b>	<b>---</b>	<b>(24,995,378)</b>	<b>---</b>	<b>---</b>
<b>Business-type Activities:</b>									
Sewer Utility	9,213,515	8,652,539	---	981,360	---	420,384	420,384	---	---
Water Utility	6,473,258	6,144,447	---	830,793	---	501,982	501,982	---	---
Storm Water Utility	1,314,487	33,596	---	---	---	(1,280,891)	(1,280,891)	---	---
<b>Total business-like activities</b>	<b>17,001,260</b>	<b>14,830,582</b>	<b>---</b>	<b>1,812,153</b>	<b>---</b>	<b>(358,525)</b>	<b>(358,525)</b>	<b>---</b>	<b>---</b>
<b>Total primary government</b>	<b>\$ 52,234,298</b>	<b>\$ 21,466,417</b>	<b>\$ 2,361,517</b>	<b>\$ 3,052,461</b>	<b>(24,995,378)</b>	<b>(358,525)</b>	<b>(25,353,903)</b>	<b>---</b>	<b>---</b>
<b>Component Unit:</b>									
Community Development Authority	\$ 61,419	\$ 19,824	\$ ---	\$ ---	---	---	---	---	(41,595)
<b>General Revenues:</b>									
<b>Taxes:</b>									
Property taxes levied for general purposes				17,955,589	---	17,955,589	---	---	---
Property taxes levied for utility purposes				---	1,212,990	1,212,990	---	---	---
Property taxes levied for debt service				2,220,515	---	2,220,515	---	---	---
Property taxes levied for TID districts				4,298,446	---	4,298,446	---	---	---
Payments in lieu of taxes - Water Utility				1,200,836	---	1,200,836	---	---	---
Grants and contributions not restricted to specific programs				1,100,295	---	1,100,295	---	---	---
Investment earnings				151,238	41,540	192,778	216		
Interest on advances to utilities				38,824	---	38,824	---		
Gain on retirement of capital assets				32,391	4,678	37,069	---		
Other revenues				65,883	40,950	106,833	---		
<b>Total general revenues</b>				<b>27,064,017</b>	<b>1,300,158</b>	<b>28,364,175</b>	<b>216</b>		
<b>Change in net assets</b>				<b>2,068,639</b>	<b>941,633</b>	<b>3,010,272</b>	<b>(41,379)</b>		
Net assets, beginning of year				97,851,209	143,056,575	240,907,784	949,259		
<b>Net assets, end of year</b>				<b>\$ 99,919,848</b>	<b>\$ 143,998,208</b>	<b>\$ 243,918,056</b>	<b>\$ 907,880</b>		

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, 2010**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>T.I.D. #6 Main Street</u>	<u>T.I.D. #8 Richfield Way</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Cash and equivalents	\$ 8,746,344	\$ 187,212	\$ 9,998,171	\$ 6,714,748	\$ 12,217,718	\$ 37,864,193
Certificate of deposit	2,095,693	---	---	---	---	2,095,693
<b>Accounts receivable:</b>						
Taxes	12,303,447	2,320,395	---	2,130	5,974,234	20,600,206
Special charges on the tax roll	3,236	---	---	---	1,311,678	1,314,914
Intergovernmental aid	455,503	---	2,511	82	168,498	626,594
Special assessments	---	---	---	---	1,106,678	1,106,678
Accounts	739,520	---	---	---	422,265	1,161,785
Notes	---	---	11,998,339	---	363,224	12,361,563
Pledges	---	---	---	---	15,383	15,383
Due from other funds	1,787,449	---	---	---	1,418,724	3,206,173
Prepaid items	559,338	---	---	---	6,007	565,345
Inventory of supplies, at cost	265,366	---	---	---	---	265,366
Advance to other governmental funds	882,254	---	---	---	1,483,559	2,365,813
Long-term advances to utilities	303,166	---	---	---	124,780	427,946
<b>Total assets</b>	<b>\$ 28,141,316</b>	<b>\$ 2,507,607</b>	<b>\$ 21,999,021</b>	<b>\$ 6,716,960</b>	<b>\$ 24,612,748</b>	<b>\$ 83,977,652</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and other accrued liabilities	\$ 2,331,393	\$ ---	\$ 2,160,058	\$ 340,689	\$ 826,792	\$ 5,658,932
Accrued compensated absences	895,378	---	---	---	65,491	960,869
Deposits	88,054	---	---	---	43,184	131,238
Deferred revenue	16,731,159	2,320,395	2,511	2,212	8,144,436	27,200,713
Due to other funds	---	---	2,119,433	207,497	562,998	2,889,928
Long-term advances from other governmental funds	---	---	630,884	42,311	1,692,618	2,365,813
<b>Total liabilities</b>	<b>20,045,984</b>	<b>2,320,395</b>	<b>4,912,886</b>	<b>592,709</b>	<b>11,335,519</b>	<b>39,207,493</b>
<b>Fund Balances:</b>						
<b>Reserved for:</b>						
General Fund	2,018,827	---	---	---	---	2,018,827
Debt service	---	187,212	---	---	---	187,212
Capital Projects Funds	---	---	17,086,135	6,124,251	3,947,426	27,157,812
Special Revenue Funds	---	---	---	---	3,075,024	3,075,024
<b>Unreserved, reported in:</b>						
General Fund:						
Designated	100,000	---	---	---	---	100,000
Undesignated	5,976,505	---	---	---	---	5,976,505
Capital Projects Funds:						
Designated	---	---	---	---	6,402,817	6,402,817
Undesignated	---	---	---	---	(240,910)	(240,910)
Special Revenue Funds:						
Designated	---	---	---	---	82,516	82,516
Undesignated	---	---	---	---	10,356	10,356
<b>Total fund balances</b>	<b>\$ 8,095,332</b>	<b>\$ 187,212</b>	<b>\$ 17,086,135</b>	<b>\$ 6,124,251</b>	<b>\$ 13,277,229</b>	<b>\$ 44,770,159</b>
<b>Total liabilities and fund balance</b>	<b>\$ 28,141,316</b>	<b>\$ 2,507,607</b>	<b>\$ 21,999,021</b>	<b>\$ 6,716,960</b>	<b>\$ 24,612,748</b>	<b>\$ 83,977,652</b>

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 Assets**  
**December 31, 2010**

Total fund balance of governmental funds \$ 44,770,159

**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	89,400,105
Other capital assets net of accumulated depreciation	54,344,719

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

Pledges receivable	15,383
Special assessments receivable	436,765
Police fines receivable	170,908
Notes receivable	363,224

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, debt issuance costs and 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.

Unamortized debt issuance costs	729,095
Net unamortized premiums, discounts and losses on refunding	(865,194)

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	(84,801,315)
Compensated absences payable - sick pay	(2,896,113)
OPEB obligation	(729,269)
Accrued interest payable on long-term bonds and notes	(1,844,564)

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.

825,945

<b>Net assets of governmental activities</b>	<b>\$ 99,919,848</b>
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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, 2010

	General Fund	Debt Service Fund	T.I.D. #6 Main Street	T.I.D. #8 Richfield Way	Other Governmental Funds	Total
<b>Revenues:</b>						
Property taxes	\$ 16,162,010	\$ 2,220,515	\$ 26,945	\$ ---	\$ 6,048,396	\$ 24,457,866
Other taxes	16,684	---	---	---	---	16,684
Payments in lieu of taxes - Water Utility	1,200,836	---	---	---	---	1,200,836
<b>Charges for services:</b>						
Licenses and permits	1,102,585	---	---	---	---	1,102,585
Fines and forfeitures	731,937	---	---	---	23,310	755,247
Program revenues	---	---	---	---	1,410,802	1,410,802
Other charges for services	852,003	---	---	---	2,494,545	3,346,548
<b>Operating grants and contributions:</b>						
Intergovernmental	3,014,744	---	2,829	77	337,362	3,355,012
Donations	---	---	---	---	58,793	58,793
<b>Capital grants and contributions:</b>						
Special assessments and interest	---	---	---	---	156,193	156,193
Contributions from developers	---	---	---	---	101,727	101,727
Investment earnings	62,444	---	18,127	4,885	35,270	120,726
Interest on advances to governmental funds	71,554	---	---	---	2,346	73,900
Interest on advances to utilities	27,349	---	---	---	11,475	38,824
Other revenues	74,372	---	---	---	15,593	89,965
<b>Total governmental revenues</b>	<b>23,316,518</b>	<b>2,220,515</b>	<b>47,901</b>	<b>4,962</b>	<b>10,695,812</b>	<b>36,285,708</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	3,024,578	---	118,659	202,560	296,824	3,642,621
Public safety	12,938,428	---	---	---	502,372	13,440,800
Public works	3,639,497	---	394	5,989	3,260,052	6,905,932
Culture and recreation	860,803	---	---	---	1,931,577	2,792,380
Conservation and development	921,141	---	7,577	587,793	129,168	1,645,679
Interest on advances from governmental funds	---	---	33,508	10,541	29,851	73,900
Debt issuance costs	---	692,884	---	---	---	692,884
<b>Capital outlay</b>	<b>107,338</b>	<b>---</b>	<b>---</b>	<b>4,698,792</b>	<b>5,791,300</b>	<b>10,597,430</b>
<b>Debt Service:</b>						
Principal on long-term debt	---	12,688,416	---	---	---	12,688,416
Interest and fiscal charges on long-term debt	---	2,465,653	---	---	---	2,465,653
<b>Total expenditures</b>	<b>21,491,785</b>	<b>15,846,953</b>	<b>160,138</b>	<b>5,505,675</b>	<b>11,941,144</b>	<b>54,945,695</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>1,824,733</b>	<b>(13,626,438)</b>	<b>(112,237)</b>	<b>(5,500,713)</b>	<b>(1,245,332)</b>	<b>(18,659,987)</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from sales of capital assets	32,391	---	---	---	---	32,391
Transfers in	355,633	8,881,054	---	---	5,773,386	15,010,073
Transfers out	(2,212,757)	---	(57,450)	(600)	(12,739,266)	(15,010,073)
Refunding bonds and notes issued	---	4,080,000	---	---	---	4,080,000
Bonds and notes issued	---	---	17,650,000	11,800,000	2,575,000	32,025,000
Debt issuance premiums	---	849,817	---	---	---	849,817
<b>Total other financing sources (uses)</b>	<b>(1,824,733)</b>	<b>13,810,871</b>	<b>17,592,550</b>	<b>11,799,400</b>	<b>(4,390,880)</b>	<b>36,987,208</b>
<b>Net change in fund balances</b>	<b>---</b>	<b>184,433</b>	<b>17,480,313</b>	<b>6,298,687</b>	<b>(5,636,212)</b>	<b>18,327,221</b>
Fund balance, beginning of year	<u>8,095,332</u>	<u>2,779</u>	<u>(394,178)</u>	<u>(174,436)</u>	<u>18,913,441</u>	<u>26,442,938</u>
<b>Fund balance, end of year</b>	<b>\$ 8,095,332</b>	<b>\$ 187,212</b>	<b>\$ 17,086,135</b>	<b>\$ 6,124,251</b>	<b>\$ 13,277,229</b>	<b>\$ 44,770,159</b>

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, 2010**

Net change in fund balances of governmental funds	\$ 18,327,221
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**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	10,597,430
Depreciation expense in government-wide financial statements	(3,259,972)

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.

	1,127,374
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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 assets. 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 assets.

Proceeds from the issuance of debt in governmental fund financial statements	(36,105,000)
Principal payments on debt in governmental fund financial statements	12,688,416

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, debt issuance costs and 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	(849,817)
Debt issuance costs in governmental fund financial statements	692,884
Amortization of these amounts included in interest expense in the statement of activities	20,834

Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest costs are reported as they accrue, regardless of when they are due. This is the amount by which the current accrual exceeds the prior year accrual.

	(662,042)
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The Risk Management Fund, an internal service fund, is used to allocate the cost of insurance to individual funds. The change in net assets of this fund is reported under governmental activities statement of activities.

	(98,177)
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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 deferred pledges receivable	(3,631)
Decrease in deferred special assessments receivable	(96,979)
Increase in deferred police fines receivable	23,374
Increase in deferred notes receivable	13,949

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 assets and reported as expenses in the statement of activities.

Increase in accrued compensated absences - sick pay	(130,624)
Increase in OPEB obligation	(216,601)

<b>Change in net assets of governmental activities</b>	<b>\$ 2,068,639</b>
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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 - Budget to Actual - General Fund**  
**Year Ended December 31, 2010**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Property taxes	\$ 16,157,000	\$ 16,157,000	\$ 16,162,010	\$ 5,010
Other taxes	24,500	24,500	16,684	(7,816)
Payments in lieu of taxes - Water Utility	1,069,000	1,069,000	1,200,836	131,836
Licenses and permits	799,000	799,000	1,102,585	303,585
Fines and forfeitures	630,500	630,500	731,937	101,437
Intergovernmental	3,008,716	3,008,716	3,014,744	6,028
Charges for services	794,713	794,713	852,003	57,290
Investment earnings	300,000	300,000	62,444	(237,556)
Interest on advances to other governmental funds	45,900	45,900	71,554	25,654
Interest on advances to utilities	27,350	27,350	27,349	(1)
Other	62,185	62,185	74,372	12,187
<b>Total revenues</b>	<u>22,918,864</u>	<u>22,918,864</u>	<u>23,316,518</u>	<u>397,654</u>
<b>Expenditures:</b>				
General government	3,428,756	3,428,756	3,044,776	383,980
Public safety	13,083,880	13,083,880	13,025,568	58,312
Public Works	3,940,980	3,940,980	3,639,497	301,483
Culture and recreation	856,785	856,785	860,803	(4,018)
Conservation and development	1,135,985	1,135,985	921,141	214,844
<b>Total expenditures</b>	<u>22,446,386</u>	<u>22,446,386</u>	<u>21,491,785</u>	<u>954,601</u>
<b>Excess of revenues over expenditures</b>	<u>472,478</u>	<u>472,478</u>	<u>1,824,733</u>	<u>1,352,255</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sales of capital assets	41,500	41,500	32,391	(9,109)
Transfers in	355,633	355,633	355,633	-
Transfers out	(479,461)	(479,461)	(2,212,757)	(1,733,296)
<b>Net other financing uses</b>	<u>(82,328)</u>	<u>(82,328)</u>	<u>(1,824,733)</u>	<u>(1,742,405)</u>
<b>Net change in fund balance</b>	<u>390,150</u>	<u>390,150</u>	<u>-</u>	<u>(390,150)</u>
<b>Fund Balance:</b>				
Beginning of year	\$ 8,095,332	\$ 8,095,332	\$ 8,095,332	\$ -
<b>End of year</b>	<u>\$ 8,485,482</u>	<u>\$ 8,485,482</u>	<u>\$ 8,095,332</u>	<u>\$ (390,150)</u>

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

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

**Statement of Net Assets - Proprietary Funds**  
**December 31, 2010**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>	<b>Total Enterprise Funds</b>		
				<b>Internal Service Fund</b>		
<b>Assets:</b>						
<b>Current assets:</b>						
Cash and equivalents	\$ 4,577,882	\$ 1,936,066	\$ 1,614,696	\$ 8,128,644	\$ 854,125	
Cash and equivalents - restricted	402,684	1,081,685	---	1,484,369	---	
<b>Receivables:</b>						
Taxes	300,000	---	931,250	1,231,250	---	
Special charges on the tax roll	436,471	184,023	---	620,494	---	
Utility customers	1,726,565	915,267	---	2,641,832	---	
Other	17,738	3,092	3,658	24,488	34,403	
Due from other funds	126,081	---	---	126,081	27,853	
Prepaid items	---	1,794	---	1,794	---	
Inventory	16,011	103,689	22,471	142,171	---	
<b>Total current assets</b>	<b>7,603,432</b>	<b>4,225,616</b>	<b>2,572,075</b>	<b>14,401,123</b>	<b>916,381</b>	
<b>Noncurrent Assets:</b>						
Cash and equivalents - restricted	6,496,808	3,522,937	---	10,019,745	---	
Land and construction in progress	298,696	1,057,922	284,387	1,641,005	---	
Other capital assets, net of depreciation	52,504,721	53,159,293	22,916,807	128,580,821	---	
Unamortized debt issuance costs	---	51,119	---	51,119	---	
Prepaid capacity charge	4,882,195	---	---	4,882,195	---	
<b>Total noncurrent assets</b>	<b>64,182,420</b>	<b>57,791,271</b>	<b>23,201,194</b>	<b>145,174,885</b>	<b>---</b>	
<b>Total assets</b>	<b>\$ 71,785,852</b>	<b>\$ 62,016,887</b>	<b>\$ 25,773,269</b>	<b>\$ 159,576,008</b>	<b>\$ 916,381</b>	
<b>Liabilities and Net Assets:</b>						
<b>Current Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 328,206	\$ 74,081	\$ 9,044	\$ 411,331	\$ ---	
Deposits	---	---	50,000	50,000	---	
Incurred but not reported insurance claims	---	---	---	---	90,436	
Compensated absences - vacation due within one year	29,674	82,587	9,202	121,463	---	
Deferred revenue	349,000	97,437	931,250	1,377,687	---	
Current portion of general obligation notes	---	150,000	175,494	325,494	---	
Current portion of revenue bonds	---	198,594	---	198,594	---	
Accrued interest	---	14,682	16,868	31,550	---	
Due to other funds	---	116,855	353,324	470,179	---	
<b>Liabilities payable from restricted assets:</b>						
Current portion of general obligation notes	281,448	---	---	281,448	---	
Current portion of revenue bonds	100,000	1,061,406	---	1,161,406	---	
Accrued interest	21,236	20,279	---	41,515	---	
<b>Total current liabilities</b>	<b>1,109,564</b>	<b>1,815,921</b>	<b>1,545,182</b>	<b>4,470,667</b>	<b>90,436</b>	
<b>Long-Term Liabilities:</b>						
Compensated absences - sick pay	92,554	263,616	35,093	391,263	---	
OPEB obligation	30,279	97,864	6,158	134,301	---	
Advances from other funds	---	124,780	303,166	427,946	---	
General obligation notes	2,565,565	1,110,000	1,829,471	5,505,036	---	
Revenue bonds	825,000	4,085,000	---	4,910,000	---	
Unamortized debt issuance premiums, discounts and losses on refundings	(16,809)	(244,604)	---	(261,413)	---	
<b>Total long-term liabilities</b>	<b>3,496,589</b>	<b>5,436,656</b>	<b>2,173,888</b>	<b>11,107,133</b>	<b>---</b>	
<b>Total liabilities</b>	<b>4,606,153</b>	<b>7,252,577</b>	<b>3,719,070</b>	<b>15,577,800</b>	<b>90,436</b>	
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	51,672,596	48,918,225	21,196,229	121,787,050	---	
Restricted for:						
Debt service	23,321	---	---	23,321	---	
Operations and maintenance	738,034	272,206	---	1,010,240	---	
Depreciation	272,089	75,000	---	347,089	---	
Capital projects	5,463,364	3,175,731	---	8,639,095	---	
Unrestricted	9,010,295	2,323,148	857,970	12,191,413	825,945	
<b>Total net assets</b>	<b>67,179,699</b>	<b>54,764,310</b>	<b>22,054,199</b>	<b>143,998,208</b>	<b>825,945</b>	
<b>Total liabilities and net assets</b>	<b>\$ 71,785,852</b>	<b>\$ 62,016,887</b>	<b>\$ 25,773,269</b>	<b>\$ 159,576,008</b>	<b>\$ 916,381</b>	

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 Assets - Proprietary Funds**  
**Year Ended December 31, 2010**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>	<b>Total Enterprise Funds</b>	
<b>Operating Revenues:</b>					
Charges for services	\$ 8,652,539	\$ 6,144,447	\$ 33,596	\$ 14,830,582	\$ ---
General property taxes	---	---	912,990	912,990	---
<b>Total operating revenues</b>	<b>8,652,539</b>	<b>6,144,447</b>	<b>946,586</b>	<b>15,743,572</b>	<b>---</b>
<b>Operating Expenses:</b>					
Operation and maintenance	6,686,654	2,201,648	394,501	9,282,803	134,437
Administrative expense	991,934	1,102,835	306,397	2,401,166	---
Depreciation expense	1,351,740	1,472,028	513,060	3,336,828	---
Taxes paid to Village	---	1,200,836	---	1,200,836	---
Social Security tax	37,879	75,900	12,350	126,129	---
Regulatory commission remainder assessments	---	6,008	---	6,008	---
<b>Total operating expenses</b>	<b>9,068,207</b>	<b>6,059,255</b>	<b>1,226,308</b>	<b>16,353,770</b>	<b>134,437</b>
<b>Operating income (loss)</b>	<b>(415,668)</b>	<b>85,192</b>	<b>(279,722)</b>	<b>(610,198)</b>	<b>(134,437)</b>
<b>Nonoperating Revenues (Expenses):</b>					
General property taxes	300,000	---	---	300,000	---
Investment earnings	21,577	16,310	3,653	41,540	36,260
Sale of materials	---	14,923	20,558	35,481	---
Miscellaneous revenues	2,400	---	3,069	5,469	---
Gain on retirement of property and plant	4,232	446	---	4,678	---
Impact fees	153,757	165,950	---	319,707	---
Rent	(2,400)	---	---	(2,400)	---
Fiscal charges on debt	(1,272)	(1,872)	(166)	(3,310)	---
Amortization of premiums, discounts and losses on refundings	(2,241)	(66,242)	---	(68,483)	---
Amortization of debt issuance costs	---	(8,640)	---	(8,640)	---
Interest on long-term debt	(139,395)	(325,774)	(60,664)	(525,833)	---
Interest on advances from governmental funds	---	(11,475)	(27,349)	(38,824)	---
<b>Net nonoperating revenues (expenses)</b>	<b>336,658</b>	<b>(216,374)</b>	<b>(60,899)</b>	<b>59,385</b>	<b>36,260</b>
<b>Net loss before capital contributions</b>	<b>(79,010)</b>	<b>(131,182)</b>	<b>(340,621)</b>	<b>(550,813)</b>	<b>(98,177)</b>
<b>Capital Contributions</b>	<b>827,603</b>	<b>664,843</b>	<b>---</b>	<b>1,492,446</b>	<b>---</b>
<b>Increase (decrease) in net assets</b>	<b>748,593</b>	<b>533,661</b>	<b>(340,621)</b>	<b>941,633</b>	<b>(98,177)</b>
<b>Net Assets:</b>					
Balance, beginning of year	66,431,106	54,230,649	22,394,820	143,056,575	924,122
<b>Balance, end of year</b>	<b>\$ 67,179,699</b>	<b>\$ 54,764,310</b>	<b>\$ 22,054,199</b>	<b>\$ 143,998,208</b>	<b>\$ 825,945</b>

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, 2010

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>		
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers	\$ 8,698,115	\$ 4,363,970	\$ 34,376	\$ 13,096,461	\$ ---
Payments to suppliers	(6,552,092)	(1,926,987)	(103,896)	(8,582,975)	(65,844)
Payments to and on behalf of employees	(868,255)	(1,350,874)	(637,973)	(2,857,102)	---
Internal activity - receipts from other funds	---	1,859,636	257,308	2,116,944	---
Internal activity - payments to other funds	(497,123)	(1,200,836)	---	(1,697,959)	(28,948)
Other receipts	---	14,923	936,617	951,540	---
Other payments	---	---	---	---	(41,516)
<b>Net cash provided (used) by operating activities</b>	<b>780,645</b>	<b>1,759,832</b>	<b>486,432</b>	<b>3,026,909</b>	<b>(136,308)</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Principal payments on advances	---	---	(152,651)	(152,651)	---
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from sale of property and plant	4,232	446	---	4,678	---
Additions to property and plant	(1,516,895)	(987,778)	(244,040)	(2,748,713)	---
Fair value of debt issued	---	790,000	590,000	1,380,000	---
Principal payments on debt	(374,686)	(1,310,000)	(110,494)	(1,795,180)	---
Interest on debt	(141,590)	(317,391)	(66,466)	(525,447)	---
Fiscal charges on debt	(1,272)	(1,872)	(166)	(3,310)	---
Advances from municipality	---	224,780	---	224,780	---
Principal payments on advances	---	(100,000)	---	(100,000)	---
Interest on advances	---	(11,475)	(27,349)	(38,824)	---
General property taxes	300,000	---	---	300,000	---
Impact fees	153,757	165,950	---	319,707	---
Special assessments collected	13,056	12,498	---	25,554	---
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(1,563,398)</b>	<b>(1,534,842)</b>	<b>141,485</b>	<b>(2,956,755)</b>	<b>---</b>
<b>Cash Flows From Investing Activities:</b>					
Investment earnings	21,577	16,310	3,653	41,540	36,260
<b>Net increase (decrease) in cash and equivalents</b>	<b>(761,176)</b>	<b>241,300</b>	<b>478,919</b>	<b>(40,957)</b>	<b>(100,048)</b>
Cash and equivalents, beginning of year	<u>12,238,550</u>	<u>6,299,388</u>	<u>1,135,777</u>	<u>19,673,715</u>	<u>954,173</u>
<b>Cash and equivalents, end of year</b>	<b><u>\$ 11,477,374</u></b>	<b><u>\$ 6,540,688</u></b>	<b><u>\$ 1,614,696</u></b>	<b><u>\$ 19,632,758</u></b>	<b><u>\$ 854,125</u></b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>					
Cash and cash equivalents - unrestricted	\$ 4,577,882	\$ 1,936,066	\$ 1,614,696	\$ 8,128,644	\$ 854,125
Cash and cash equivalents - restricted	6,899,492	4,604,622	---	11,504,114	---
<b>Total cash and equivalents</b>	<b>\$ 11,477,374</b>	<b>\$ 6,540,688</b>	<b>\$ 1,614,696</b>	<b>\$ 19,632,758</b>	<b>\$ 854,125</b>

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2010**  
**(Continued)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>		<b>Internal Service Fund</b>		
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
<b>Operating income (loss)</b>							
Operating income (loss)	\$ (415,668)	\$ 85,192	\$ (279,722)	\$ (610,198)	\$ (134,437)		
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation	1,351,740	1,472,028	513,060	3,336,828		---	
Depreciation charged to other accounts	---	151,096	---	151,096		---	
Amortization of prepaid capacity	252,152	---	---	252,152		---	
Proceeds from sales of materials	---	14,923	20,558	35,481		---	
Miscellaneous revenues	---	---	3,069	3,069		---	
Abandonment of CIP	42,078	---	---	42,078		---	
<b>Changes in assets and liabilities related to operations:</b>							
Receivables	55,901	(20,843)	(17,480)	17,578		(11,996)	
Inventory	1,243	(7,121)	---	(5,878)		---	
Prepaid items	---	(1,794)	(22,471)	(24,265)		---	
Due from other funds	(358,034)	31,630	257,308	(69,096)		(28,948)	
Accounts payable and accrued liabilities	(163,947)	13,534	(10,707)	(161,120)		---	
Compensated absences	14,241	(8,396)	2,151	7,996		---	
OPEB obligation	7,939	38,469	2,406	48,814		---	
Incurred but not reported claims	---	---	---	---		39,073	
Deferred revenue	(7,000)	(8,886)	18,260	2,374		---	
<b>Net cash provided (used) by operating activities</b>	<b>\$ 780,645</b>	<b>\$ 1,759,832</b>	<b>\$ 486,432</b>	<b>\$ 3,026,909</b>	<b>\$ (136,308)</b>		
<b>Noncash Capital Activities:</b>							
Utility plant contributions	\$ 804,435	\$ 652,345	\$ ---	\$ 1,456,780	\$	---	
Amortization of debt issuance premiums, discounts and losses on refundings	2,241	66,242	---	68,483		---	
Amortization of debt issuance costs	---	8,640	---	8,640		---	
Gain on sale of utility plant	4,232	446	---	4,678		---	

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

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

**Statement of Net Assets - Fiduciary Fund**  
**December 31, 2010**

**Assets:**

Cash and equivalents	\$ 8,715,817
Taxes receivable	53,720,285
<b>Total assets</b>	<b><u>\$ 62,436,102</u></b>

**Liabilities:**

Due to other taxing units	<u>\$ 62,436,102</u>
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The accompanying notes to financial statements are an integral part of these statements.

## **NOTES TO FINANCIAL STATEMENTS**

# **INDEX TO NOTES TO FINANCIAL STATEMENTS**

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2010

#### **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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB statement numbers 20 and 34 provide the Village the option of electing to apply FASB pronouncements issued after November 30, 1989. The Village has elected not to apply those 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 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 Statement No. 14, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

The Village has included in its financial statements the following entities, which are not considered separate entities with corporate powers:

Water Utility  
Sewer Utility  
Storm Water Utility

The Village has included in its financial statements the following component unit, which is considered a separate entity with corporate powers:

Community Development Authority ("CDA")

The CDA is a discretely presented component unit. The primary mission of the CDA is to promote urban renewal and community and economic development within the Village. The board of the CDA is composed of seven board members, two of which are Village trustees and the remaining five are citizens appointed by the Village Board. The Village exercises significant control over the CDA due to its ability to appoint all CDA board members and the Village's ability to approve and/or modify the budget of the CDA. Separately issued financial statements for the CDA may be obtained from the Financial Services Department of the Village.

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

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

***Government-Wide Financial Statements***

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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 assets presents the governmental and business-type activities assets, liabilities and net assets on a full accrual basis, which recognizes all long-term assets and long-term liabilities. The Village's net assets are reported in three classifications: invested in capital assets net of related debt, which consists of the difference between capital assets net of accumulated depreciation less outstanding debt used to acquire those assets; restricted net assets, which represents assets required by outside parties or legislation to be spent in a specific manner; and unrestricted net assets, net assets not included in the other two classifications.

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

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, 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, liabilities, 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
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

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

***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).
- Tax Incremental Financing District #6 – Tax Incremental Financing District #6 is a capital projects fund and accounts for construction and financing within the District.
- Tax Incremental Financing District #8 – Tax Incremental Financing District #6 is a capital projects fund and accounts for construction and financing within the District.

***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	Senior Bus Grant
Fire Department	Cable TV
Parks Department	Unallocated
Community Development	Municipal Facilities
Solid Waste Collection	Library
Library Operations and Maintenance	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 #4
Municipal Facilities and Equipment	Tax Incremental Financing District #5
Special Assessments	Tax Incremental Financing District #7
Tax Incremental Financing District #2	Tax Incremental Financing District #9

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

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

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

**C. Measurement Focus and Basis of Accounting**

***Measurement Focus***

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

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

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities 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 assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus and Basis of Accounting (continued)**

***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 and liabilities, 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 assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Operating revenues and expenses for proprietary funds are those that result from providing services and production and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Generally, property tax revenues of proprietary funds are considered nonoperating revenues; however, the Village's Storm Water Utility Fund does not charge user fees. The Village has determined that the portion of Storm Water Utility tax revenue budgeted to cover the cost of operations should be reported as 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 business-type activities provided to the general public. These activities are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds consist of the Water, Sewer and Storm Water Utilities.

In accordance with GASB 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Utilities have selected to follow only FASB Statements and interpretations, APB Opinions and ARB's issued on or before November 30, 1989.

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus and Basis of Accounting (continued)**

***Basis of Accounting (continued)***

***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.

**D. Assets, Liabilities, and Net Assets or Equity**

***Cash and Investments***

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

***Receivables***

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled to and has not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, police fines, ambulance fees, special assessments, notes and pledges. Business-type activities report utility fees as their major receivables.

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

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

Property taxes are recorded in the year levied as receivables and deferred revenues. 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 assets – 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, 2010

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Assets or Equity (continued)**

**Property Tax Calendar – 2010 Tax Roll:**

Levy date	December 2010
Lien date	September 1, 2011
Tax bills mailed	December 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property taxes due in full	January 31, 2011
Tax Settlement with other governmental units:	
First settlement	January 20, 2011
Second settlement	February 20, 2011
Final settlement	August 20, 2011
Tax sale by County - 2010 delinquent real estate taxes	October 2015

***Interfund Receivables and Payables***

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds” on the fund financial statements and 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 assets.

***Inventories and Prepaid Items***

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

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

***Restricted Assets***

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

***Deferred Charges***

The deferred 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, 2010

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Assets 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 assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Improvements other than buildings	20 years
Equipment and furnishings	4-25 years
Infrastructure	25-80 years

***Fund Financial Statements***

In the fund financial statements, capital assets acquired in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund. Fixed assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

**Updated Water Utility Depreciation Rates**

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

***Compensated Absences***

The accounting treatment for compensated absences depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The 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, 2010

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Assets or Equity (continued)**

***Compensated Absences (continued)***

***Accumulated Vacation Pay***

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

***Accumulated Sick Pay***

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

The liability for accumulated sick pay is recorded as long-term debt in the government-wide financial statements up to the maximum amount to be paid out upon termination.

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

***Long-term Obligations and Conduit Debt***

The reporting of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

The long-term debt consists of general obligation notes and bonds, revenue bonds, and unamortized debt discounts.

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt and premiums on issuance are reported as other financing sources. 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, 2010 was \$36,146,718.

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

**Notes to Financial Statements**  
December 31, 2010

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Assets or Equity (continued)**

***Equity Classifications***

***Government-Wide Statements***

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

- a. **Invested in capital assets, net of related debt** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net assets** – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

***Fund Statements***

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**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 by the first week in December.

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.

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

**Notes to Financial Statements**  
December 31, 2010

**2. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

The Village does not record encumbrances.

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

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

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

**C. Debt Restrictions**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. As of December 31, 2010, the Village was obligated for a total of \$80,235,000 in general obligation debt, or 36.16% of the total debt limit.

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

**Notes to Financial Statements**  
December 31, 2010

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

**A. Cash and Investments**

As of December 31, 2010, the Village held the following cash and investments.

	<b>Custodial Balance</b>	<b>Carrying Amount</b>
<b>Primary Government:</b>		
<b>Cash and Equivalents:</b>		
Demand deposits	\$ 13,464,122	\$ 12,827,882
State of Wisconsin Local Government Investment Pool	54,237,093	54,237,093
Petty cash	---	1,918
<b>Total cash and equivalents</b>	<b>67,701,215</b>	<b>67,066,893</b>
Investments – certificates of deposit	2,095,693	2,095,693
<b>Total cash and investments</b>	<b>\$ 69,796,908</b>	<b>\$ 69,162,586</b>

**Reconciliation to Financial Statements:**

**Cash and equivalents:**

**Per statement of net assets:**

Cash and equivalents	\$ 46,846,962
Restricted assets – cash and equivalents	11,504,114
Per statement of net assets – Fiduciary Fund	8,715,817
<b>Total cash and equivalents</b>	<b>67,066,893</b>
Investments per statement of net assets	2,095,693
<b>Total cash and investments</b>	<b>\$ 69,162,586</b>

**Component Unit:**

Demand deposits	\$ 114,879	\$ 114,879
Cash and equivalents per statement of net assets		<b>\$ 114,879</b>

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

***Custodial Credit Risk - Cash and Investments***

Demand deposits held by the Village at December 31, 2010 have associated custodial credit risks. The Village's investment policies do not address these risks. The Village's investment policies are discussed in Note 2.B.

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

As of December 31, 2010, the Village's demand deposits were exposed to custodial credit risk in that \$1,815,724 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

Additionally, the Village's certificates of deposit were exposed to custodial credit risk in that \$1,595,693 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

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

**Notes to Financial Statements**  
December 31, 2010

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

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

***Custodial Credit Risk - Cash and Investments (continued)***

As of December 31, 2010, the Village's component unit's demand deposits were not exposed to custodial credit.

Deposits in local and area banks are insured by the FDIC in the amount of \$250,000 per financial institution. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total coverage and other legal implications, recovery of material principal losses may be significant to individual municipalities. Accordingly, this coverage has not been included when calculating the insured amount of such deposits.

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

The LGIP does not have a credit quality rating. It is part of the State of Wisconsin Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2010, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value on an investment. As of December 31, 2010 the Village's investments were comprised of investments in the LGIP. The weighted average maturity is 73 days.

**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>	<b>Expected After December 31, 2011</b>
Taxes	\$ 20,608,451	\$ 8,245	\$ 20,600,206	\$ ---
Special charges on tax roll	1,314,914	---	1,314,914	---
Intergovernmental aid	626,594	---	626,594	---
Accounts	1,408,171	246,386	1,161,785	366,000
Notes	12,361,563	---	12,361,563	10,945,770
Pledges	33,083	17,700	15,383	6,000
Special assessments	1,106,678	---	1,106,678	1,000,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$186,878 and for ambulance billings of \$59,508. The allowances for pledges receivable is for pledges to the library special revenue fund. The gross receivable for pledges receivable has been reduced by \$2,317 to the net present value of expected future cash flows using a discount rate of 4%.

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

**Notes to Financial Statements**  
December 31, 2010

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

**B. Receivables (continued)**

***Business-type Activities***

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		<b>Expected After December 31, 2011</b>
Taxes	\$ 1,231,250	\$	---	\$	1,231,250	\$	---
Special charges on tax roll	620,494		---		620,494		---
Accounts	2,685,285		18,965		2,666,320		---

***Fiduciary (Agency) Funds***

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		<b>Expected After December 31, 2011</b>
Taxes	\$ 53,720,285	\$	---	\$	53,720,285	\$	---

***Component Unit - CDA***

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		<b>Expected After December 31, 2011</b>
Notes	\$ 1,735,038	\$	939,582	\$	795,456	\$	780,000

The allowance for notes reflects portions of the notes which are forgivable if the debtor complies with certain requirements. All forgivable portions of these notes are considered allowances until the debtor has demonstrated noncompliance with the related provisions.

**C. Interfund Balances and Transfers**

***Internal Balances (Due to (from) other funds)***

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

<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	<b><u>Amount</u></b>
General Fund	TID #6	\$ 546,775
General Fund	TID #8	207,497
General Fund	Other governmental funds	562,998
General Fund	Water Utility	116,855
General Fund	Storm Water Utility	353,324
Other governmental funds	TID #6	1,418,724
Sewer Utility	TID #6	126,081
Risk Management Fund	TID #6	27,853

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

**Notes to Financial Statements**  
December 31, 2010

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

**C. Interfund Balances and Transfers (continued)**

***Advances***

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to the Storm Water Utility to temporarily fund Storm Water Utility operations, with interest charged at 6% on the outstanding advances.

The General Fund has advanced funds to TID #6, TID #7, and TID #8 for planning related expenditures, with interest charged at 6% on the outstanding balance.

The General Capital Projects Fund has advanced funds to TID #5 to fund a job incentive grant.

The General Capital Projects Fund has advanced funds to the Water Utility to fund certain projects, with interest charged at 6% on the outstanding advances.

The Municipal Facilities and Equipment Fund has advanced funds to the General Capital Projects Fund to pay off a prior advance from the Sewer Utility. The proceeds of the previous advance were used to pay off the governmental funds portion of the unfunded pension liability to the Wisconsin Retirement System. Interest is charged on this advance at the average rate offered by the State of Wisconsin Local Government Investment Pool for the first eleven months of the year. The average rate for 2010 was .19%.

Aggregated balances outstanding for these advances are as follows:

<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	<b><u>Amount</u></b>
General Fund	TID #6	\$ 630,884
General Fund	Other governmental funds	251,370
General Fund	Storm Water Utility	303,166
Other governmental funds	Other governmental funds	1,483,559
Other governmental funds	Water Utility	124,780

***Transfers***

Transfers between governmental funds are summarized as follows:

<b><u>Transfers in</u></b>	<b><u>Transfers out</u></b>	<b><u>Amount</u></b>
General Fund	Other governmental funds	\$ 355,633
Debt Service Fund	TID #6	57,450
Debt Service Fund	TID #8	600
Debt Service Fund	Other governmental funds	8,823,004
Other governmental funds	General Fund	2,212,757
Other governmental funds	Other governmental funds	3,560,629

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

**Notes to Financial Statements**  
December 31, 2010

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

**C. Interfund Balances and Transfers (continued)**

These transfers were made for the following purposes:

- Transfers to the General Fund from other governmental funds of \$260,000 were made to offset the budgeted deficit of general fund revenues under expenditures. The remaining amount of \$95,633 was transferred from the General Capital Projects Fund to fund 2010 road repair projects.
- Transfers to the Debt Service Fund from TID #6, TID #8 and other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to the other governmental funds from the General Fund were made to provide funding for capital projects, and 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.

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

- The payment in lieu of taxes from the Water Utility to the General Fund.
- Hydrant rental 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.

**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:

<b><u>Restricted cash and equivalents:</u></b>	<b><u>Sewer Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Total</u></b>
Interceptor sewer reserve	\$ 1,434,802	\$ ---	\$ 1,434,802
Impact fee reserve	4,028,562	3,175,731	7,204,293
Debt reserve	154,312	956,406	1,110,718
Special redemption reserve	271,693	125,279	396,972
Operation and maintenance reserve	738,034	272,206	1,010,240
Depreciation reserve	272,089	75,000	347,089
<b>Total</b>	<b>\$ 6,899,492</b>	<b>\$ 4,604,622</b>	<b>\$ 11,504,114</b>

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

**Notes to Financial Statements**  
December 31, 2010

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

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2010 is summarized as follows:

**Governmental Activities**

	<u>Balance</u>				<u>Balance</u>
	<u>January</u>				<u>December</u>
	<u>1, 2010</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>31, 2010</u>
<b>Nondepreciable capital</b>					
Land	\$ 80,332,732	\$ 6,233,015	\$ ---	\$ ---	\$ 86,565,747
Construction in progress	<u>481,908</u>	<u>2,791,604</u>	<u>(439,154)</u>	<u>---</u>	<u>2,834,358</u>
<b>Total nondepreciable capital assets</b>	<u>80,814,640</u>	<u>9,024,619</u>	<u>(439,154)</u>	<u>---</u>	<u>89,400,105</u>
<b>Depreciable capital assets:</b>					
Land improvements	2,852,692	313,494	439,154	---	3,605,340
Buildings and improvements	32,900,702	129,164	---	---	33,029,866
Equipment and furnishings	16,456,247	749,149	---	(376,819)	16,828,577
Infrastructure	<u>35,580,353</u>	<u>1,508,378</u>	<u>---</u>	<u>---</u>	<u>37,088,731</u>
<b>Total depreciable capital assets</b>	<u>87,789,994</u>	<u>2,700,185</u>	<u>439,154</u>	<u>(376,819)</u>	<u>90,552,514</u>
<b>Less accumulated depreciation:</b>					
Land improvements	1,195,872	176,621	---	---	1,372,493
Buildings and improvements	8,299,703	797,433	---	---	9,097,136
Equipment and furnishings	12,139,206	907,632	---	(376,819)	12,670,019
Infrastructure	<u>11,689,861</u>	<u>1,378,286</u>	<u>---</u>	<u>---</u>	<u>13,068,147</u>
<b>Total accumulated depreciation</b>	<u>33,324,642</u>	<u>3,259,972</u>	<u>---</u>	<u>(376,819)</u>	<u>36,207,795</u>
<b>Net depreciable capital assets</b>	<u>54,465,352</u>	<u>(559,787)</u>	<u>439,154</u>	<u>---</u>	<u>54,344,719</u>
<b>Net total capital assets</b>	<u>\$ 135,279,992</u>	<u>8,464,832</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 143,744,824</u>

**Depreciation was charged to governmental functions as follows:**

General government	\$ 434,988
Public safety	539,961
Public works	1,788,613
Culture and recreation	488,702
Conservation and	7,708
<b>Total depreciation</b>	<u>\$ 3,259,972</u>

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

**Notes to Financial Statements**  
December 31, 2010

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

**E. Capital Assets (continued)**

*Business-type Activities*

	<b>Balance</b>					<b>Balance</b>
	<b>January</b>					<b>December</b>
	<b>1, 2010</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>		<b>31, 2010</b>
<b>Nondepreciable capital assets:</b>						
Land	\$ 555,574	\$ ---	\$ 53,169	\$ ---	\$ 608,743	
Construction in progress	<u>2,726,410</u>	<u>2,010,849</u>	<u>(3,662,919)</u>	<u>(42,078)</u>	<u>1,032,262</u>	
<b>Total nondepreciable capital assets</b>	<u>3,281,984</u>	<u>2,010,849</u>	<u>(3,609,750)</u>	<u>(42,078)</u>	<u>1,641,005</u>	
<b>Depreciable capital assets:</b>						
Land improvements	1,041,812	---	---	---	---	1,041,812
Buildings and improvements	6,485,194	---	1,487,056	---	---	7,972,250
Equipment and furnishings	9,048,792	587,711	-	(371,456)	9,265,047	
Infrastructure	<u>158,583,958</u>	<u>1,606,933</u>	<u>2,122,694</u>	<u>(335,143)</u>	<u>161,978,442</u>	
<b>Total depreciable capital assets</b>	<u>175,159,756</u>	<u>2,194,644</u>	<u>3,609,750</u>	<u>(706,599)</u>	<u>180,257,551</u>	
<b>Less accumulated depreciation</b>						
Land improvements	323,981	21,870	---	---	---	345,851
Buildings and improvements	2,838,963	317,729	---	---	---	3,156,692
Equipment and furnishings	5,451,847	565,253	---	(371,456)	5,645,644	
Infrastructure	<u>40,280,614</u>	<u>2,583,072</u>	<u>---</u>	<u>(335,143)</u>	<u>42,528,543</u>	
<b>Total accumulated depreciation</b>	<u>48,895,405</u>	<u>3,487,924</u>	<u>---</u>	<u>(706,599)</u>	<u>51,676,730</u>	
<b>Net depreciable capital assets</b>	<u>126,264,351</u>	<u>(1,293,280)</u>	<u>3,609,750</u>	<u>---</u>	<u>128,580,821</u>	
<b>Net total capital assets</b>	<u>\$ 129,546,335</u>	<u>\$ 717,569</u>	<u>\$ ---</u>	<u>\$ (42,078)</u>	<u>\$ 130,221,826</u>	
<b>Depreciation was charged to proprietary functions as follows:</b>						
Sewer Utility					\$ 1,351,740	
Water Utility					1,472,028	
Storm Water Utility					513,060	
<b>Total depreciation</b>					<u>\$ 3,336,828</u>	

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

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

**Notes to Financial Statements**  
December 31, 2010

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

**F. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 53,184,731	\$ 36,105,000	\$ (12,688,416)	\$ 76,601,315	\$ 6,360,836
Municipal revenue bonds	<u>8,200,000</u>	<u>---</u>	<u>---</u>	<u>8,200,000</u>	<u>---</u>
<b>Total long-term debt</b>	<b>61,384,731</b>	<b>36,105,000</b>	<b>(12,688,416)</b>	<b>84,801,315</b>	<b>6,360,836</b>
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>2,765,489</u>	<u>173,391</u>	<u>(42,767)</u>	<u>2,896,113</u>	<u>20,000</u>
<b>Total governmental</b>					
<b>long-term obligations</b>	<b>\$ 64,150,220</b>	<b>\$ 36,278,391</b>	<b>\$ (12,731,183)</b>	<b>\$ 87,697,428</b>	<b>\$ 6,380,836</b>
<b>Business-type Activities:</b>					
<b>Long-term debt:</b>					
Revenue bonds	\$ 7,595,000	\$ ---	\$ (1,325,000)	\$ 6,270,000	\$ 1,360,000
General obligation debt	<u>5,202,158</u>	<u>1,380,000</u>	<u>(470,180)</u>	<u>6,111,978</u>	<u>606,942</u>
<b>Total long-term debt</b>	<b>12,797,158</b>	<b>1,380,000</b>	<b>(1,795,180)</b>	<b>12,381,978</b>	<b>1,966,942</b>
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>388,047</u>	<u>3,216</u>	<u>---</u>	<u>391,263</u>	<u>33,000</u>
<b>Total business-type</b>					
<b>long-term obligations</b>	<b>\$ 13,185,205</b>	<b>\$ 1,383,216</b>	<b>\$ (1,795,180)</b>	<b>\$ 12,773,241</b>	<b>\$ 1,999,942</b>

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

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
Balance, beginning of year	\$ 2,765,489	\$ 388,047	\$ 3,153,536
Sick leave benefit earned - current year	<u>554,381</u>	<u>50,815</u>	<u>605,196</u>
Sick leave used – current year	<u>(380,990)</u>	<u>(47,599)</u>	<u>(428,589)</u>
Sick leave paid upon retirement	<u>(42,767)</u>	<u>---</u>	<u>(42,767)</u>
Balance, end of year	<u>\$ 2,896,113</u>	<u>\$ 391,263</u>	<u>\$ 3,287,376</u>

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

**Notes to Financial Statements**  
December 31, 2010

**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:

	<b>Date of <u>Issue</u></b>	<b>Maturity <u>Date</u></b>	<b>Average Coupon <u>Rate</u></b>	<b>Original Indebtedness</b>	<b>Balance <u>12/31/10</u></b>
<b>Bonds:</b>	03/15/02	03/01/21	4.92%	\$ 11,500,000	\$ 7,900,000
	05/15/03	05/01/22	4.41%	12,000,000	10,275,000
	05/15/04	05/01/18	4.92%	7,225,000	6,775,000
<b>Notes:</b>	05/15/01	05/01/11	4.55%	2,125,000	400,000
	07/15/02	06/01/12	3.70%	2,325,000	650,000
	08/01/03	06/01/13	3.56%	3,770,000	1,525,000
	09/15/03	04/01/12	3.52%	1,000,000	325,000
	09/01/04	09/01/14	3.60%	3,360,000	750,000
	07/01/05	06/01/15	3.87%	3,780,000	2,350,000
	09/01/06	06/01/16	4.21%	2,660,000	1,900,000
	06/01/07	06/01/17	4.32%	1,750,000	1,475,000
	05/15/08	11/01/11	3.41%	1,800,000	600,000
	07/01/08	12/01/18	4.10%	3,800,000	3,325,000
	06/01/09	05/01/19	3.35%	3,320,000	3,225,000
	10/19/09	10/01/12	2.30%	1,850,000	1,850,000
	02/01/10	09/01/14	2.15%	2,800,000	2,225,000
<b>Bond anticipation notes:</b>	06/01/10	06/01/20	3.16%	3,955,000	3,955,000
	10/05/10	12/01/19	3.06%	11,800,000	11,800,000
	10/05/10	03/01/13	1.50%	1,280,000	1,280,000
	05/17/10	11/01/14	4.25%	17,650,000	17,650,000
<b>Note anticipation notes:</b>	10/18/93	05/01/13	3.19%	1,702,971	267,225
	02/19/01	05/01/20	2.97%	217,231	129,564
	12/17/01	05/01/16	3.21%	791,035	361,850
	08/22/07	05/01/27	2.55%	1,887,778	1,719,654
<b>Total general obligation debt</b>					<b>\$ 82,713,293</b>
Governmental debt					\$ 76,601,315
Business-type activity debt					6,111,978
<b>Total general obligation debt</b>					<b>\$ 82,713,293</b>

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

**Notes to Financial Statements**  
December 31, 2010

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

**F. Long-Term Obligations (continued)**

***General Obligation Debt (continued)***

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. As of December 31, 2010, the Village has used 36.16% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2010:

Equalized Value January 1, 2010	\$ <u>4,437,584,100</u>
Debt limit (5% of equalized value)	\$ <u>221,879,205</u>

**General Obligation Debt by Funding Source:**

Tax levy	\$ 13,556,700
Tipping fees	18,344,500
Special assessments	2,195,115
TID increments	42,505,000
Utility user fees	<u>6,111,978</u>
<b>Total General Obligation debt</b>	<b><u>82,713,293</u></b>
Less Clean Water Fund loans which are not applicable to the debt limit	(2,478,293)
<b>Net applicable general obligation debt</b>	<b><u>\$ 80,235,000</u></b>

Ratio of applicable general obligation debt to debt limit	<u>36.16 %</u>
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**VILLAGE OF MENOMONEE FALLS**  
Waukesha County, Wisconsin

**Notes to Financial Statements**  
December 31, 2010

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

**F. Long-Term Obligations (Continued)**

***Revenue Bonds***

Municipal revenue bonds issued by TID #5 and TID #7 are payable solely from tax increments collected by the Districts. The increments collected by the Districts are pledged in their entirety. If the tax increments collected by the Districts during the life of the Districts are insufficient to pay the principal and interest on the bonds, the Village has no liability for the remaining unpaid balance.

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

Details of revenue bonds outstanding are presented below:

	<b>Date of</b>	<b>Maturity</b>	<b>Average</b>		
			<b>Coupon</b>	<b>Original</b>	<b>Balance</b>
<b>Revenue Bonds:</b>					
	<u><b>Issue</b></u>	<u><b>Date</b></u>	<u><b>Rate</b></u>	<u><b>Indebtedness</b></u>	<u><b>12/31/10</b></u>
<b>Governmental Activities:</b>	06/06/08	10/01/26	8.50%	\$ 5,100,000	\$ 5,100,000
	10/19/09	10/01/18	N/A	3,100,000	3,100,000
<b>Total governmental</b>					<u><b>8,200,000</b></u>
<b>Business-type Activities:</b>					
<b>Sewer Utility:</b>	07/01/00	05/01/18	5.58%	\$ 1,600,000	\$ 925,000
<b>Water Utility:</b>	07/01/00	12/01/18	5.57%	1,425,000	800,000
	06/01/01	12/01/12	4.51%	6,485,000	1,400,000
	03/15/05	12/01/16	4.08%	5,280,000	3,145,000
<b>Total business-type</b>					<u><b>\$ 6,270,000</b></u>

During the year ended December 31, 2009, the Village defeased Sewer Utility mortgage revenue bonds by placing funds in escrow sufficient to meet the future debt service requirements as they mature. The principal of the defeased bonds totaled \$3,860,000. As of December 31, 2010, \$2,385,000 of the defeased bonds remains outstanding.

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

**Notes to Financial Statements**  
December 31, 2010

**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:**

<b>Year</b>	<b>General Obligation Debt</b>		<b>Revenue Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2011	\$ 6,258,416	\$ 3,344,501	\$ 102,420	\$ 433,500	\$ 10,138,837
2012	7,878,416	2,701,933	431,930	433,500	11,445,779
2013	7,125,416	2,450,099	559,728	431,262	10,566,505
2014	23,506,416	2,235,002	592,379	418,497	26,752,294
2015	5,396,416	1,263,306	627,493	403,653	7,690,868
2016-2020	23,386,235	3,053,606	2,863,090	1,708,103	31,011,034
2021-2025	3,050,000	131,700	2,669,153	879,385	6,730,238
2026-2030	---	---	353,807	30,074	383,881
<b>Totals</b>	<b>\$ 76,601,315</b>	<b>\$ 15,180,147</b>	<b>\$ 8,200,000</b>	<b>\$ 4,737,974</b>	<b>\$ 104,719,436</b>

**Business-type Activities:**

<b>Year</b>	<b>General Obligation Debt</b>		<b>Revenue Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2011	\$ 606,942	\$ 201,226	\$ 1,360,000	\$ 292,788	\$ 2,460,956
2012	638,906	162,377	1,450,000	231,038	2,482,321
2013	679,079	141,444	760,000	163,925	1,744,448
2014	555,648	121,291	770,000	129,125	1,576,064
2015	595,231	102,248	810,000	93,056	1,600,535
2016-2020	2,238,246	266,099	1,120,000	93,350	3,717,695
2021-2025	555,439	66,960	---	---	622,399
2026-2030	242,487	6,215	---	---	248,702
<b>Totals</b>	<b>\$ 6,111,978</b>	<b>\$ 1,067,860</b>	<b>\$ 6,270,000</b>	<b>\$ 1,003,282</b>	<b>\$ 14,453,120</b>

**Total Primary Government**

<b>Year</b>	<b>General Obligation Debt</b>		<b>Revenue Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2011	\$ 6,865,358	\$ 3,545,727	\$ 1,462,420	\$ 726,288	\$ 12,599,793
2012	8,517,322	2,864,310	1,881,930	664,538	13,928,100
2013	7,804,495	2,591,543	1,319,728	595,187	12,310,953
2014	24,062,064	2,356,293	1,362,379	547,622	28,328,358
2015	5,991,647	1,365,554	1,437,493	496,709	9,291,403
2016-2020	25,624,481	3,319,705	3,983,090	1,801,453	34,728,729
2021-2025	3,605,439	198,660	2,669,153	879,385	7,352,637
2026-2030	242,487	6,215	353,807	30,074	632,583
<b>Totals</b>	<b>\$ 82,713,293</b>	<b>\$ 16,248,007</b>	<b>\$ 14,470,000</b>	<b>\$ 5,741,256</b>	<b>\$ 119,172,556</b>

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

**Notes to Financial Statements**  
December 31, 2010

**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 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, 2010 is summarized as follows:

	<b>Balance</b>		<b>Amortization</b>	<b>Balance</b>
	<b>January</b>		<b>Expense</b>	<b>December</b>
	<b>1, 2010</b>		<b>(Benefit)</b>	<b>31, 2010</b>
Governmental Activities	\$ 142,780	\$ 849,817	\$ (127,403)	\$ 865,194

***Business-type Activities:***

Sewer Utility	\$ 19,050	\$ ---	\$ (2,241)	\$ 16,809
Water Utility	\$ 310,846	\$ ---	\$ (66,242)	\$ 244,604
<b>Total business-type activities</b>	<b>\$ 329,896</b>	<b>\$ ---</b>	<b>\$ (68,483)</b>	<b>\$ 261,413</b>

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

**Notes to Financial Statements**  
December 31, 2010

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

**G. Net Assets and Fund Balances**

***Government-wide Financial Statement Net Assets***

***Governmental Activities***

Governmental net assets consist of the following:

**Invested in Capital Assets, Net of Related Debt:**

Land and construction in progress	\$ 89,400,105
Other capital assets net of accumulated depreciation	54,344,719
Less related long-term debt	<u>(49,627,533)</u>
<b>Total invested in capital assets net of related debt</b>	<b>\$ 94,117,291</b>

**Restricted for:**

**Capital Projects:**

Park development and land acquisition	1,068,813
Library facilities	197,518
Tax Incremental District projects	<u>2,160,154</u>
<b>Total restricted for capital projects</b>	<b>3,426,485</b>

Debt Service

	187,212
--	---------

**Other:**

Community development	1,004,354
Public safety programs	213,006
Public Works programs	9,283
Parks operations	4,862
Library operations and maintenance	<u>1,144,515</u>
<b>Total restricted for other</b>	<b>2,376,020</b>

Unrestricted deficit

<b>Total governmental net assets</b>	<b><u>(187,160)</u></b>
	<b><u>\$ 99,919,848</u></b>

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

**Notes to Financial Statements**  
December 31, 2010

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

**G. Net Assets and Fund Balances (Continued)**

***Government-wide Financial Statement Net Assets (Continued)***

***Business-type Activities***

Business-type net assets consist of the following:

**Invested in Capital Assets, Net of Related Debt:**

Land and construction in progress	\$ 1,641,005
Other capital assets net of accumulated depreciation	128,580,821
Less related long-term debt	<u>(8,434,776)</u>
<b>Total invested in capital assets net of related debt</b>	<b>\$ 121,787,050</b>

**Restricted for:**

**Capital Projects:**

Interceptor sewer improvements	1,434,802
Other sewer infrastructure improvements	4,028,562
Other water infrastructure improvements	<u>3,175,731</u>
<b>Total restricted for capital projects</b>	<b>8,639,095</b>

**Debt Service:**

Restricted for debt service – sewer	426,005
Less liabilities payable from restricted assets – sewer	(402,684)
Restricted for debt service – water	1,081,685
Less liabilities payable from restricted assets – water	<u>(1,081,685)</u>
<b>Total restricted for debt service</b>	<b>23,321</b>

**Other:**

Operation and maintenance – sewer	738,034
Depreciation fund – sewer	272,089
Operation and maintenance – water	272,206
Depreciation fund – water	<u>75,000</u>
<b>Total restricted for other</b>	<b>1,357,329</b>

Unrestricted

<b>Total business-type net assets</b>	<b>12,191,413</b>
	<b>\$ 143,998,208</b>

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

**Notes to Financial Statements**  
December 31, 2010

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

**G. Net Assets and Fund Balances (continued)**

***Fund Financial Statements***

Governmental fund balances consist of the following:

**General Fund:**

**Reserved for:**

Prepaid items	\$ 559,338
Advances to other funds	1,185,420
Delinquent personal property taxes receivable	8,703
Inventory of supplies	<u>265,366</u>
<b>Total reserved</b>	<b>\$ 2,018,827</b>

**Unreserved:**

**Designated for:**

Future landfill closure costs	100,000
Undesignated	<u>5,976,505</u>
<b>Total General Fund</b>	<b>\$ 8,095,332</b>

**Debt Service Fund:**

Reserved for debt service	\$ 187,212
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**T.I.D. #6 Main Street:**

Reserved for Tax Incremental District projects	\$ 17,086,135
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**T.I.D. #8 Richfield Way:**

Reserved for Tax Incremental District projects	\$ 6,124,251
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**Non-major Funds:**

**Reserved for:**

Tax Incremental District projects	\$ 2,339,087
Advances to other funds	1,608,339
Revolving loans for community development	641,130
Public safety programs	213,006
Park development and land acquisition	1,068,813
Parks operations	4,862
Library facilities	182,135
Library operations and maintenance	955,795
Public works programs	<u>9,283</u>
<b>Total reserved</b>	<b>\$ 7,062,450</b>

**Unreserved:**

Designated for capital projects	6,402,817
Designated for community grants	19,933
Designated for cable TV programs	62,583
Undesignated	<u>(230,554)</u>
<b>Total non-major funds</b>	<b>\$ 13,277,229</b>

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2010

#### **4. Other Notes**

##### **A. Employee Pension Plan**

All eligible Village of Menomonee Falls' employees participate in the Wisconsin Retirement System ("WRS"), a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS"). All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village of Menomonee Falls' employees covered by the WRS for the year ended December 31, 2010 was \$12,641,585; the employer's total payroll was \$13,018,789. The total required contribution for the year ended December 31, 2010 was \$1,561,997, which consisted of \$816,927, or 6.5% of payroll from the employer and \$745,070, or 5.9% of payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$1,487,736 and \$1,509,271, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. 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 are immediately vested.

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

##### **B. Other Post-Employment Benefits**

###### **Plan Description**

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

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

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**B. Other Post-Employment Benefits (continued)**

**Funding Policy**

The Village funds these costs on a pay-as-you-go basis. Currently, the only Village contribution towards the costs of this obligation is the current period's implied subsidy, or the difference between the retiree contribution and the actual age-adjusted cost of retiree premiums paid by the Village.

**Annual OPEB Cost and Net OPEB Obligation**

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

Annual required contribution	\$ 578,795
Interest on net OPEB obligation	23,927
Adjustment to annual required contribution	<u>(35,523)</u>
<b>Annual OPEB cost (expense)</b>	<b>567,199</b>
Contributions made	<u>(301,784)</u>
<b>Increase in net OPEB obligation</b>	<b>265,415</b>
Net OPEB obligation – beginning of year	598,155
<b>Net OPEB obligation – end of year</b>	<b><u>863,570</u></b>

**Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Actual Employer Contribution</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
December 31, 2008	\$ 411,369	141,501	34%	\$ 270,138
December 31, 2009	466,165	138,148	29%	598,155
December 31, 2010	567,199	301,784	53%	863,570

**Funding Status and Funding Progress**

As of December 31, 2009, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability ("UAAL") of \$5,312,851. The covered payroll (annual payroll of active employees covered by the plan) was \$12,641,585 and the ratio of the UAAL to covered payroll was 42.0%.

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

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**B. Other Post-Employment Benefits (continued)**

**Actuarial Methods and Assumptions**

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.00% investment rate of return and an annual healthcare cost trend rate of 9.30% initially, reduced by decrements to an ultimate rate of 4.40% after ten years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage over thirty years. The remaining amortization period at December 31, 2010 was twenty-nine years.

**C. Risk Management**

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

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

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

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

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

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**C. Risk Management (continued)**

The Village's Risk Management Fund was established in 1991 as an Internal Service Fund to account for and finance the Village's uninsured risk of loss. At December 31, 2010, this fund had net assets totaling \$825,945 which is available to pay future claims. Additionally, a liability of \$90,436 for claims incurred but not yet reported has been recorded, representing the discounted present value of expected losses using an expected future investment yield assumption of 7%. The following is a summary of the changes in this liability account:

<u>Fiscal Year</u>	<u>Balance January 1,</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance December 31,</u>
2010	\$ 51,363	\$ 72,654	\$ (33,581)	\$ 90,436
2009	197,927	(89,909)	(56,655)	51,363

Payments to WMIC for current year insurance coverage are reflected in the statement of revenues, expenses and changes in net assets – Proprietary Funds. The Village's share of assets, liabilities and fund equity was approximately 2% as of December 31, 2010. Percentage participation will be affected by acceptance of new members to the CVMIC.

Summary financial information for CVMIC and WMIC for the year ended December 31, 2010 is available from the CVMIC offices. As of December 31, 2010, the CVMIC had assets of \$41,950,885 and a policyholders' surplus of \$25,415,332.

**D. Tax Incremental Districts**

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

**T.I.D. #2 - Village Centre**

During 1991, the Village created Tax Incremental District #2 ("TID #2"). TID #2 has a statutory life of 27 years which will expire February 18, 2018. The last date to incur project costs was February 18, 2001. There have been no amendments made to the original TID #2 project plan. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 10,079,425	\$ 10,991,887	\$ 10,079,425	\$ 13,037,954	\$ 2,225,000

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**D. 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 has a statutory life of 23 years which will expire May 6, 2019. On April 15, 2002 the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On December 17, 2009, the project plan was amended by the addition of certain provisions. After repayment in full of outstanding project costs, including but not limited to bonds issued for project costs, the balance in TID #4 shall be transferred to a separate Reserve Fund which will be paid to the overlying taxing jurisdictions and to the general fund of the Village upon the termination of TID #4 at the end of its maximum life. Future tax increments are to be allocated as follows: (1) \$1 million to fund future TID #4 costs allowed by the project plan, and (2) the remainder attributable to TID #8 - Richfield Way. The last date to incur project costs is May 6, 2014. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 56,085,164	\$ 17,019,478	\$ 56,085,164	\$ 15,859,376	\$ 600,000

**T.I.D. #5 - Westbrook Corporate Park**

On June 14, 1999, the Village created Tax Incremental District #5 (“TID #5”). TID #5 has a statutory life of 23 years which will expire June 14, 2022. On December 18, 2000 the original project plan was amended to increase certain planned project expenditures. On July 16, 2001 the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. The last date to incur project costs is June 14, 2017. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 16,508,477	\$ 5,780,365	\$ 16,508,477	\$ 17,430,313	\$ 12,050,000

**T.I.D. #6 – Main Street**

On April 17, 2006, the Village created Tax Incremental District #6 (“TID #6”). TID #6 has a statutory life of 27 years which will expire April 17, 2033. The last date to incur project costs is April 17, 2028. On July 21, 2008 the original project plan was amended to change the original plan boundaries. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 26,760,500	\$ 144,238	\$ 26,760,500	\$ 1,988,103	\$ 18,930,000

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**D. Tax Incremental Districts (continued)**

**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, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 11,096,724	\$ 375,758	\$ 11,096,724	\$ 5,644,880	\$ 5,100,000

**T.I.D. #8 – Richfield Way**

On July 8, 2008, the Village created Tax Incremental District #8 (“TID #8”). TID #8 has a statutory life of 27 years which will expire July 8, 2035. On December 17, 2009, the project plan was amended by the addition of certain provisions and to provide transfers in from TID #4. The last date to incur project costs is July 8, 2030. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 58,945,750	\$ 4,962	\$ 58,945,750	\$ 5,680,711	\$ 11,800,000

**T.I.D. #9 - Appleton Avenue Corridor**

On January 18, 2010, the Village created Tax Incremental District #9 (“TID #9”). TID #9 has a statutory life of 27 years which will expire January 18, 2037. The last date to incur project costs is January 18, 2032. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2010:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/10</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/10</u>	<u>Outstanding debt as of 12/31/10</u>
\$ 23,481,963	\$ ---	\$ 23,481,963	\$ 47,248	\$ ---

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**E. Contingent Liabilities**

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

- The Village participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Audits under the Single Audit Act of 1984 have been conducted when applicable but final acceptance is still pending. Accordingly, the Village's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Village expects such amounts, if any, to be immaterial.
- The Village is periodically engaged in the courts defending and prosecuting cases over a wide range of possible situations. The ultimate outcome of these claims has not been determined. In the opinion of management, after considering the Village's insurance coverage, potential payment of claims by other parties, and the statutory limitation on claims against Wisconsin municipalities, the likelihood of material impact on the Village's financial statements upon resolution of these matters is remote.
- 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 Board has designated \$100,000 of the General Fund balance for the landfill closure.
- The Village has entered into employment contracts with two non-represented Village employees. The terms of these contracts include salary continuation benefits for the employees in the event that the employees are terminated without cause. The length of salary continuation benefits is six months for each employee.

**F. Commitments**

During 2008, the Village entered into an agreement with the City of Milwaukee wherein the Village agrees to purchase all of the water supplied to a portion of the Village from Milwaukee Water Works for a period of ten years from the effective date of the agreement. Charges under this agreement are approximately \$110,000 per month.

**G. Letters of Credit**

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

**H. Regulatory Agency - Water Utility**

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

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**I. Leases as Lessor**

The Village has entered a lease agreement with a local school district, wherein the Village has agreed to allow the use of Village property for the purpose of the school district's operations. Revenue from this activity totaled \$19,122 for the year ended December 31, 2010. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Year:</u>	<u>Amount</u>
2011	\$ 32,780
2012	32,780
2013	32,780
2014	32,780
2015	32,780
2016 – 2020	<u>144,778</u>
<b>Total</b>	<b>\$ 308,678</b>

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. Revenue from this activity totaled \$29,842 for the year ended December 31, 2010. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Year:</u>	<u>Amount</u>
2011	\$ 30,950
2012	32,099
2013	33,292
2014	9,676
2015	<u>9,966</u>
<b>Total</b>	<b>\$ 115,983</b>

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. Revenue from this activity totaled \$171,125 for the year ended December 31, 2010. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Year:</u>	<u>Amount</u>
2011	\$ 179,683
2012	89,319
2013	<u>68,322</u>
<b>Total</b>	<b>\$ 337,324</b>

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

**Notes to Financial Statements**  
December 31, 2010

**4. Other Notes (continued)**

**J. Deficit Fund Balances**

As of December 31, 2010, the following non-major individual funds had deficit fund balances:

<b><u>Fund</u></b>	<b><u>Deficit</u></b>
Capital Projects Funds:	
T.I.D. #7	\$ 169,122
T.I.D. #9	47,248

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

**L. State Budget Impact**

The Governor has released the proposed 2011-2013 State of Wisconsin budget. The provisions in this budget could have a significant impact on the Village's future revenues and expenditures. The potential impact at this time is not determinable.

**M. Effect of New Accounting Standards on Current-Period Financial Statements**

The Governmental Accounting Standards Board has approved GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Application of this standard may restate portions of these financial statements.

**N. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (May 27, 2011). There were no subsequent events that required recognition or disclosure.

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

**Required Supplementary Information**

**Schedule of Funding Progress of Net OPEB Obligation**  
**December 31, 2010**

<b>Actuarial Valuation Date</b>	<b>Actuarial Valuation of Plan Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
December 31, 2007	\$ ---	\$ 3,755,942	\$ 3,755,942	---	\$ 12,923,158	29.1%
December 31, 2009	\$ ---	\$ 5,312,851	\$ 5,312,851	---	\$ 12,641,585	42.0%

Notes:

1. The Village is required to present the above information for the three most recent actuarial studies. The above referenced studies were performed as of December 31, 2007 and 2009 and are the only studies that have been performed. Once there have been three actuarial studies completed, information pertaining to the three most recent actuarial studies will be presented.
2. The data presented in this schedule was taken from the report issued by the actuary, except the covered payroll data which was supplied by the Village.

See independent auditor's report.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

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

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

**Comparative Balance Sheets - General Fund**  
**December 31, 2010 and 2009**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Assets:</b>		
Cash and equivalents	\$ 8,746,344	\$ 12,179,405
Certificate of deposit	2,095,693	2,079,233
<b>Accounts receivable:</b>		
Taxes	12,303,447	11,002,652
Special charges on the tax roll	3,236	3,170
Intergovernmental aid	455,503	378,706
Accounts	739,520	734,643
Due from other funds	1,787,449	---
Prepaid items	559,338	449,502
Inventory	265,366	264,196
Advance to other governmental funds	882,254	883,731
Advances to utilities	303,166	455,817
<b>Total assets</b>	<b><u>\$ 28,141,316</u></b>	<b><u>\$ 28,431,055</u></b>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable and other accrued liabilities	\$ 2,331,393	\$ 2,153,745
Compensated absences	895,378	842,833
Deposits	88,054	81,874
Deferred revenue	16,731,159	16,683,267
Due to other funds	---	574,004
<b>Total liabilities</b>	<b><u>20,045,984</u></b>	<b><u>20,335,723</u></b>
<b>Fund Balances:</b>		
Reserved	2,018,827	2,060,963
<b>Unreserved:</b>		
Designated	100,000	100,000
Undesignated	5,976,505	5,934,369
<b>Total fund balances</b>	<b><u>8,095,332</u></b>	<b><u>8,095,332</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 28,141,316</u></b>	<b><u>\$ 28,431,055</u></b>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>	<b>Change</b>
<b>Revenues:</b>			
Property taxes	\$ 16,162,010	\$ 14,709,366	\$ 1,452,644
Other taxes	16,684	16,968	(284)
Payments in lieu of taxes - Water Utility	1,200,836	1,110,169	90,667
Licenses and permits	1,102,585	877,195	225,390
Fines and forfeitures	731,937	637,133	94,804
Intergovernmental	3,014,744	3,256,010	(241,266)
Charges for services	852,003	818,596	33,407
Investment earnings	62,444	126,297	(63,853)
Interest on advances to governmental funds	71,554	53,680	17,874
Interest on advances to utilities	27,349	31,048	(3,699)
Other	74,372	71,732	2,640
<b>Total revenues</b>	<b>23,316,518</b>	<b>21,708,194</b>	<b>1,608,324</b>
<b>Expenditures:</b>			
<b>General Government:</b>			
Village board	48,748	43,795	4,953
Village manager	54,844	143,849	(89,005)
Clerk services	587,177	535,092	52,085
Human resources	93,595	152,164	(58,569)
Assessment of property	285,363	274,789	10,574
Building maintenance	460,737	437,370	23,367
Insurance and benefits	57,694	502,683	(444,989)
Judicial	42,859	35,936	6,923
Legal services	400,314	314,997	85,317
Financial services	300,339	351,677	(51,338)
Communications and information services	692,908	428,923	263,985
Capital outlay	20,198	39,093	(18,895)
<b>Total general government</b>	<b>3,044,776</b>	<b>3,260,368</b>	<b>(215,592)</b>
<b>Public Safety:</b>			
Police	7,772,679	7,557,501	215,178
Emergency dispatch	881,325	957,155	(75,830)
Fire	2,516,288	2,453,470	62,818
Fire protection services	1,684,428	1,643,008	41,420
Weed and pest control	37,348	36,850	498
Emergency government	6,066	2,492	3,574
Other protection services	40,294	25,801	14,493
Capital outlay	87,140	97,913	(10,773)
<b>Total public safety</b>	<b>13,025,568</b>	<b>12,774,190</b>	<b>251,378</b>

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2010 and 2009**  
**(Continued)**

	<b>2010</b>	<b>2009</b>	<b>Change</b>
<b>Public Works:</b>			
Street and alley repair	\$ 3,158,688	\$ 3,191,507	\$ (32,819)
Equipment maintenance	401,995	429,676	(27,681)
Municipal garages	78,814	84,114	(5,300)
<b>Total public works</b>	<u>3,639,497</u>	<u>3,705,297</u>	<u>(65,800)</u>
<b>Culture and Recreation:</b>			
Historical society and museum	24,581	27,683	(3,102)
Parks operations	748,232	787,668	(39,436)
Parks projects	17,918	15,450	2,468
Community quality of life	70,072	70,194	(122)
<b>Total culture and recreation</b>	<u>860,803</u>	<u>900,995</u>	<u>(40,192)</u>
<b>Conservation and Development:</b>			
Community development	50,414	46,785	3,629
Engineering	213,910	247,094	(33,184)
Building inspection	388,860	403,102	(14,242)
Planning	267,957	247,335	20,622
<b>Total conservation and development</b>	<u>921,141</u>	<u>944,316</u>	<u>(23,175)</u>
<b>Total general fund expenditures</b>	<u>21,491,785</u>	<u>21,585,166</u>	<u>(93,381)</u>
<b>Excess of revenues over expenditures</b>	<b>1,824,733</b>	<b>123,028</b>	<b>1,701,705</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from sales of capital assets	32,391	87,106	(54,715)
Transfers in	355,633	706,044	(350,411)
Transfers out	(2,212,757)	(916,178)	(1,296,579)
<b>Net other financing uses</b>	<u>(1,824,733)</u>	<u>(123,028)</u>	<u>(1,701,705)</u>
<b>Net change in fund balance</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Fund Balance:</b>			
Beginning of year	\$ 8,095,332	\$ 8,095,332	\$ ---
<b>End of year</b>	<u>\$ 8,095,332</u>	<u>\$ 8,095,332</u>	<u>\$ ---</u>

See independent auditor's 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, 2010**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Property taxes	\$ 2,224,187	\$ 2,224,187	\$ 2,220,515
<b>Expenditures:</b>			
Principal	6,828,416	6,828,416	12,688,416
Interest and fiscal charges	3,317,747	3,317,747	2,425,503
Arbitrage expense	---	---	40,150
Debt issuance costs	---	---	692,884
<b>Total expenditures</b>	<u>10,146,163</u>	<u>10,146,163</u>	<u>15,846,953</u>
<b>Deficit of revenues under expenditures</b>	<u>(7,921,976)</u>	<u>(7,921,976)</u>	<u>(13,626,438)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	6,671,976	6,671,976	8,881,054
Refunding bonds and notes issued	1,250,000	1,250,000	4,080,000
Bond premiums	---	---	849,817
<b>Net other financing sources</b>	<u>7,921,976</u>	<u>7,921,976</u>	<u>13,810,871</u>
<b>Net change in fund balance</b>	<u>---</u>	<u>---</u>	<u>184,433</u>
<b>Fund Balance:</b>			
Beginning of year	2,779	2,779	2,779
<b>End of year</b>	<u>\$ 2,779</u>	<u>\$ 2,779</u>	<u>\$ 187,212</u>

See independent auditor's report.

**COMBINING STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

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

**Combining Balance Sheet - Non-major Governmental Funds**  
**December 31, 2010**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
<b>Assets:</b>			
Cash and equivalents	\$ 3,690,059	\$ 8,527,659	\$ 12,217,718
<b>Accounts receivable:</b>			
Taxes	1,812,430	4,161,804	5,974,234
Special charges on tax roll	1,186,380	125,298	1,311,678
Intergovernmental aid	---	168,498	168,498
Special assessments	---	1,106,678	1,106,678
Accounts	1,332	420,933	422,265
Notes	363,224	---	363,224
Pledges	15,383	---	15,383
Due from other funds	---	1,418,724	1,418,724
Prepaid items	6,007	---	6,007
Advance to other governmental funds	---	1,483,559	1,483,559
Long-term advances to utilities	---	124,780	124,780
<b>Total assets</b>	<b>\$ 7,074,815</b>	<b>\$ 17,537,933</b>	<b>\$ 24,612,748</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	\$ 61,277	\$ 765,515	\$ 826,792
Accrued compensated absences	65,491	---	65,491
Deposits	---	43,184	43,184
Deferred revenue	3,377,369	4,767,067	8,144,436
Due to other funds	402,782	160,216	562,998
Long-term advances from other governmental funds	---	1,692,618	1,692,618
<b>Total liabilities</b>	<b>3,906,919</b>	<b>7,428,600</b>	<b>11,335,519</b>
<b>Fund Balances:</b>			
<b>Reserved for:</b>			
Capital Projects Funds	---	3,947,426	3,947,426
Special Revenue Funds	3,075,024	---	3,075,024
<b>Unreserved:</b>			
Designated	82,516	6,402,817	6,485,333
Undesignated	10,356	(240,910)	(230,554)
<b>Total fund balances</b>	<b>3,167,896</b>	<b>10,109,333</b>	<b>13,277,229</b>
<b>Total liabilities and fund balance</b>	<b>\$ 7,074,815</b>	<b>\$ 17,537,933</b>	<b>\$ 24,612,748</b>

See independent auditor's report.

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Non-major Governmental Funds**  
**December 31, 2010**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 1,776,895	\$ 4,271,501	\$ 6,048,396
<b>Charges for services:</b>			
Fines and forfeitures	23,310	---	23,310
Program revenues	1,410,802	---	1,410,802
Other charges for services	2,492,401	2,144	2,494,545
<b>Operating grants and contributions:</b>			
Intergovernmental	204,318	133,044	337,362
Donations	58,793	---	58,793
<b>Capital grants and contributions:</b>			
Special assessments and interest	---	156,193	156,193
Contributions from developers	48,007	53,720	101,727
Investment earnings	16,762	18,508	35,270
Interest earned on advances to governmental funds	2,346	---	2,346
Interest earned on advances to utilities	---	11,475	11,475
Other revenues	<u>15,593</u>	<u>---</u>	<u>15,593</u>
<b>Total governmental revenues</b>	<u>6,049,227</u>	<u>4,646,585</u>	<u>10,695,812</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	24,708	272,116	296,824
Public safety	149,040	353,332	502,372
Public works	1,586,801	1,673,251	3,260,052
Culture and recreation	1,853,607	77,970	1,931,577
Conservation and development	62,699	66,469	129,168
Interest on advances to governmental funds	---	29,851	29,851
Capital outlay	<u>3,272,035</u>	<u>2,519,265</u>	<u>5,791,300</u>
<b>Total expenditures</b>	<u>6,948,890</u>	<u>4,992,254</u>	<u>11,941,144</u>
<b>Deficit of revenues under expenditures</b>	<u>(899,663)</u>	<u>(345,669)</u>	<u>(1,245,332)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	244,470	5,528,916	5,773,386
Transfers out	(5,648,493)	(7,090,773)	(12,739,266)
Bonds and notes issued	---	2,575,000	2,575,000
<b>Total other financing sources (uses)</b>	<u>(5,404,023)</u>	<u>1,013,143</u>	<u>(4,390,880)</u>
<b>Net change in fund balances</b>	<u>(6,303,686)</u>	<u>667,474</u>	<u>(5,636,212)</u>
Fund balance, beginning of year	9,471,582	9,441,859	18,913,441
<b>Fund balance, end of year</b>	<u>\$ 3,167,896</u>	<u>\$ 10,109,333</u>	<u>\$ 13,277,229</u>

See independent auditor's 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's Community Development Authority 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.

**Senior Bus** - To account for the financing and expenditures of Community Development Block Grants for senior bus trips.

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

**Municipal Facilities Fund** - To account for the financing and expenditures of the long-term municipal facilities projects. The primary source of revenue is tipping fees received on the landfill. Expenditures are authorized by the Village Board for facility and park related projects.

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

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

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

**Combining Balance Sheet - Special Revenue Funds**  
December 31, 2010

<b>Non-major Special Revenue Funds</b>															<b>Total Non-major Special Revenue Funds</b>
	<b>Revolving Loan Fund</b>	<b>Police Department</b>	<b>Fire Department</b>	<b>Park Department</b>	<b>Community Development</b>	<b>Library</b>	<b>Community Grant</b>	<b>Teen Court</b>	<b>Senior Bus</b>	<b>Cable TV</b>	<b>Unallocated</b>	<b>Municipal Facilities Fund</b>	<b>Solid Waste Collection</b>	<b>Library Operations and Maintenance</b>	
<b>Assets:</b>															
Cash and equivalents	\$ 641,361	\$ 47,514	\$ ---	\$ ---	\$ 995,833	\$ 206,881	\$ ---	\$ ---	\$ ---	\$ ---	\$ 521,465	\$ ---	\$ 112,022	\$ 1,164,983	\$ 3,690,059
<b>Receivables:</b>															
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1,812,430
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	---	---	1,186,380	---	1,186,380
Accounts	---	---	---	---	---	---	---	---	---	---	621	---	711	---	1,332
Notes	363,224	---	---	---	---	---	---	---	---	---	---	---	---	---	363,224
Pledges	---	---	---	---	15,383	---	---	---	---	---	---	---	---	---	15,383
Prepaid items	---	---	---	---	---	---	---	---	---	---	---	---	---	6,007	6,007
Due from (to) unallocated	(231)	127,005	28,963	4,862	72,980	(24,746)	19,933	9,524	---	62,583	(300,873)	---	---	---	---
<b>Total assets</b>	<b>\$ 1,004,354</b>	<b>\$ 174,519</b>	<b>\$ 28,963</b>	<b>\$ 4,862</b>	<b>\$ 1,068,813</b>	<b>\$ 197,518</b>	<b>\$ 19,933</b>	<b>\$ 9,524</b>	<b>\$ ---</b>	<b>\$ 62,583</b>	<b>\$ 221,213</b>	<b>\$ ---</b>	<b>\$ 1,299,113</b>	<b>\$ 2,983,420</b>	<b>\$ 7,074,815</b>
<b>Liabilities and Fund Balance:</b>															
<b>Liabilities:</b>															
Accounts payable and other accrued liabilities	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 23,442	\$ ---	\$ ---	\$ 37,835	\$ 61,277
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	---	---	---	65,491	65,491
Deferred revenue	363,224	---	---	---	---	15,383	---	---	---	---	---	---	1,186,332	1,812,430	3,377,369
Due to other funds	---	---	---	---	---	---	---	---	---	---	187,415	---	103,498	111,869	402,782
<b>Total liabilities</b>	<b>363,224</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>15,383</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>210,857</b>	<b>---</b>	<b>1,289,830</b>	<b>2,027,625</b>	<b>3,906,919</b>
<b>Fund Balances:</b>															
Reserved for specific purposes	641,130	174,519	28,963	4,862	1,068,813	182,135	---	9,524	---	---	---	---	9,283	955,795	3,075,024
Designated	---	---	---	---	---	---	19,933	---	---	62,583	---	---	---	---	82,516
Undesignated	---	---	---	---	---	---	---	---	---	---	10,356	---	---	---	10,356
<b>Total fund balances</b>	<b>641,130</b>	<b>174,519</b>	<b>28,963</b>	<b>4,862</b>	<b>1,068,813</b>	<b>182,135</b>	<b>19,933</b>	<b>9,524</b>	<b>\$ ---</b>	<b>62,583</b>	<b>10,356</b>	<b>---</b>	<b>9,283</b>	<b>955,795</b>	<b>3,167,896</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,004,354</b>	<b>\$ 174,519</b>	<b>\$ 28,963</b>	<b>\$ 4,862</b>	<b>\$ 1,068,813</b>	<b>\$ 197,518</b>	<b>\$ 19,933</b>	<b>\$ 9,524</b>	<b>\$ ---</b>	<b>\$ 62,583</b>	<b>\$ 221,213</b>	<b>\$ ---</b>	<b>\$ 1,299,113</b>	<b>\$ 2,983,420</b>	<b>\$ 7,074,815</b>

See independent auditor's report.

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances-**  
**Special Revenue Funds**  
Year Ended December 31, 2010

	<b>Non-major Special Revenue Funds</b>													<b>Total Non-major Special Revenue Funds</b>	
	<b>Revolving Loan Fund</b>	<b>Police Department</b>	<b>Fire Department</b>	<b>Park Department</b>	<b>Community Development</b>	<b>Library</b>	<b>Community Grant</b>	<b>Teen Court</b>	<b>Senior Bus</b>	<b>Cable TV</b>	<b>Unallocated</b>	<b>Municipal Facilities Fund</b>	<b>Solid Waste Collection</b>	<b>Library Operations and Maintenance</b>	
<b>Revenues:</b>															
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,776,895
<b>Public charges for services:</b>															\$ 1,776,895
Fines and forfeitures	--	--	--	--	--	--	--	--	--	--	--	--	--	--	23,310
Landfill tipping fees	--	--	--	--	--	--	--	--	--	--	--	2,492,401	--	--	2,492,401
Program revenue	49,220	5,000	23,124	--	--	--	--	1,275	--	90,000	--	--	1,242,183	--	1,410,802
<b>Operating grants and contributions:</b>															
Intergovernmental	--	44,059	8,511	--	--	575	--	--	10,396	--	--	--	109,100	31,677	204,318
Donations	--	53,946	2,974	189	--	1,000	--	400	--	--	--	--	--	--	284
<b>Capital grants and contributions:</b>															
Park impact fee	--	--	--	--	48,007	--	--	--	--	--	--	--	--	--	48,007
Investment earnings	700	74	--	--	4,536	438	--	--	--	--	1,529	6,048	--	3,437	16,762
Interest on advances to governmental funds	--	--	--	--	--	--	--	--	--	--	--	2,346	--	--	2,346
Other revenues	--	--	--	--	--	--	--	--	--	--	--	1,950	--	13,643	15,593
<b>Total revenues</b>	<b>49,920</b>	<b>103,079</b>	<b>34,609</b>	<b>189</b>	<b>52,543</b>	<b>2,013</b>	<b>--</b>	<b>1,675</b>	<b>10,396</b>	<b>90,000</b>	<b>1,529</b>	<b>2,502,745</b>	<b>1,351,283</b>	<b>1,849,246</b>	<b>6,049,227</b>
<b>Expenditures:</b>															
<b>    Current:</b>															
General government	--	--	--	--	--	--	--	--	--	--	623	24,085	--	--	24,708
Public safety	--	86,530	62,019	--	--	--	--	491	--	--	--	--	--	--	149,040
Public works	--	--	--	--	--	--	--	--	--	--	--	--	1,586,801	--	1,586,801
Culture, recreation and education	--	--	--	--	1,761	4,909	--	--	10,396	90,000	--	--	--	1,746,541	1,853,607
Conservation and development	53,109	--	--	--	--	9,590	--	--	--	--	--	--	--	--	62,699
Capital outlay	--	33,534	52,985	--	1,682,786	--	--	--	--	--	--	1,502,730	--	--	3,272,035
<b>Total expenditures</b>	<b>53,109</b>	<b>120,064</b>	<b>115,004</b>	<b>--</b>	<b>1,694,137</b>	<b>4,909</b>	<b>--</b>	<b>491</b>	<b>10,396</b>	<b>90,000</b>	<b>623</b>	<b>1,526,815</b>	<b>1,586,801</b>	<b>1,746,541</b>	<b>6,948,890</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(3,189)</b>	<b>(16,985)</b>	<b>(80,395)</b>	<b>189</b>	<b>(1,641,594)</b>	<b>(2,896)</b>	<b>--</b>	<b>1,184</b>	<b>--</b>	<b>--</b>	<b>906</b>	<b>975,930</b>	<b>(235,518)</b>	<b>102,705</b>	<b>(899,663)</b>
<b>Other Financing Sources (Uses):</b>															
Transfers in	--	--	--	--	--	--	--	--	--	--	--	--	244,470	--	244,470
Transfers out	--	--	--	--	--	--	--	--	--	--	(5,616,628)	--	(31,865)	(5,648,493)	
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(5,616,628)</b>	<b>244,470</b>	<b>(31,865)</b>	<b>(5,404,023)</b>	
<b>Net change in fund balances</b>	<b>(3,189)</b>	<b>(16,985)</b>	<b>(80,395)</b>	<b>189</b>	<b>(1,641,594)</b>	<b>(2,896)</b>	<b>--</b>	<b>1,184</b>	<b>--</b>	<b>--</b>	<b>906</b>	<b>(4,640,698)</b>	<b>8,952</b>	<b>70,840</b>	<b>(6,303,686)</b>
<b>Fund Balance - beginning of year</b>	<b>644,319</b>	<b>191,504</b>	<b>109,358</b>	<b>4,673</b>	<b>2,710,407</b>	<b>185,031</b>	<b>19,933</b>	<b>8,340</b>	<b>--</b>	<b>62,583</b>	<b>9,450</b>	<b>4,640,698</b>	<b>331</b>	<b>884,955</b>	<b>9,471,582</b>
<b>Fund Balance - end of year</b>	<b>\$ 641,130</b>	<b>\$ 174,519</b>	<b>\$ 28,963</b>	<b>\$ 4,862</b>	<b>\$ 1,068,813</b>	<b>\$ 182,135</b>	<b>\$ 19,933</b>	<b>\$ 9,524</b>	<b>\$ --</b>	<b>\$ 62,583</b>	<b>\$ 10,356</b>	<b>\$ --</b>	<b>\$ 9,283</b>	<b>\$ 955,795</b>	<b>\$ 3,167,896</b>

See independent auditor's report.

## **NON-MAJOR CAPITAL PROJECTS FUNDS**

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

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

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

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

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

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

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

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

**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 - Capital Projects Funds**  
**December 31, 2010**

	<b>Non-major Capital Projects Funds</b>									<b>Total Non-major Capital Projects Funds</b>
	<b>Capital Projects</b>	<b>Municipal Facilities and Equipment Fund</b>	<b>T.I.D. #2 Village Centre</b>	<b>T.I.D. #4 Heritage Reserve</b>	<b>T.I.D. #5 Westbrook Corporate Park</b>	<b>T.I.D. #7 First Park</b>	<b>T.I.D. #9 Appleton Ave. Corridor</b>	<b>Special Assessments</b>		
								<b>Assets:</b>		
Cash and equivalents	\$ 1,100,558	\$ 3,676,036	\$ 178,933	\$ 1,855,867	\$ 722,818	\$ 40,041	\$ ---	\$ 953,406	\$ 8,527,659	
<b>Receivables:</b>										
Taxes	---	---	672,468	2,088,145	1,062,922	338,269	---	---	4,161,804	
Special charges on the tax roll	---	---	---	---	---	---	---	125,298	125,298	
Intergovernmental aid	---	---	17,366	101,950	47,978	1,204	---	---	168,498	
Special assessments	---	---	---	---	---	---	---	1,106,678	1,106,678	
Accounts	104,751	232,628	---	---	83,554	---	---	---	420,933	
Due from other funds	---	1,418,724	---	---	---	---	---	---	1,418,724	
Advances to other capital project funds	400,000	1,083,559	---	---	---	---	---	---	1,483,559	
Advance to utilities	124,780	---	---	---	---	---	---	---	124,780	
<b>Total assets</b>	<b>\$ 1,730,089</b>	<b>\$ 6,410,947</b>	<b>\$ 868,767</b>	<b>\$ 4,045,962</b>	<b>\$ 1,917,272</b>	<b>\$ 379,514</b>	<b>\$ ---</b>	<b>\$ 2,185,382</b>	<b>\$ 17,537,933</b>	
<b>Liabilities and Fund Balances:</b>										
<b>Liabilities:</b>										
Accounts payable and other accrued liabilities	\$ 93,021	\$ 2,581	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 669,913	\$ 765,515	
Deposits	42,490	---	---	---	---	---	---	694	43,184	
Deferred revenue	---	---	689,834	2,190,095	1,110,900	339,473	---	436,765	4,767,067	
Due to other funds	10,779	---	---	95,765	6,320	104	47,248	---	160,216	
Advances from other capital projects funds	1,083,559	---	---	---	400,000	---	---	---	1,483,559	
Advances from municipality	---	---	---	---	---	209,059	---	---	209,059	
<b>Total liabilities</b>	<b>1,229,849</b>	<b>2,581</b>	<b>689,834</b>	<b>2,285,860</b>	<b>1,517,220</b>	<b>548,636</b>	<b>47,248</b>	<b>1,107,372</b>	<b>7,428,600</b>	
<b>Fund Balances:</b>										
Reserved for advances to other capital project funds	400,000	1,083,559	---	---	---	---	---	---	1,483,559	
Reserved for advances to other funds	124,780	---	---	---	---	---	---	---	124,780	
Reserved for specific purposes	---	---	178,933	1,760,102	400,052	---	---	---	2,339,087	
Designated for capital projects	---	5,324,807	---	---	---	---	---	1,078,010	6,402,817	
Undesignated	(24,540)	---	---	---	---	(169,122)	(47,248)	(47,248)	(240,910)	
<b>Total fund balances</b>	<b>500,240</b>	<b>6,408,366</b>	<b>178,933</b>	<b>1,760,102</b>	<b>400,052</b>	<b>(169,122)</b>	<b>(47,248)</b>	<b>1,078,010</b>	<b>10,109,333</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 1,730,089</b>	<b>\$ 6,410,947</b>	<b>\$ 868,767</b>	<b>\$ 4,045,962</b>	<b>\$ 1,917,272</b>	<b>\$ 379,514</b>	<b>\$ ---</b>	<b>\$ 2,185,382</b>	<b>\$ 17,537,933</b>	

See independent auditor's report.

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

**Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Capital Projects Funds**  
**Year Ended December 31, 2010**

	<b>Non-major Capital Projects Funds</b>								<b>Total Non-major Capital Projects Funds</b>
	<b>Capital Projects</b>	<b>Municipal Facilities and Equipment Fund</b>	<b>T.I.D. #2 Village Centre</b>	<b>T.I.D. #4 Heritage Reserve</b>	<b>T.I.D. #5 Westbrook Corporate Park</b>	<b>T.I.D. #7 First Park</b>	<b>T.I.D. #9 Appleton Ave. Corridor</b>	<b>Special Assessments</b>	
<b>Revenues:</b>									
Tax increment	\$ ---	\$ ---	\$ 768,783	\$ 2,363,415	\$ 853,158	\$ 286,145	\$ ---	\$ ---	\$ 4,271,501
<b>Public charges for services:</b>									
Program revenues	2,144	---	---	---	---	---	---	---	2,144
<b>Operating grants and contributions:</b>									
Intergovernmental	14,463	42,150	24,685	24,033	27,713	---	---	---	133,044
<b>Capital grants and contributions:</b>									
Special assessments and interest	---	---	---	---	---	---	---	156,193	156,193
Contributions from developers	28,832	---	---	---	24,888	---	---	---	53,720
Investment earnings	5,148	---	1,986	6,124	2,150	339	---	2,761	18,508
Interest on advances to utilities	11,475	---	---	---	---	---	---	---	11,475
<b>Total revenues</b>	<b>62,062</b>	<b>42,150</b>	<b>795,454</b>	<b>2,393,572</b>	<b>907,909</b>	<b>286,484</b>	<b>---</b>	<b>158,954</b>	<b>4,646,585</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	199,532	---	2,446	31,609	11,629	6,525	19,475	900	272,116
Public safety	6,153	347,179	---	---	---	---	---	---	353,332
Public works	1,576,825	563	---	57,889	28,635	1,299	8,040	---	1,673,251
Culture, recreation and education	77,970	---	---	---	---	---	---	---	77,970
Conservation and development	---	---	---	66,469	---	---	---	---	66,469
Interest on advances from governmental funds	2,346	---	---	15,890	---	11,615	---	---	29,851
Capital Outlay	1,218,855	560,410	---	740,000	---	---	---	---	2,519,265
<b>Total expenditures</b>	<b>3,081,681</b>	<b>908,152</b>	<b>2,446</b>	<b>911,857</b>	<b>40,264</b>	<b>19,439</b>	<b>27,515</b>	<b>900</b>	<b>4,992,254</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(3,019,619)</b>	<b>(866,002)</b>	<b>793,008</b>	<b>1,481,715</b>	<b>867,645</b>	<b>267,045</b>	<b>(27,515)</b>	<b>158,054</b>	<b>(345,669)</b>
<b>Other Financing Sources (Uses):</b>									
Transfers in	126,866	5,402,050	---	---	---	---	---	---	5,528,916
Transfers out	(135,783)	---	(3,054,452)	(1,795,481)	(997,173)	(246,433)	---	(861,451)	(7,090,773)
Bonds and notes issued	2,575,000	---	---	---	---	---	---	---	2,575,000
<b>Total other financing sources (uses)</b>	<b>2,566,083</b>	<b>5,402,050</b>	<b>(3,054,452)</b>	<b>(1,795,481)</b>	<b>(997,173)</b>	<b>(246,433)</b>	<b>---</b>	<b>(861,451)</b>	<b>1,013,143</b>
<b>Net change in fund balances</b>	<b>(453,536)</b>	<b>4,536,048</b>	<b>(2,261,444)</b>	<b>(313,766)</b>	<b>(129,528)</b>	<b>20,612</b>	<b>(27,515)</b>	<b>(703,397)</b>	<b>667,474</b>
Fund balance, beginning of year	953,776	1,872,318	2,440,377	2,073,868	529,580	(189,734)	(19,733)	1,781,407	9,441,859
<b>Fund balance, end of year</b>	<b>\$ 500,240</b>	<b>\$ 6,408,366</b>	<b>\$ 178,933</b>	<b>\$ 1,760,102</b>	<b>\$ 400,052</b>	<b>\$ (169,122)</b>	<b>\$ (47,248)</b>	<b>\$ 1,078,010</b>	<b>\$ 10,109,333</b>

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## 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.

**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.

**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.

**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 Management Fund which accounts for and finances the Village's uninsured risk of loss.

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

**Comparative Statements of Net Assets - Sewer Utility**  
**December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and equivalents	\$ 4,577,882	\$ 2,123,409
Cash and equivalents - restricted	402,684	398,117
<b>Receivables:</b>		
Taxes	300,000	300,000
Special charges on the tax roll	436,471	441,265
Utility customers	1,726,565	1,776,562
Other	17,738	18,848
Due from other funds	126,081	---
Inventory	16,011	17,254
<b>Total current assets</b>	<u>7,603,432</u>	<u>5,075,455</u>
<b>Noncurrent Assets:</b>		
<b>Restricted Assets:</b>		
Cash and equivalents	6,496,808	9,717,024
Land and construction in progress	298,696	2,461,888
Other capital assets net of depreciation	52,504,721	49,411,580
Prepaid capacity charge	4,882,195	5,134,347
<b>Total noncurrent assets</b>	<u>64,182,420</u>	<u>66,724,839</u>
<b>Total assets</b>	<u><u>\$ 71,785,852</u></u>	<u><u>\$ 71,800,294</u></u>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 328,206	\$ 499,828
Compensated absences - vacation due within one year	29,674	25,323
Deferred revenue	349,000	356,000
Due to other funds	---	231,953
<b>Liabilities payable from restricted assets:</b>		
Current portion of general obligation notes and BANS	281,448	274,686
Current portion of revenue bonds	100,000	100,000
Accrued interest	21,236	23,431
<b>Total current liabilities</b>	<u>1,109,564</u>	<u>1,511,221</u>
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	92,554	82,664
OPEB obligation	30,279	22,340
General obligation notes and BANS	2,565,565	2,847,013
Revenue bonds	825,000	925,000
Unamortized debt issuance premiums, discounts and losses on refundings	(16,809)	(19,050)
<b>Total long-term liabilities</b>	<u>3,496,589</u>	<u>3,857,967</u>
<b>Total liabilities</b>	<u>4,606,153</u>	<u>5,369,188</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	51,672,596	50,598,798
Restricted	6,496,808	9,717,024
Unrestricted	9,010,295	6,115,284
<b>Total net assets</b>	<u>67,179,699</u>	<u>66,431,106</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 71,785,852</u></u>	<u><u>\$ 71,800,294</u></u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Assets - Sewer Utility**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Operating Revenues:</b>		
Charges for services	\$ 8,652,539	\$ 8,789,253
<b>Operating Expenses:</b>		
Operation and maintenance	6,686,654	6,615,192
Administrative expense	991,934	945,698
Depreciation expense	1,351,740	1,253,168
Social Security tax	37,879	42,344
<b>Total operating expenses</b>	<b>9,068,207</b>	<b>8,856,402</b>
<b>Operating loss</b>	<b>(415,668)</b>	<b>(67,149)</b>
<b>Nonoperating Revenues (Expenses):</b>		
General property taxes	300,000	300,000
Investment earnings	21,577	84,312
Interest on advances to governmental funds	---	6,388
Miscellaneous revenues	2,400	---
Gain on retirement of property and plant	4,232	147
Impact fees	153,757	199,833
Rent	(2,400)	---
Fiscal charges on debt	(1,272)	(7,700)
Amortization of debt issuance premiums, discounts and losses on refundings	(2,241)	(101,531)
Amortization of debt issuance costs	---	(26,197)
Loss on defeasance of debt	---	(504,829)
Interest on long-term debt	(139,395)	(273,974)
<b>Net nonoperating revenues (expenses)</b>	<b>336,658</b>	<b>(323,551)</b>
<b>Net loss before capital contributions</b>	<b>(79,010)</b>	<b>(390,700)</b>
<b>Capital Contributions</b>	<b>827,603</b>	<b>78,696</b>
<b>Increase (decrease) in net assets</b>	<b>748,593</b>	<b>(312,004)</b>
<b>Net Assets:</b>		
Balance, beginning of year	66,431,106	66,743,110
<b>Balance, end of year</b>	<b>\$ 67,179,699</b>	<b>\$ 66,431,106</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 8,698,115	\$ 8,834,895
Payments to suppliers	(6,552,092)	(6,177,850)
Payments to and on behalf of employees	(868,255)	(909,270)
Internal activity - receipts from other funds	---	2,233,594
Internal activity - payments to other funds	(497,123)	(148,874)
<b>Net cash provided by operating activities</b>	<b>780,645</b>	<b>3,832,495</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from sale of property and plant	4,232	147
Additions to property and plant	(1,516,895)	(2,258,441)
Loss on defeasance of debt	---	(128,367)
Principal payments on debt	(374,686)	(5,630,819)
Interest on debt	(141,590)	(312,295)
Fiscal charges on debt	(1,272)	(7,700)
General property taxes	300,000	300,000
Impact fees	153,757	199,833
Special assessments collected	13,056	---
<b>Net cash used by capital and related financing activities</b>	<b>(1,563,398)</b>	<b>(7,837,642)</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of investments	---	1,500,000
Investment earnings	21,577	84,312
Interest on advances to governmental funds	---	6,388
<b>Net cash provided by investing activities</b>	<b>21,577</b>	<b>1,590,700</b>
<b>Net decrease in cash and equivalents</b>	<b>(761,176)</b>	<b>(2,414,447)</b>
Cash and equivalents, beginning of year	<u>12,238,550</u>	<u>14,652,997</u>
<b>Cash and equivalents, end of year</b>	<b><u>\$ 11,477,374</u></b>	<b><u>\$ 12,238,550</u></b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 4,577,882	\$ 2,123,409
Cash and cash equivalents - restricted	6,899,492	10,115,141
<b>Total cash and equivalents</b>	<b>\$ 11,477,374</b>	<b>\$ 12,238,550</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2010 and 2009**  
**(Continued)**

	<b>2010</b>	<b>2009</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (415,668)	\$ (67,149)
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>		
Depreciation	1,351,740	1,253,168
Amortization of prepaid capacity	252,152	252,152
Abandonment of CIP	42,078	---
<b>Changes in assets and liabilities related to operations:</b>		
Receivables	55,901	62,676
Advances to other funds	---	1,303,555
Inventory	1,243	(2,218)
Prepaid capacity	---	2,698
Due from other funds	(358,034)	930,039
Accounts payable and accrued liabilities	(163,947)	133,119
Deferred revenues	(7,000)	(7,000)
Compensated absences	14,241	(41,793)
OPEB obligation	7,939	13,248
<b>Net cash provided by operating activities</b>	<b>\$ 780,645</b>	<b>\$ 3,832,495</b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 814,547	\$ 78,696
Amortization of debt issuance premiums, discounts and losses on refundings	2,241	101,531
Amortization of debt issuance costs	---	26,197
Gain on sale of utility plant	4,232	147

See independent auditor's report.

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

**Comparative Statements of Net Assets - Water Utility**  
**December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 1,936,066	\$ 1,760,157
Cash and equivalents - restricted	1,081,685	1,188,445
<b>Receivables:</b>		
Special charges on the tax roll	184,023	194,406
Utility customers	915,267	885,932
Other	3,092	1,201
Prepaid items	1,794	---
Inventory	103,689	96,568
<b>Total current assets</b>	<u>4,225,616</u>	<u>4,126,709</u>
<b>Noncurrent Assets:</b>		
Cash and equivalents - restricted	3,522,937	3,350,786
Deferred bond issuance costs	51,119	59,759
Land and construction in progress	1,057,922	700,552
Other capital assets, net of depreciation	53,159,293	53,503,707
<b>Total noncurrent assets</b>	<u>57,791,271</u>	<u>57,614,804</u>
<b>Total assets</b>	<u><u>\$ 62,016,887</u></u>	<u><u>\$ 61,741,513</u></u>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 74,081	\$ 64,590
Compensated absences - vacation due within one year	82,587	83,569
Deferred revenue	97,437	106,323
Due to other funds	116,855	85,225
Current portion of general obligation notes and BANS	150,000	85,000
Current portion of revenue bonds	198,594	61,336
Accrued interest	14,682	1,797
<b>Liabilities payable from restricted assets:</b>		
Current portion of revenue bonds	1,061,406	1,163,664
Accrued interest	20,279	24,781
<b>Total current liabilities</b>	<u>1,815,921</u>	<u>1,676,285</u>
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	263,616	271,030
OPEB obligation	97,864	59,395
Advances from other funds	124,780	---
General obligation notes and BANS	1,110,000	470,000
Revenue bonds	4,085,000	5,345,000
Unamortized debt issuance premiums, discounts and losses on refundings	(244,604)	(310,846)
<b>Total long-term liabilities</b>	<u>5,436,656</u>	<u>5,834,579</u>
<b>Total liabilities</b>	<u>7,252,577</u>	<u>7,510,864</u>
<b>Net Assets:</b>		
Invested in capital assets - net of related debt	48,918,225	48,553,769
Restricted	3,522,937	3,350,786
Unrestricted	2,323,148	2,326,094
<b>Total net assets</b>	<u>54,764,310</u>	<u>54,230,649</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 62,016,887</u></u>	<u><u>\$ 61,741,513</u></u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Assets - Water Utility**  
**Years Ended December 31, 2010 and 2009**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Operating Revenues:</b>		
Charges for services	\$ 6,144,447	\$ 6,154,632
<b>Operating Expenses:</b>		
Operation and maintenance	2,201,648	2,175,210
Administrative expense	1,102,835	1,089,381
Depreciation expense	1,472,028	1,486,820
Taxes paid to Village	1,200,836	1,110,169
Social Security tax	75,900	79,759
Regulatory commission remainder assessments	6,008	5,454
<b>Total operating expenses</b>	<b>6,059,255</b>	<b>5,946,793</b>
<b>Operating income</b>	<b>85,192</b>	<b>207,839</b>
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	16,310	35,488
Sale of materials	14,923	912
Gain on retirement of property and plant	446	---
Impact fees	165,950	205,948
Fiscal charges on debt	(1,872)	(1,887)
Amortization of debt issuance premiums, discounts and losses on refundings	(66,242)	(66,298)
Amortization of debt issuance costs	(8,640)	(8,640)
Interest on long-term debt	(325,774)	(365,858)
Interest on advances	(11,475)	---
<b>Net nonoperating expenses</b>	<b>(216,374)</b>	<b>(200,335)</b>
<b>Net income (loss) before capital contributions</b>	<b>(131,182)</b>	<b>7,504</b>
<b>Capital Contributions</b>	<b>664,843</b>	<b>81,709</b>
<b>Increase in net assets</b>	<b>533,661</b>	<b>89,213</b>
<b>Net assets:</b>		
Balance, beginning of year	54,230,649	54,141,436
<b>Balance, end of year</b>	<b>\$ 54,764,310</b>	<b>\$ 54,230,649</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 4,363,970	\$ 4,482,447
Payments to suppliers	(1,926,987)	(1,829,906)
Payments to and on behalf of employees	(1,350,874)	(1,371,171)
Internal activity - receipts from other funds	1,859,636	1,804,141
Internal activity - payments to other funds	(1,200,836)	(1,238,187)
Other receipts	14,923	912
<b>Net cash provided by operating activities</b>	<b>1,759,832</b>	<b>1,848,236</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from sale of property and plant	446	---
Payments to dispose of property and plant	---	(31,868)
Additions to property and plant	(987,778)	(1,093,216)
Fair value of debt issued	790,000	---
Principal payments on debt	(1,310,000)	(1,255,000)
Interest on debt	(317,391)	(370,256)
Fiscal charges on debt	(1,872)	(1,887)
Advances from municipality	224,780	---
Principal payments on advances	(100,000)	---
Interest on advances	(11,475)	---
Impact fees	165,950	205,948
Special assessments collected	12,498	---
<b>Net cash used by capital and related financing activities</b>	<b>(1,534,842)</b>	<b>(2,546,279)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	<u>16,310</u>	<u>35,488</u>
<b>Net increase (decrease) in cash and equivalents</b>	<b>241,300</b>	<b>(662,555)</b>
Cash and equivalents, beginning of year	<u>6,299,388</u>	<u>6,961,943</u>
<b>Cash and equivalents, end of year</b>	<b><u>\$ 6,540,688</u></b>	<b><u>\$ 6,299,388</u></b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 1,936,066	\$ 1,760,157
Cash and cash equivalents - restricted	4,604,622	4,539,231
<b>Total cash and equivalents</b>	<b><u>\$ 6,540,688</u></b>	<b><u>\$ 6,299,388</u></b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2010 and 2009**  
**(Continued)**

	<b>2010</b>	<b>2009</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 85,192	\$ 207,839
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	1,472,028	1,486,820
Depreciation charged to other accounts	151,096	155,003
Proceeds from sales of materials	14,923	912
<b>Changes in assets and liabilities related to operations:</b>		
Receivables	(20,843)	49,656
Prepaid items	(1,794)	---
Inventory	(7,121)	(3,095)
Due from other funds	31,630	(128,018)
Accounts payable and accrued liabilities	13,534	18,294
Compensated absences	(8,396)	25,608
OPEB obligation	38,469	30,280
Deferred revenue	(8,886)	4,937
<b>Net cash provided by operating activities</b>	<b>\$ 1,759,832</b>	<b>\$ 1,848,236</b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 652,345	\$ 81,709
Amortization of debt issuance premiums, discounts and losses on refundings	66,242	66,298
Amortization of debt issuance costs	8,640	8,640
Gain on sale of utility plant	446	---

See independent auditor's report.

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

**Comparative Statements of Net Assets - Storm Water Utility**  
**December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 1,614,696	\$ 1,135,777
<b>Receivables:</b>		
Taxes	931,250	912,990
Other	3,658	4,438
Inventory	<u>22,471</u>	---
<b>Total current assets</b>	<u>2,572,075</u>	2,053,205
<b>Noncurrent Assets:</b>		
Land and construction in progress	284,387	119,544
Other capital assets, net of depreciation	<u>22,916,807</u>	23,349,064
<b>Total noncurrent assets</b>	<u>23,201,194</u>	23,468,608
<b>Total assets</b>	<u><u>\$ 25,773,269</u></u>	<u><u>\$ 25,521,813</u></u>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 9,044	\$ 18,145
Deposits	50,000	50,000
Compensated absences - vacation due within one year	9,202	7,791
Deferred revenue	931,250	912,990
Due to other funds	353,324	96,016
Current portion of general obligation notes and BANS	175,494	110,494
Accrued interest	16,868	22,670
<b>Total current liabilities</b>	<u>1,545,182</u>	1,218,106
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	35,093	34,353
OPEB obligation	6,158	3,752
Advances from other funds	303,166	455,817
General obligation notes and BANS	<u>1,829,471</u>	1,414,965
<b>Total long-term liabilities</b>	<u>2,173,888</u>	1,908,887
<b>Total liabilities</b>	<u>3,719,070</u>	3,126,993
<b>Net Assets:</b>		
Invested in capital assets - net of related debt	21,196,229	21,943,149
Unrestricted	<u>857,970</u>	451,671
<b>Total net assets</b>	<u>22,054,199</u>	22,394,820
<b>Total liabilities and net assets</b>	<u><u>\$ 25,773,269</u></u>	<u><u>\$ 25,521,813</u></u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Assets - Storm Water Utility**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Operating Revenues:</b>		
General property taxes	\$ 912,990	\$ 895,085
Charges for services	33,596	33,834
<b>Total operating revenues</b>	<u>946,586</u>	<u>928,919</u>
<b>Operating Expenses:</b>		
Operation and maintenance	394,501	412,933
Administrative expense	306,397	336,062
Depreciation expense	513,060	511,926
Social Security tax	12,350	14,077
<b>Total operating expenses</b>	<u>1,226,308</u>	<u>1,274,998</u>
<b>Operating loss</b>	<u>(279,722)</u>	<u>(346,079)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	3,653	4,873
Sale of materials	20,558	9,536
Miscellaneous revenues	3,069	4,150
Fiscal charges on debt	(166)	(356)
Interest on long-term debt	(60,664)	(42,920)
Interest on advances	(27,349)	(31,048)
<b>Net nonoperating expenses</b>	<u>(60,899)</u>	<u>(55,765)</u>
<b>Net loss before capital contributions</b>	<u>(340,621)</u>	<u>(401,844)</u>
<b>Capital Contributions</b>	<u>---</u>	<u>14,813</u>
<b>Decrease in net assets</b>	<u>(340,621)</u>	<u>(387,031)</u>
<b>Net Assets:</b>		
Balance, beginning of year	\$ 22,394,820	\$ 22,781,851
<b>Balance, end of year</b>	<u>\$ 22,054,199</u>	<u>\$ 22,394,820</u>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 34,376	\$ 48,124
Payments to suppliers	(103,896)	(81,151)
Payments to and on behalf of employees	(637,973)	(675,854)
Internal activity - receipts from other funds	257,308	---
Internal activity - payments to other funds	---	(122,934)
Other receipts	936,617	908,771
<b>Net cash provided by operating activities</b>	<b>486,432</b>	<b>76,956</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Principal payments on advances	(152,651)	(61,648)
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Additions to property and plant	(244,040)	(361,532)
Fair value of debt issued	590,000	1,015,000
Principal payments on debt	(110,494)	(96,494)
Interest on debt	(66,466)	(26,424)
Fiscal charges on debt	(166)	(356)
Interest on advances	(27,349)	(31,048)
<b>Net cash provided by capital and related financing activities</b>	<b>141,485</b>	<b>499,146</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	<u>3,653</u>	<u>4,873</u>
<b>Net increase in cash and equivalents</b>	<b>478,919</b>	<b>519,327</b>
Cash and equivalents, beginning of year	<u>1,135,777</u>	<u>616,450</u>
<b>Cash and equivalents, end of year</b>	<b>\$ 1,614,696</b>	<b>\$ 1,135,777</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2010 and 2009**  
**(Continued)**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (279,722)	\$ (346,079)
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>		
Depreciation	513,060	511,926
Proceeds from sales of materials	20,558	9,536
Miscellaneous revenues	3,069	4,150
<b>Changes in assets and liabilities related to operations:</b>		
Receivables	(17,480)	(3,616)
Inventory	(22,471)	---
Due to or from other funds	257,308	(122,934)
Accounts payable and accrued liabilities	(10,707)	11,184
Compensated absences	2,151	(7,029)
OPEB obligation	2,406	1,913
Deferred revenue	18,260	17,905
<b>Net cash provided by operating activities</b>	<b><u>\$ 486,432</u></b>	<b><u>\$ 76,956</u></b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ ---	\$ 14,813

See independent auditor's report.

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

**Comparative Statements of Net Assets - Risk Management Fund**  
**December 31, 2010 and 2009**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 854,125	\$ 954,173
Receivables	34,403	22,407
Due from other funds	27,853	---
<b>Total assets</b>	<b>\$ 916,381</b>	<b>\$ 976,580</b>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Incurred but not reported claims	\$ 90,436	\$ 51,363
Due to other funds	---	1,095
<b>Total current liabilities</b>	<b>90,436</b>	<b>52,458</b>
<b>Net Assets:</b>		
Unrestricted	825,945	924,122
<b>Total liabilities and net assets</b>	<b>\$ 916,381</b>	<b>\$ 976,580</b>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Assets - Risk Management Fund**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Operating Expenses</b>	<b>\$ 134,437</b>	<b>\$ (5,415)</b>
<b>Operating income (loss)</b>	<b>(134,437)</b>	<b>5,415</b>
 <b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	1,857	4,818
Dividend on investment in CVMIC	34,403	22,407
<b>Net nonoperating revenues</b>	<b>36,260</b>	<b>27,225</b>
<b>Increase (decrease) in net assets</b>	<b>(98,177)</b>	<b>32,640</b>
 <b>Net Assets:</b>		
Balance, beginning of year	924,122	891,482
<b>Balance, end of year</b>	<b>\$ 825,945</b>	<b>\$ 924,122</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Risk Management Fund**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities:</b>		
Payments to suppliers	\$ (65,844)	\$ (231,058)
Internal activity - payments to other funds	(28,948)	(4,299)
Other receipts	---	146,419
Other payments	(41,516)	(56,655)
<b>Net cash used by operating activities</b>	<b>(136,308)</b>	<b>(145,593)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	36,260	27,225
<b>Net decrease in cash and equivalents</b>	<b>(100,048)</b>	<b>(118,368)</b>
Cash and equivalents, beginning of year	954,173	1,072,541
<b>Cash and equivalents, end of year</b>	<b>\$ 854,125</b>	<b>\$ 954,173</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</b>		
Operating income (loss)	\$ (134,437)	\$ 5,415
<b>Adjustments to reconcile operating income (loss) to net cash used by operating activities:</b>		
<b>Changes in assets and liabilities related to operations:</b>		
Receivables	(11,996)	(145)
Due from other funds	(28,948)	(4,299)
Incurred but not reported claims	39,073	(146,564)
<b>Net cash used by operating activities</b>	<b>\$ (136,308)</b>	<b>\$ (145,593)</b>

See independent auditor's report.

## **AGENCY FUND**

This 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**

**Statement of Changes in Assets and Liabilities - Agency Fund**  
**Year Ended December 31, 2010**

	<b>Balance</b> <b>January 1,</b> <b>2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b> <b>December 31,</b> <b>2010</b>
<b>Assets:</b>				
Cash and equivalents	\$ 11,205,828	\$ 57,370,253	\$ (59,860,264)	\$ 8,715,817
Taxes receivable	48,654,436	62,436,102	(57,370,253)	53,720,285
<b>Total assets</b>	<b>\$ 59,860,264</b>	<b>\$ 119,806,355</b>	<b>\$ (117,230,517)</b>	<b>\$ 62,436,102</b>
<b>Liabilities:</b>				
Due to other taxing units	\$ 59,860,264	\$ 62,436,102	\$ (59,860,264)	\$ 62,436,102

See independent auditor's report.

**OTHER SUPPLEMENTARY  
INFORMATION**

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2010

<b>Fund/Issue</b>	<b>Date of Issue</b>	Average			<b>Original Amount</b>	<b>Balance Outstanding January 1, 2010</b>	<b>New Issues</b>	<b>Payments</b>	<b>Balance Outstanding December 31, 2010</b>	<b>Interest Paid 2010</b>	<b>Principal Due 2011</b>	<b>Interest Due 2011</b>
		<b>Coupon Rate</b>	<b>Principal Due</b>	<b>Interest Due</b>								
<b>General Fund :</b>												
2001 G.O. notes	05/15/01	4.55%	05/01	05/01 & 11/01	\$ 1,460,000	\$ 641,000	\$ ---	\$ (309,000)	\$ 332,000	\$ 22,711	\$ 332,000	\$ 7,802
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	1,627,500	682,500	---	(227,500)	455,000	22,409	227,500	13,536
2003 G.O. notes	08/01/03	3.56%	06/01	06/01 & 12/01	2,110,000	1,305,000	---	(285,000)	1,020,000	45,191	310,000	34,213
2004 G.O. notes	09/01/04	3.60%	09/01	03/01 & 09/01	2,431,961	630,000	---	(105,000)	525,000	24,391	105,000	20,584
2005 G.O. notes	07/01/05	3.89%	06/01	06/01 & 12/01	2,668,000	1,979,000	---	(238,000)	1,741,000	73,005	238,000	64,229
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	2,045,000	1,894,500	---	(363,500)	1,531,000	72,343	338,500	57,516
2007 G.O. notes	06/01/07	4.32%	06/01	06/01 & 12/01	1,590,000	1,447,000	---	(84,000)	1,363,000	60,516	84,000	56,946
2008 G.O. notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	2,175,000	---	(32,000)	2,143,000	89,542	32,000	88,481
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	2,128,000	---	(66,300)	2,061,700	97,479	101,300	66,236
2010 G.O. notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	---	2,385,000	---	2,385,000	---	26,000	110,251
<b>Total General Fund</b>						\$ 12,882,000	\$ 2,385,000	\$ (1,710,300)	\$ 13,556,700	\$ 507,587	\$ 1,794,300	\$ 519,794
<b>Municipal Facilities and Equipment Fund:</b>												
2002 G.O. bonds	03/15/02	4.92%	03/01	03/01 & 09/01	\$ 11,500,000	\$ 8,425,000	---	\$ (525,000)	\$ 7,900,000	\$ 409,013	\$ 550,000	386,300
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	69,750	29,250	---	(9,750)	19,500	960	9,750	580
2003 G.O. bonds	05/15/03	4.41%	05/01	05/01 & 11/01	12,000,000	10,900,000	---	(625,000)	10,275,000	460,469	650,000	437,506
2008 G.O. notes	07/01/08	3.66%	06/01	06/01 & 12/01	250,000	200,000	---	(50,000)	150,000	6,375	50,000	4,719
<b>Total Municipal Facilities Fund</b>						\$ 19,554,250	\$ ---	\$ (1,209,750)	\$ 18,344,500	\$ 876,817	\$ 1,259,750	\$ 829,105
<b>Special Assessment Fund:</b>												
2001 G.O. notes	05/15/01	4.55%	05/01	05/01 & 11/01	\$ 665,000	\$ 134,000	---	\$ (66,000)	\$ 68,000	\$ 4,714	\$ 68,000	\$ 1,598
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	627,750	263,250	---	(87,750)	175,500	8,643	87,750	5,221
2003 G.O. notes	08/01/03	3.56%	06/01	06/01 & 12/01	1,660,000	670,000	---	(165,000)	505,000	22,778	165,000	16,694
2004 G.O. notes	09/01/04	3.60%	09/01	03/01 & 09/01	508,264	270,000	---	(45,000)	225,000	10,453	45,000	8,822
2005 G.O. notes	07/01/05	3.89%	06/01	06/01 & 12/01	272,000	166,000	---	(27,000)	139,000	5,948	27,000	4,953
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	250,059	175,041	---	(25,006)	150,035	6,933	25,006	5,876
2008 G.O. notes	07/01/08	4.16%	06/01	06/01 & 12/01	160,000	128,000	---	(16,000)	112,000	5,140	16,000	4,460
2008 G.O. notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	530,190	---	(58,910)	471,280	19,807	58,910	17,856
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	177,000	---	(17,700)	159,300	7,756	17,700	4,916
2010 G.O. notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	---	190,000	---	190,000	---	19,000	7,833
<b>Total Special Assessment Fund</b>						\$ 2,513,481	\$ 190,000	\$ (508,366)	\$ 2,195,115	\$ 92,172	\$ 529,366	\$ 78,229
<b>TID District #2:</b>												
1997 G.O. bonds	09/15/97	5.24%	09/01	03/01 & 09/01	\$ 6,485,000	\$ 5,110,000	---	\$ (5,110,000)	\$ ---	\$ 134,983	\$ ---	\$ ---
2010 G.O. notes	2/1/2010	2.15%	09/01	03/01 & 09/01	2,800,000	---	2,800,000	(575,000)	2,225,000	33,870	525,000	48,000
<b>Total TID District #2</b>						\$ 5,110,000	\$ 2,800,000	\$ (5,685,000)	\$ 2,225,000	\$ 168,853	\$ 525,000	\$ 48,000

See independent auditor's report.

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2010  
(Continued)

<b>Fund/Issue</b>	<b>Date of Issue</b>	<b>Average Coupon Rate</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Original Amount</b>	<b>Balance Outstanding</b>			<b>Balance Outstanding December 31, 2010</b>	<b>Interest Paid 2010</b>	<b>Principal Due 2011</b>	<b>Interest Due 2011</b>
						<b>January 1, 2010</b>	<b>New Issues</b>	<b>Payments</b>				
<b>TID District #4:</b>												
1999 G.O. refunding bonds	11/15/99	4.94%	11/01	05/01 & 11/01	\$ 4,745,000	\$ 1,125,000	\$ ---	\$ (1,125,000)	\$ ---	\$ 28,831	\$ ---	\$ ---
2008 G.O. promissory notes	05/15/08	3.41%	06/01	05/01 & 11/01	1,800,000	\$ 1,200,000	\$ ---	\$ (600,000)	\$ 600,000	\$ 41,250	\$ 600,000	\$ 21,000
<b>Total TID District #4</b>						<b>\$ 2,325,000</b>	<b>\$ ---</b>	<b>\$ (1,725,000)</b>	<b>\$ 600,000</b>	<b>\$ 70,081</b>	<b>\$ 600,000</b>	<b>\$ 21,000</b>
<b>TID District #5:</b>												
2003 G.O. notes	09/15/03	3.52%	04/01	04/01 & 10/01	\$ 1,000,000	\$ 475,000	\$ ---	\$ (150,000)	\$ 325,000	\$ 14,806	\$ 150,000	\$ 9,369
2004 G.O. refunding bonds	05/15/04	4.92%	05/01	05/01 & 11/01	7,225,000	\$ 7,225,000	\$ ---	\$ (450,000)	\$ 6,775,000	\$ 340,344	\$ 650,000	\$ 318,344
2009 Municipal Revenue Obligation	08/17/09	N/A	10/01	N/A	3,100,000	\$ 3,100,000	\$ ---	\$ ---	\$ 3,100,000	\$ ---	\$ 102,420	\$ ---
2009 G.O. notes	10/19/09	2.30%	10/01	04/01 & 10/01	1,850,000	\$ 1,850,000	\$ ---	\$ ---	\$ 1,850,000	\$ 40,423	\$ ---	\$ 42,550
<b>Total TID District #5</b>						<b>\$ 12,650,000</b>	<b>\$ ---</b>	<b>\$ (600,000)</b>	<b>\$ 12,050,000</b>	<b>\$ 395,573</b>	<b>\$ 902,420</b>	<b>\$ 370,263</b>
<b>TID District #6:</b>												
2008 BANs	11/15/08	4.00%	11/01	05/01 & 11/01	\$ 1,250,000	\$ 1,250,000	\$ ---	\$ (1,250,000)	\$ ---	\$ 56,250	\$ ---	\$ ---
2010 G.O. NAN	05/17/10	4.25%	11/01	05/01 & 11/01	17,650,000	\$ ---	\$ 17,650,000	\$ ---	\$ 17,650,000	\$ ---	\$ ---	\$ 1,091,849
2010 G.O. NAN	10/05/10	2.50%	03/01	03/01 & 09/01	1,280,000	\$ ---	\$ 1,280,000	\$ ---	\$ 1,280,000	\$ ---	\$ ---	\$ 17,387
<b>Total TID District #6</b>						<b>\$ 1,250,000</b>	<b>\$ 18,930,000</b>	<b>\$ (1,250,000)</b>	<b>\$ 18,930,000</b>	<b>\$ 56,250</b>	<b>\$ ---</b>	<b>\$ 1,109,236</b>
<b>TID District #7:</b>												
2008 Municipal Revenue Obligation	06/06/08	8.50%	10/01	10/01	\$ 5,100,000	\$ 5,100,000	\$ ---	\$ ---	\$ 5,100,000	\$ 246,433	\$ ---	\$ 433,500
<b>TID District #8:</b>												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ ---	\$ 11,800,000	\$ ---	\$ 11,800,000	\$ ---	\$ 750,000	\$ 368,875
<b>Water Utility :</b>												
2000 Water revenue bonds	07/01/00	5.57%	12/01	06/01 & 12/01	\$ 1,425,000	\$ 875,000	\$ ---	\$ (75,000)	\$ 800,000	\$ 49,250	\$ 75,000	\$ 45,125
2001 Water revenue bonds	06/01/01	4.51%	12/01	06/01 & 12/01	6,485,000	\$ 2,050,000	\$ ---	\$ (650,000)	\$ 1,400,000	\$ 96,425	\$ 675,000	\$ 66,525
2005 Water refunding bonds	03/15/05	4.08%	12/01	06/01 & 12/01	5,280,000	\$ 3,645,000	\$ ---	\$ (500,000)	\$ 3,145,000	\$ 151,700	\$ 510,000	\$ 131,700
2005 G.O. notes	07/01/05	3.87%	06/01	06/01 & 12/01	840,000	\$ 555,000	\$ ---	\$ (85,000)	\$ 470,000	\$ 20,016	\$ 85,000	\$ 16,881
2010 G.O. notes	06/01/10	3.12%	06/01	06/01 & 12/01	790,000	\$ ---	\$ 790,000	\$ ---	\$ 790,000	\$ ---	\$ 65,000	\$ 33,143
<b>Total Water Utility</b>						<b>\$ 7,125,000</b>	<b>\$ 790,000</b>	<b>\$ (1,310,000)</b>	<b>\$ 6,605,000</b>	<b>\$ 317,391</b>	<b>\$ 1,410,000</b>	<b>\$ 293,374</b>
<b>Sewer Utility:</b>												
1995 Clean Water Fund Loans	10/18/93	3.19%	05/01	05/01 & 11/01	\$ 1,238,571	\$ 350,849	\$ ---	\$ (83,625)	\$ 267,224	\$ 9,858	\$ 86,293	\$ 7,148
2000 Sewer revenue bonds	07/01/00	5.58%	05/01	05/01 & 11/01	1,600,000	\$ 1,025,000	\$ ---	\$ (100,000)	\$ 925,000	\$ 54,938	\$ 100,000	\$ 49,438
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	217,231	\$ 140,556	\$ ---	\$ (10,991)	\$ 129,565	\$ 4,011	\$ 11,317	\$ 3,680
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	791,035	\$ 415,774	\$ ---	\$ (53,924)	\$ 361,850	\$ 12,465	\$ 55,653	\$ 10,709
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	\$ 1,799,710	\$ ---	\$ (80,056)	\$ 1,719,654	\$ 44,819	\$ 82,095	\$ 42,754
2008 G.O. notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	\$ 414,810	\$ ---	\$ (46,090)	\$ 368,720	\$ 15,499	\$ 46,090	\$ 13,973
<b>Total Sewer Utility</b>						<b>\$ 4,146,699</b>	<b>\$ ---</b>	<b>\$ (374,686)</b>	<b>\$ 3,772,013</b>	<b>\$ 141,590</b>	<b>\$ 381,448</b>	<b>\$ 127,702</b>
<b>Storm Water Utility:</b>												
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 255,459	\$ ---	\$ (36,494)	\$ 218,965	\$ 10,118	\$ 36,494	\$ 8,576
2008 G.O. notes	07/01/08	3.67%	06/01	06/01 & 12/01	315,000	\$ 255,000	\$ ---	\$ (63,000)	\$ 192,000	\$ 8,153	\$ 63,000	\$ 6,066
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	\$ 1,015,000	\$ ---	\$ (11,000)	\$ 1,004,000	\$ 48,195	\$ 31,000	\$ 33,398
2010 G.O. notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	\$ ---	\$ 590,000	\$ ---	\$ 590,000	\$ ---	\$ 45,000	\$ 24,898
<b>Total Storm Water Utility</b>						<b>\$ 1,525,459</b>	<b>\$ 590,000</b>	<b>\$ (110,494)</b>	<b>\$ 2,004,965</b>	<b>\$ 66,466</b>	<b>\$ 175,494</b>	<b>\$ 72,938</b>
<b>Total long-term obligations</b>						<b>\$ 74,181,889</b>	<b>\$ 37,485,000</b>	<b>\$ (14,483,596)</b>	<b>\$ 97,183,293</b>	<b>\$ 2,939,213</b>	<b>\$ 8,327,778</b>	<b>\$ 4,272,016</b>

See independent auditor's 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:**

#### **Financial Trends**

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

#### **Page(s)**

102 - 114

#### **Revenue Capacity**

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

115 - 119

#### **Debt Capacity**

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

120 - 125

#### **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.

126 - 128

#### **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.

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### **Sources:**

comprehensive annual financial reports for the relevant year. The Village implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

**Net Assets By Component**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental activities:</b>								
Invested in capital assets, net of related debt	\$ 94,117,291	\$ 82,852,481	\$ 67,468,233	\$ 69,606,209	\$ 63,706,297	\$ 56,228,372	\$ 51,422,115	\$ 50,067,332
Restricted	5,989,717	9,964,612	8,337,633	8,859,678	9,083,184	8,622,102	15,911,601	14,933,423
Unrestricted	(187,160)	5,034,116	15,268,886	16,150,668	13,930,194	16,678,531	16,012,115	12,490,729
<b>Total governmental activities net assets</b>	<b>\$ 99,919,848</b>	<b>\$ 97,851,209</b>	<b>\$ 91,074,752</b>	<b>\$ 94,616,555</b>	<b>\$ 86,719,675</b>	<b>\$ 81,529,005</b>	<b>\$ 83,345,831</b>	<b>\$ 77,491,484</b>
<b>Business-type activities:</b>								
Invested in capital assets, net of related debt	\$ 121,787,050	\$ 121,095,716	\$ 120,252,088	\$ 119,860,623	\$ 117,788,733	\$ 116,979,203	\$ 107,939,565	\$ 100,518,250
Restricted	10,019,745	13,067,810	13,496,684	12,906,943	11,753,465	10,927,390	9,883,862	12,888,218
Unrestricted	12,191,413	8,893,049	9,917,625	8,652,115	6,657,611	2,721,065	(254,094)	(5,858,161)
<b>Total business-type activities net assets</b>	<b>\$ 143,998,208</b>	<b>\$ 143,056,575</b>	<b>\$ 143,666,397</b>	<b>\$ 141,419,681</b>	<b>\$ 136,199,809</b>	<b>\$ 130,627,658</b>	<b>\$ 117,569,333</b>	<b>\$ 107,548,307</b>
<b>Primary government:</b>								
Invested in capital assets, net of related debt	\$ 215,904,341	\$ 203,948,197	\$ 187,720,321	\$ 189,466,832	\$ 181,495,030	\$ 173,207,575	\$ 159,361,680	\$ 150,585,582
Restricted	16,009,462	23,032,422	21,834,317	21,766,621	20,836,649	19,549,492	25,795,463	27,821,641
Unrestricted	12,004,253	13,927,165	25,186,511	24,802,783	20,587,805	19,399,596	15,758,021	6,632,568
<b>Total primary government net assets</b>	<b>\$ 243,918,056</b>	<b>\$ 240,907,784</b>	<b>\$ 234,741,149</b>	<b>\$ 236,036,236</b>	<b>\$ 222,919,484</b>	<b>\$ 212,156,663</b>	<b>\$ 200,915,164</b>	<b>\$ 185,039,791</b>

Source: Comprehensive Annual Financial Reports

Capital assets include land, infrastructure, construction in progress, buildings and improvements and equipment.

Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted and unrestricted. Net assets are considered restricted only when an external party, such as grantors, contributors, state or federal government, place a restriction on how resources may be used, or through enabling legislation enacted by the Village.

Trend data is only available from 2003, the year the Village implemented GASB 34, and thereafter.

See independent auditor's report.

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

**Changes in Net Assets**  
**Summary**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental activities:</b>								
Total expenses	\$ 35,233,038	\$ 36,496,718	\$ 39,570,377	\$ 32,085,604	\$ 32,185,991	\$ 33,361,030	\$ 32,249,642	\$ 30,375,516
Total program revenues	10,237,660	16,953,433	10,077,758	13,845,474	9,888,737	10,875,638	13,142,066	15,001,733
<b>Net program expense</b>	<u>(24,995,378)</u>	<u>(19,543,285)</u>	<u>(29,492,619)</u>	<u>(18,240,130)</u>	<u>(22,297,254)</u>	<u>(22,485,392)</u>	<u>(19,107,576)</u>	<u>(15,373,783)</u>
Total general revenues and other changes in net assets	<u>27,064,017</u>	<u>26,319,742</u>	<u>25,950,816</u>	<u>26,137,010</u>	<u>27,487,924</u>	<u>20,668,568</u>	<u>24,714,561</u>	<u>24,491,256</u>
<b>Change in net assets</b>	<u>2,068,639</u>	<u>6,776,457</u>	<u>(3,541,803)</u>	<u>7,896,880</u>	<u>5,190,670</u>	<u>(1,816,824)</u>	<u>5,606,985</u>	<u>9,117,473</u>
<b>Business-type activities:</b>								
Total expenses	17,001,260	17,509,431	16,855,381	15,827,596	15,360,970	15,852,617	15,561,481	13,824,324
Total program revenues	16,642,735	15,558,718	17,340,658	18,716,083	18,761,894	21,305,600	24,101,073	19,281,984
<b>Net program revenue</b>	<u>(358,525)</u>	<u>(1,950,713)</u>	<u>485,277</u>	<u>2,888,487</u>	<u>3,400,924</u>	<u>5,452,983</u>	<u>8,539,592</u>	<u>5,457,660</u>
Total general revenues and other changes in net assets	<u>1,300,158</u>	<u>1,340,891</u>	<u>1,761,439</u>	<u>2,331,385</u>	<u>2,171,227</u>	<u>7,605,342</u>	<u>1,728,796</u>	<u>1,538,232</u>
<b>Change in net assets</b>	<u>941,633</u>	<u>(609,822)</u>	<u>2,246,716</u>	<u>5,219,872</u>	<u>5,572,151</u>	<u>13,058,325</u>	<u>10,268,388</u>	<u>6,995,892</u>
<b>Total primary government</b>								
<b>Change in net assets</b>	<u><u>\$ 3,010,272</u></u>	<u><u>\$ 6,166,635</u></u>	<u><u>\$ (1,295,087)</u></u>	<u><u>\$ 13,116,752</u></u>	<u><u>\$ 10,762,821</u></u>	<u><u>\$ 11,241,501</u></u>	<u><u>\$ 15,875,373</u></u>	<u><u>\$ 16,113,365</u></u>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**Expenses by Function**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental Activities:</b>								
General government	\$ 4,257,070	\$ 4,041,098	\$ 4,180,139	\$ 4,571,922	\$ 4,460,518	\$ 4,393,340	\$ 3,999,447	\$ 4,114,605
Public Safety	14,200,950	13,681,300	13,273,575	12,650,734	12,231,894	11,931,738	11,220,563	11,261,102
Public works	8,700,112	8,134,046	9,956,820	7,423,111	8,030,019	9,275,810	9,080,427	6,580,002
Culture and recreation	3,328,134	3,474,168	3,204,236	3,333,357	3,231,201	3,064,723	2,923,385	3,197,359
Conservation and development	1,639,911	4,144,474	6,036,484	1,196,468	1,061,455	1,202,188	1,518,267	1,599,397
Loss on retirement of capital assets	---	58,698	---	---	---	---	15,616	183,265
Loss on defeasement of debt	---	---	---	---	---	108,122	---	---
Interest on advances from utilities	---	6,388	35,394	72,379	71,337	45,470	---	---
Interest on long-term debt	3,106,861	2,956,546	2,883,729	2,837,633	3,099,567	3,339,639	3,491,937	3,439,786
<b>Total governmental activities expenses</b>	<b>35,233,038</b>	<b>36,496,718</b>	<b>39,570,377</b>	<b>32,085,604</b>	<b>32,185,991</b>	<b>33,361,030</b>	<b>32,249,642</b>	<b>30,375,516</b>
<b>Business-type Activities:</b>								
Sewer Utility	9,213,515	9,770,633	9,154,180	8,378,176	8,146,358	8,974,555	8,356,595	6,718,616
Water Utility	6,473,258	6,389,476	6,352,569	6,070,478	5,944,564	5,744,965	5,847,224	5,929,514
Storm Water Utility	1,314,487	1,349,322	1,348,632	1,378,942	1,270,048	1,133,097	1,357,662	1,176,194
<b>Total business-type activities expenses</b>	<b>17,001,260</b>	<b>17,509,431</b>	<b>16,855,381</b>	<b>15,827,596</b>	<b>15,360,970</b>	<b>15,852,617</b>	<b>15,561,481</b>	<b>13,824,324</b>
<b>Total primary government expenses</b>	<b>\$ 52,234,298</b>	<b>\$ 54,006,149</b>	<b>\$ 56,425,758</b>	<b>\$ 47,913,200</b>	<b>\$ 47,546,961</b>	<b>\$ 49,213,647</b>	<b>\$ 47,811,123</b>	<b>\$ 44,199,840</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**Summary of Program Revenues by Type**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Governmental Activities:</b>								
Charges for services	\$ 6,635,835	\$ 6,302,663	\$ 6,467,051	\$ 6,864,218	\$ 5,634,095	\$ 5,371,437	\$ 5,145,202	\$ 5,089,959
Operating grants and contributions	2,361,517	2,680,384	2,005,597	3,818,553	2,380,174	3,310,997	3,084,221	2,759,522
Capital grants and contributions	1,240,308	7,970,386	1,605,110	3,162,703	1,874,468	2,193,204	4,912,643	7,152,252
<b>Total governmental activities program revenues</b>	<b>10,237,660</b>	<b>16,953,433</b>	<b>10,077,758</b>	<b>13,845,474</b>	<b>9,888,737</b>	<b>10,875,638</b>	<b>13,142,066</b>	<b>15,001,733</b>
<b>Business-type Activities:</b>								
Charges for services	14,830,582	14,977,719	15,368,939	14,878,055	14,784,488	15,288,037	13,902,473	13,256,028
Capital grants and contributions	1,812,153	580,999	1,971,719	3,838,028	3,977,406	6,017,563	10,198,600	6,025,956
<b>Total business-type activities program revenues</b>	<b>16,642,735</b>	<b>15,558,718</b>	<b>17,340,658</b>	<b>18,716,083</b>	<b>18,761,894</b>	<b>21,305,600</b>	<b>24,101,073</b>	<b>19,281,984</b>
<b>Total primary government program revenues</b>	<b>\$ 26,880,395</b>	<b>\$ 32,512,151</b>	<b>\$ 27,418,416</b>	<b>\$ 32,561,557</b>	<b>\$ 28,650,631</b>	<b>\$ 32,181,238</b>	<b>\$ 37,243,139</b>	<b>\$ 34,283,717</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**Charges for Services by Function**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental Activities:</b>								
General government	\$ 478,962	\$ 461,226	\$ 369,566	\$ 334,312	\$ 303,884	\$ 281,972	\$ 265,915	\$ 371,172
Public safety	1,548,880	1,439,822	1,255,531	1,283,471	1,209,748	1,193,603	1,103,786	1,158,607
Public works	3,773,328	3,793,143	3,864,882	4,262,283	3,098,379	2,845,524	2,141,312	2,138,961
Culture and recreation	127,391	108,368	323,646	48,565	47,860	40,775	43,473	23,970
Conservation and development	707,274	500,104	653,426	935,587	974,224	1,009,563	1,590,716	1,397,249
<b>Total governmental activities charges for services</b>	<b>6,635,835</b>	<b>6,302,663</b>	<b>6,467,051</b>	<b>6,864,218</b>	<b>5,634,095</b>	<b>5,371,437</b>	<b>5,145,202</b>	<b>5,089,959</b>
<b>Business-type activities:</b>								
Sewer Utility	8,652,539	8,789,253	9,017,943	8,630,561	8,529,972	8,827,892	7,698,166	7,336,806
Water Utility	6,144,447	6,154,632	6,310,089	6,188,814	6,198,782	6,421,058	6,204,307	5,919,222
Storm Water Utility	33,596	33,834	40,907	58,680	55,734	39,087	---	---
<b>Total business-type activities charges for services</b>	<b>14,830,582</b>	<b>14,977,719</b>	<b>15,368,939</b>	<b>14,878,055</b>	<b>14,784,488</b>	<b>15,288,037</b>	<b>13,902,473</b>	<b>13,256,028</b>
<b>Total primary government charges for services</b>	<b>\$ 21,466,417</b>	<b>\$ 21,280,382</b>	<b>\$ 21,835,990</b>	<b>\$ 21,742,273</b>	<b>\$ 20,418,583</b>	<b>\$ 20,659,474</b>	<b>\$ 19,047,675</b>	<b>\$ 18,345,987</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**Operating Grants and Contributions by Function**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Governmental Activities:</b>								
Public safety	\$ 242,256	\$ 302,725	\$ 211,964	\$ 178,992	\$ 181,375	\$ 436,815	\$ 171,791	\$ 172,037
Public works	2,027,059	2,127,402	1,528,727	2,889,092	1,908,834	2,449,699	2,299,591	2,252,981
Culture and recreation	44,121	45,431	34,995	39,688	15,088	21,146	14,090	14,902
Conservation and development	<u>48,081</u>	<u>204,826</u>	<u>229,911</u>	<u>710,781</u>	<u>274,877</u>	<u>403,337</u>	<u>598,749</u>	<u>319,602</u>
<b>Total governmental activities operating grants and contributions</b>	<b><u>\$ 2,361,517</u></b>	<b><u>\$ 2,680,384</u></b>	<b><u>\$ 2,005,597</u></b>	<b><u>\$ 3,818,553</u></b>	<b><u>\$ 2,380,174</u></b>	<b><u>\$ 3,310,997</u></b>	<b><u>\$ 3,084,221</u></b>	<b><u>\$ 2,759,522</u></b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**Capital Grants and Contributions by Function**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental Activities:</b>								
General government	\$ 14,569	\$ ---	\$ ---	\$ ---	\$ 70,510	\$ ---	\$ ---	\$ ---
Public safety	---	60,000	---	---	---	---	---	---
Public works	1,225,739	7,910,386	1,604,249	3,163,041	1,788,839	2,185,823	4,857,543	7,111,182
Culture and recreation	---	---	861	(338)	15,119	7,381	55,100	41,070
<b>Total governmental activities capital grants and contributions</b>	<b>1,240,308</b>	<b>7,970,386</b>	<b>1,605,110</b>	<b>3,162,703</b>	<b>1,874,468</b>	<b>2,193,204</b>	<b>4,912,643</b>	<b>7,152,252</b>
<b>Business-type activates:</b>								
Sewer Utility	981,360	278,529	492,911	1,553,881	1,133,729	2,176,126	3,984,327	1,777,680
Water Utility	830,793	287,657	1,137,181	1,343,390	2,035,897	2,587,770	3,388,179	2,799,982
Storm Water Utility	---	14,813	341,627	940,757	807,780	1,253,667	2,826,094	1,448,294
<b>Total business-type activities capital grants and contributions</b>	<b>1,812,153</b>	<b>580,999</b>	<b>1,971,719</b>	<b>3,838,028</b>	<b>3,977,406</b>	<b>6,017,563</b>	<b>10,198,600</b>	<b>6,025,956</b>
<b>Total primary government capital grants and contributions</b>	<b>\$ 3,052,461</b>	<b>\$ 8,551,385</b>	<b>\$ 3,576,829</b>	<b>\$ 7,000,731</b>	<b>\$ 5,851,874</b>	<b>\$ 8,210,767</b>	<b>\$ 15,111,243</b>	<b>\$ 13,178,208</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Changes in Net Assets**  
**General Revenues and Other Changes in Net Assets**  
**Last Eight Years**  
**(accrual basis of accounting)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental Activities:</b>								
Taxes	\$ 25,675,386	\$ 24,728,311	\$ 23,522,724	\$ 22,408,932	\$ 23,413,299	\$ 22,686,333	\$ 21,430,329	\$ 21,449,599
Grants and contributions not restricted to specific programs	1,100,295	1,263,645	1,227,423	1,492,124	1,933,923	2,084,021	2,382,329	2,317,213
Investments earnings	151,238	234,227	1,052,148	2,126,362	2,047,464	1,362,938	744,137	649,628
Interest on advances to utilities	38,824	31,048	34,537	39,037	39,037	36,828	35,155	31,657
Gain on retirement of capital assets	32,391	---	56,912	33,175	3,318	16,182	---	---
Residual equity transfer - TID 3	---	---	---	---	---	(5,625,000)	---	---
Other revenues	65,883	62,511	57,072	37,380	50,883	107,266	122,611	43,159
<b>Total governmental activities general revenues and other changes in net assets</b>	<b>27,064,017</b>	<b>26,319,742</b>	<b>25,950,816</b>	<b>26,137,010</b>	<b>27,487,924</b>	<b>20,668,568</b>	<b>24,714,561</b>	<b>24,491,256</b>
<b>Business-type activities:</b>								
Taxes	1,212,990	1,195,085	1,177,535	1,151,745	1,127,500	1,417,165	1,391,544	1,283,053
Investments earnings	41,540	124,673	567,393	1,105,838	965,611	515,633	233,063	251,160
Interest on advances to governmental funds	---	6,388	35,394	72,379	71,337	45,470	---	---
Gain (loss) on retirement of capital assets	4,678	147	(21,138)	497	5,888	920	102,393	---
Residual equity transfer - TID 3	---	---	---	---	---	5,625,000	---	---
Other revenues	40,950	14,598	2,255	926	891	1,154	1,796	4,019
<b>Total business-type activities general revenues and other changes in net assets</b>	<b>1,300,158</b>	<b>1,340,891</b>	<b>1,761,439</b>	<b>2,331,385</b>	<b>2,171,227</b>	<b>7,605,342</b>	<b>1,728,796</b>	<b>1,538,232</b>
<b>Total primary government general revenues and other changes in net assets</b>	<b>\$ 28,364,175</b>	<b>\$ 27,660,633</b>	<b>\$ 27,712,255</b>	<b>\$ 28,468,395</b>	<b>\$ 29,659,151</b>	<b>\$ 28,273,910</b>	<b>\$ 26,443,357</b>	<b>\$ 26,029,488</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>General Fund:</b>										
Reserved	\$ 2,018,827	\$ 2,060,963	\$ 2,225,144	\$ 1,720,549	\$ 1,393,672	\$ 1,420,694	\$ 1,265,001	\$ 913,235	\$ 803,826	\$ 414,196
Unreserved	6,076,505	6,034,369	5,870,188	6,374,783	6,701,660	8,244,768	9,467,706	10,259,625	9,593,610	9,191,308
<b>Total general fund</b>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>9,665,462</u>	<u>10,732,707</u>	<u>11,172,860</u>	<u>10,397,436</u>	<u>9,605,504</u>
<b>All Other Governmental Funds:</b>										
Reserved	30,420,048	14,826,220	12,438,231	12,916,336	12,507,588	11,588,421	18,938,216	18,272,528	8,084,832	16,493,281
<b>Unreserved, reported in:</b>										
Special Revenue funds	92,872	91,966	304,130	23,631	1,172	5,628	8,259	92,540	84,728	78,601
Capital Projects funds	6,161,907	3,429,420	5,917,809	5,742,738	6,519,125	6,104,382	5,209,549	8,058,729	12,308,663	15,162,175
<b>Total all other governmental funds</b>	<u>36,674,827</u>	<u>18,347,606</u>	<u>18,660,170</u>	<u>18,682,705</u>	<u>19,027,885</u>	<u>17,698,431</u>	<u>24,156,024</u>	<u>26,423,797</u>	<u>20,478,223</u>	<u>31,734,057</u>
<b>Total all governmental funds</b>	<b><u>\$ 44,770,159</u></b>	<b><u>\$ 26,442,938</u></b>	<b><u>\$ 26,755,502</u></b>	<b><u>\$ 26,778,037</u></b>	<b><u>\$ 27,123,217</u></b>	<b><u>\$ 27,363,893</u></b>	<b><u>\$ 34,888,731</u></b>	<b><u>\$ 37,596,657</u></b>	<b><u>\$ 30,875,659</u></b>	<b><u>\$ 41,339,561</u></b>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

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

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Revenues	\$ 36,285,708	\$ 35,891,953	\$ 36,241,840	\$ 38,592,606	\$ 36,875,263	\$ 35,579,930	\$ 33,489,213	\$ 33,556,424	\$ 33,522,346	\$ 34,638,830
Expenditures	54,945,695	43,637,373	47,573,059	38,696,476	41,293,845	40,532,576	48,650,981	51,830,426	78,432,944	42,499,399
<b>Deficiency of revenues under expenditures</b>	<b>(18,659,987)</b>	<b>(7,745,420)</b>	<b>(11,331,219)</b>	<b>(103,870)</b>	<b>(4,418,582)</b>	<b>(4,952,646)</b>	<b>(15,161,768)</b>	<b>(18,274,002)</b>	<b>(44,910,598)</b>	<b>(7,860,569)</b>
Other financing sources (uses) and other Changes in fund balances	<u>36,987,208</u>	<u>7,432,856</u>	<u>11,308,684</u>	<u>(241,310)</u>	<u>4,177,906</u>	<u>(2,572,192)</u>	<u>12,453,842</u>	<u>24,995,000</u>	<u>34,446,696</u>	<u>19,230,035</u>
<b>Total change in fund balance</b>	<b><u>\$ 18,327,221</u></b>	<b><u>\$ (312,564)</u></b>	<b><u>\$ (22,535)</u></b>	<b><u>\$ (345,180)</u></b>	<b><u>\$ (240,676)</u></b>	<b><u>\$ (7,524,838)</u></b>	<b><u>\$ (2,707,926)</u></b>	<b><u>\$ 6,720,998</u></b>	<b><u>\$ (10,463,902)</u></b>	<b><u>\$ 11,369,466</u></b>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

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

	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Taxes	\$ 24,474,550	\$ 23,618,142	\$ 22,520,264	\$ 23,473,017	\$ 22,451,038	\$ 21,704,988	\$ 20,375,152	\$ 20,475,023	\$ 19,661,217	\$ 18,822,279
Payment in lieu of tax	1,200,836	1,110,169	1,002,460	980,285	962,261	981,345	1,055,177	974,576	1,024,574	1,002,664
Special assessment & interest	156,193	271,814	303,739	370,858	416,269	488,565	247,651	1,039,210	2,521,840	1,619,563
Licenses and permits	1,102,585	877,195	875,180	1,047,884	1,058,018	1,109,962	1,190,990	1,075,685	762,208	827,252
Fines and penalties	755,247	662,503	661,095	611,749	602,289	559,558	564,392	554,470	485,949	450,054
Intergovernmental aid	3,355,012	3,821,062	3,714,531	4,129,207	4,795,658	4,697,857	4,800,207	4,749,409	4,363,982	5,188,276
Program revenues	1,410,802	1,244,290	1,492,130	119,856	124,012	145,726	159,083	144,874	---	---
Other charges for service	3,346,548	3,472,847	3,448,579	4,844,268	3,707,532	3,451,237	3,209,732	3,120,614	2,694,763	3,266,964
Interest income	120,726	222,381	1,073,689	2,110,216	1,997,467	1,293,674	660,851	560,412	1,122,988	2,401,122
Interest on advances	112,724	84,728	85,392	69,525	60,164	46,364	52,761	64,310	---	---
Other revenue	250,485	506,822	1,064,781	835,741	700,555	1,100,654	1,173,217	797,841	884,825	1,060,656
<b>Total revenues</b>	<b>\$ 36,285,708</b>	<b>\$ 35,891,953</b>	<b>\$ 36,241,840</b>	<b>\$ 38,592,606</b>	<b>\$ 36,875,263</b>	<b>\$ 35,579,930</b>	<b>\$ 33,489,213</b>	<b>\$ 33,556,424</b>	<b>\$ 33,522,346</b>	<b>\$ 34,638,830</b>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Current:</b>										
General government	\$ 3,642,621	\$ 3,462,236	\$ 3,461,298	\$ 3,622,525	\$ 3,654,109	\$ 3,819,230	\$ 3,567,653	\$ 3,755,867	\$ 3,664,415	\$ 3,450,426
Public safety	13,440,800	13,087,197	12,648,113	11,976,449	11,611,690	11,254,135	10,608,426	10,676,457	9,115,607	8,386,673
Public works	6,905,932	6,390,586	8,627,095	6,112,332	6,762,634	8,033,495	7,881,347	5,478,937	4,817,698	4,877,645
Culture and recreation	2,792,380	2,933,828	2,646,871	2,792,883	2,700,236	2,518,928	2,407,810	2,716,621	2,341,205	2,220,541
Conservation and development	1,645,679	4,245,049	5,970,587	1,215,791	1,152,259	1,189,051	1,562,005	1,944,069	1,547,872	2,578,067
Interest on advances	73,900	60,068	86,249	102,867	92,464	55,006	11,861	14,421	---	---
Loss on defeasance of debt	---	---	---	---	---	108,122	---	---	---	---
Loss on refunding of debt	---	---	---	---	---	144,726	---	---	---	---
Debt issuance costs	692,884	90,750	68,243	11,500	10,000	75,335	---	---	---	---
Capital outlay	10,597,430	2,730,380	1,532,375	1,909,765	2,382,325	1,565,208	3,207,202	4,883,121	26,631,209	13,113,592
<b>Debt service:</b>										
Principal	12,688,416	8,027,416	9,913,506	8,073,002	9,781,450	8,389,341	16,035,979	19,077,765	26,702,042	5,139,868
Interest and fiscal charges	2,465,653	2,609,863	2,618,722	2,879,362	3,146,678	3,379,999	3,368,698	3,283,168	3,612,896	2,732,587
<b>Total expenditures</b>	<b>\$ 54,945,695</b>	<b>\$ 43,637,373</b>	<b>\$ 47,573,059</b>	<b>\$ 38,696,476</b>	<b>\$ 41,293,845</b>	<b>\$ 40,532,576</b>	<b>\$ 48,650,981</b>	<b>\$ 51,830,426</b>	<b>\$ 78,432,944</b>	<b>\$ 42,499,399</b>
Debt service as a percentage of noncapital expenditures	<u>34.17%</u>	<u>26.00%</u>	<u>27.22%</u>	<u>29.77%</u>	<u>33.22%</u>	<u>30.20%</u>	<u>42.70%</u>	<u>47.63%</u>	<u>58.52%</u>	<u>26.79%</u>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Operating transfers in	\$ 15,010,073	\$ 7,471,082	\$ 11,304,685	\$ 10,331,806	\$ 10,139,049	\$ 9,668,403	\$ 9,986,597	\$ 6,894,647	\$ 9,007,299	\$ 6,587,046
Operating transfers out	(15,010,073)	(7,471,082)	(11,304,685)	(10,331,806)	(10,139,049)	(9,668,403)	(9,986,597)	(6,894,647)	(9,007,299)	(6,587,046)
Residual equity transfer	---	---	---	---	---	(5,625,000)	---	---	---	---
Proceeds from sale of capital assets	32,391	87,106	66,341	41,560	32,847	63,112	28,842	---	---	---
Fair market of bond/notes issued	32,025,000	7,255,000	11,174,100	1,750,000	2,295,059	2,940,000	3,025,000	23,570,000	34,446,696	19,230,035
Fair market of refunding bonds issued	4,080,000	---	---	---	1,850,000	3,420,000	9,400,000	1,425,000	---	---
Payment to refunding escrow agent	---	---	---	---	---	(3,420,000)	---	---	---	---
Debt issuance premiums	849,817	90,750	68,243	11,500	---	49,696	---	---	---	---
Distribution upon closure of TID	---	---	---	(2,044,370)	---	---	---	---	---	---
<b>Total other financing sources (uses) and other changes in fund balance</b>	<b>\$ 36,987,208</b>	<b>\$ 7,432,856</b>	<b>\$ 11,308,684</b>	<b>\$ (241,310)</b>	<b>\$ 4,177,906</b>	<b>\$ (2,572,192)</b>	<b>\$ 12,453,842</b>	<b>\$ 24,995,000</b>	<b>\$ 34,446,696</b>	<b>\$ 19,230,035</b>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

**Assessed and Actual Value of Taxable Property**  
**Last Ten Years**

As of January 1	Real Property		Personal Property		Total Assessed Value	Total Direct Tax Rate	Total Taxable Equalized Value	Assessment Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2010	\$ 4,224,701,290	\$ 4,291,691,236	\$ 143,615,590	\$ 145,892,864	\$ 4,368,316,880	3.94	\$ 4,437,584,100	0.9844
2009	4,169,912,100	4,438,094,157	142,107,780	151,247,243	4,312,019,880	4.01	4,589,341,400	0.9396
2008	4,119,463,500	4,486,663,248	136,375,450	148,531,652	4,255,838,950	3.70	4,635,194,900	0.9182
2007	4,035,948,800	4,381,105,713	118,740,890	128,895,687	4,154,689,690	3.67	4,510,001,400	0.9212
2006	3,968,013,000	4,115,002,545	120,980,500	125,462,055	4,088,993,500	3.53	4,240,464,600	0.9643
2005	3,858,494,200	3,819,932,659	112,686,624	111,560,441	3,971,180,824	3.40	3,931,493,100	1.0101
2004	3,117,805,500	3,455,036,776	117,026,932	129,684,919	3,234,832,432	4.08	3,584,721,695	0.9024
2003	3,039,525,100	3,252,568,325	126,914,829	135,810,411	3,166,439,929	4.08	3,388,378,736	0.9345
2002	2,992,745,433	2,980,822,144	139,141,560	133,789,962	3,131,886,993	4.32	3,114,612,106	1.0055
2001	2,226,658,170	2,749,760,517	111,527,159	147,456,083	2,338,185,329	6.00	2,897,216,600	0.8070

**Assessed Valuations by District - 2010**

Menomonee Falls School District	\$ 3,422,839,330
Hamilton Sussex School District	<u>945,477,550</u>
<b>Total assessed value</b>	<b><u>\$ 4,368,316,880</u></b>

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 auditor's report.

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

**Property Value and Construction Data**  
**Last Ten Years**

<b>Year</b>	<b>(1) Assessed Property Value</b>				<b>(2) Residential Construction</b>	<b>(2) Nonresidential Construction</b>		
	<b>Residential</b>	<b>Commercial &amp; Manufacturing</b>	<b>Agricultural, Swamp &amp; Other</b>	<b>Total</b>		<b>Number of Permits</b>	<b>Value</b>	
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	1,216,139,000	18,558,000	4,169,912,100	439	15,597,552	77	21,646,277
2008	2,907,864,700	1,193,039,000	18,559,800	4,119,463,500	512	23,265,366	124	36,638,397
2007	2,852,106,400	1,165,371,000	18,471,400	4,035,948,800	620	36,233,175	171	51,104,339
2006	2,771,644,900	1,177,812,000	18,556,100	3,968,013,000	555	37,692,541	137	49,634,513
2005	2,689,249,600	1,150,584,300	18,660,300	3,858,494,200	727	52,399,157	98	45,253,684
2004	2,134,500,000	971,431,600	11,873,900	3,117,805,500	762	61,217,146	68	38,232,767
2003	2,074,663,600	952,622,100	12,239,400	3,039,525,100	705	42,720,507	95	29,545,400
2002	2,019,153,400	961,004,233	12,587,800	2,992,745,433	752	38,996,029	113	23,345,280
2001	1,528,207,400	687,599,070	10,851,700	2,226,658,170	673	30,261,353	115	54,213,888

(1) Values from Statement of Assessment.

(2) From Village Zoning and Inspection Department records.

See independent auditor's report.

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

**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
(Per \$1,000 of Assessed Valuation)

For Fiscal Year	Village Direct Rates						Overlapping Rates						Net Tax Rate		
	Basic Rate	General Obligation Debt Service Rate	Library Operations & Maint	Sewer Capital Costs	Storm Water Costs	Total Direct	State of Wisconsin	Waukesha County	Falls School District	Sussex Hamilton School District	Waukesha County Technical College	School Tax Credit	Menomonee Falls Schoold District	Sussex Hamilton School District	
2011	3.94	0.54	0.41	0.07	0.21	5.17	0.17	2.00	11.88	10.41	1.25	(1.69)	18.78	17.31	
2010	4.01	0.52	0.41	0.07	0.21	5.22	0.18	1.99	11.50	10.12	1.23	(1.69)	18.43	17.05	
2009	3.70	0.78	0.41	0.07	0.21	5.17	0.19	1.95	10.65	10.12	1.20	(1.69)	17.47	16.94	
2008	3.67	0.72	0.41	0.07	0.21	5.08	0.18	1.93	10.20	9.01	1.18	(1.57)	17.00	15.81	
2007	3.53	0.89	0.41	0.07	0.21	5.11	0.18	1.90	9.70	9.05	1.15	(1.45)	16.59	15.94	
2006	3.40	0.97	0.43	0.08	0.21	5.09	0.19	1.94	9.46	8.78	1.16	(1.22)	16.62	15.94	
2005	4.08	1.19	0.51	0.09	0.25	6.12	0.22	2.34	12.28	11.98	1.40	(1.52)	20.84	20.54	
2004	4.08	1.05	0.52	0.09	0.26	6.00	0.21	2.35	11.57	11.95	1.42	(1.58)	19.97	20.35	
2003	4.32	0.92	0.52	0.10	0.22	6.08	0.20	2.31	11.70	10.87	1.41	(1.63)	20.07	19.24	
2002	6.00	1.56	---	0.13	---	7.69	0.25	3.00	15.11	13.80	1.81	(2.21)	25.65	24.34	

Source: Village Financial Services Department taxation records

Note: The Village completed revaluations of assessed values in 2002 and 2005. The increase in assessed values to approximately 100% of market value caused a significant decrease in the tax rate.

See independent auditor's report.

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

**Ten Largest Assessed Valuations**  
**Years 2010 and 2001**

<b>Name</b>	<b>Nature of Business</b>	<b>2010</b>			<b>2001</b>		
		<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Rank</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Rank</b>
Kohl's Department Stores	Retail, corporate headquarters	\$ 92,037,800	2.11%	1	\$ 47,720,300	2.04%	1
Woodland Prime LLC	Property management	40,690,300	0.93%	2	---	---	
Harley Davidson	Manufacturer of motor cycles	32,234,900	0.74%	3	20,849,600	0.89%	3
NHMC Land LLC	Real estate	21,163,800	0.48%	4	---	---	
Centerpoint Properties Trust	Property development	19,213,200	0.44%	5	---	---	
Wells Fargo Financial	Finance	19,165,730	0.44%	6	---	---	
Waste Management	Solid waste management	18,415,520	0.42%	7	9,339,500	0.40%	10
Arandell Corp	Publishing	17,676,100	0.40%	8	---	---	
Burke Business Park	Property development	16,945,000	0.39%	9	---	---	
Falls Medical Building Inc	Medical	15,632,400	0.36%	10	---	---	
Strong Capital Management	Investment services	---	---		31,147,000	1.33%	2
Jerome Bence Trust	Property development	---	---		14,139,700	0.60%	4
Lamplight Farms, Inc.	Candles and lighting	---	---		13,508,900	0.58%	5
Pick 'N Save Foods	Food store	---	---		12,276,900	0.53%	6
Duni Corporation	Manufacturer of paper products	---	---		12,413,100	0.53%	7
Wacker Corporation	Compaction machines and pumps	---	---		11,768,800	0.50%	8
Gillville LLC	Real estate	---	---		11,135,700	0.48%	9
<b>Total, ten largest taxpayers</b>		<b>293,174,750</b>	<b>6.71%</b>		<b>184,299,500</b>	<b>7.88%</b>	
Total, other taxpayers		<b>4,075,142,130</b>	<b>93.29%</b>		<b>2,153,885,829</b>	<b>92.12%</b>	
<b>Total assessed valuations</b>		<b>\$ 4,368,316,880</b>	<b>100.00%</b>		<b>\$ 2,338,185,329</b>	<b>100.00%</b>	

Source: Village Department of Assessing

See independent auditor's report.

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

**Property Tax Levies and Collections**  
**Last Ten Years**

<b>Levy Year</b>	<b>Taxes Levied</b>	<b>Collected Within the Year Levied for</b>			<b>Totals Collected to Date</b>		
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Subsequent Collections</b>	<b>Amount</b>	<b>Percentage of Levy</b>	
2009 for 2010	\$ 25,669,521	\$ 16,367,919	63.76%	\$ ---	\$ 16,367,919	63.76%	
2008 for 2009	24,786,337	14,435,548	58.24%	10,349,244	24,784,792	99.99%	
2007 for 2008	23,487,637	15,407,305	65.60%	8,076,438	23,483,743	99.98%	
2006 for 2007	24,588,117	16,275,646	66.19%	8,311,375	24,587,021	100.00%	
2005 for 2006	23,524,519	16,845,718	71.61%	6,675,500	23,521,218	99.99%	
2004 for 2005	23,346,155	14,338,695	61.42%	9,004,168	23,342,863	99.99%	
2003 for 2004	21,933,691	15,652,572	71.36%	6,266,640	21,919,212	99.93%	
2002 for 2003	21,877,138	16,605,936	75.91%	5,259,944	21,865,880	99.95%	
2001 for 2002	20,339,916	12,072,060	59.35%	8,262,820	20,334,880	99.98%	
2000 for 2001	19,501,956	13,641,716	69.95%	5,826,557	19,468,273	99.83%	

Source: Statements of taxes, Village Clerk Services Department and Waukesha County tax collection data

See independent auditor's 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		
	General Obligation Bonds & Notes	General Obligation BANS	Municipal Revenue Obligations	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	General Obligation Notes	Utility Mortgage Revenue BANS		Personal Income	Property Value	Per Capita
2010	\$ 57,671,315	\$ 18,930,000	\$ 8,200,000	\$ ---	\$ 6,270,000	\$ 2,478,293	\$ 3,633,685	\$ ---	\$ 97,183,293	5.37%	2.19%	\$ 2,809
2009	51,934,731	1,250,000	8,200,000	---	7,595,000	2,706,889	2,495,269	---	74,181,889	4.10%	1.62%	2,144
2008	53,957,147	3,100,000	5,100,000	---	14,130,000	2,931,618	1,702,853	---	80,921,618	4.36%	1.75%	2,339
2007	54,246,553	6,650,000	---	---	16,745,000	2,798,440	1,038,447	---	81,478,440	4.49%	1.81%	2,365
2006	60,073,382	6,650,000	---	592,187	19,320,000	1,482,270	1,149,941	---	89,267,780	5.10%	2.11%	2,620
2005	65,753,385	6,640,000	---	646,294	21,790,000	1,627,617	840,000	---	97,297,296	6.13%	2.47%	2,867
2004	70,955,983	6,640,000	---	972,732	30,010,000	1,768,403	---	615,000	110,962,118	7.36%	3.10%	3,297
2003	66,555,961	13,025,000	---	1,048,794	34,000,000	1,904,752	24,990	1,230,000	117,789,497	8.23%	3.48%	3,517
2002	64,909,787	8,750,000	---	1,122,147	35,925,000	2,036,804	59,233	1,845,000	114,647,971	8.23%	3.68%	3,450
2001	55,834,788	10,025,000	---	1,192,883	37,760,000	2,164,120	95,877	2,460,000	109,532,668	8.09%	3.78%	3,342

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

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

<u>Year</u>		<u>Gross General Outstanding Debt</u>	<u>Designated Funds for Debt Service</u>	<u>Net General Outstanding Debt</u>	<u>Ratio of Net General Obligation Debt to Equalized Value</u>	<u>Net General Obligation Debt Per Capita</u>
2010	\$	82,713,293	\$ 187,212	\$ 82,526,081	1.86%	\$ 2,385
2009		58,386,889	2,779	58,384,110	1.27%	1,687
2008		61,691,618	5,853	61,685,765	1.33%	1,783
2007		64,733,440	4,223	64,729,217	1.44%	1,879
2006		69,947,780	5,796	69,941,984	1.65%	2,053
2005		75,507,296	6,372	75,500,924	1.92%	2,225
2004		80,337,118	14,684	80,322,434	2.24%	2,386
2003		82,559,497	8,219	82,551,278	2.44%	2,465
2002		76,877,971	13,159	76,864,812	2.47%	2,313
2001		69,312,668	27,529	69,285,139	2.39%	2,114

Note: Gross General Outstanding Debt does not include Municipal Revenue Obligations.

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

**Sewer Utility Revenue Bond Coverage**  
**Last Ten Years**

<b>Year</b>	<b>Operating Revenue</b>	<b>Operating Expenses (A)</b>	<b>Operating Income</b>	<b>Debt Service Requirements</b>			<b>Coverage (C)</b>
				<b>Principal (B)</b>	<b>Interest</b>	<b>Total</b>	
2010	\$ 9,134,505	\$ 7,716,467	\$ 1,418,038	\$ 328,596	\$ 126,091	\$ 454,687	3.1187
2009	9,379,933	7,603,234	1,776,699	1,724,729	287,903	2,012,632	0.8828
2008	9,892,073	7,428,640	2,463,433	1,589,526	335,864	1,925,390	1.2794
2007	10,170,201	6,637,927	3,532,274	1,716,602	345,641	2,062,243	1.7128
2006	9,991,739	6,412,705	3,579,034	1,545,347	384,969	1,930,316	1.8541
2005	10,229,412	7,023,067	3,206,345	2,120,786	545,953	2,666,739	1.2023
2004	9,254,520	6,136,600	3,117,920	1,566,349	1,129,013	2,695,362	1.1568
2003	8,447,498	4,474,289	3,973,209	1,437,052	1,208,186	2,645,238	1.5020
2002	8,653,347	5,017,083	3,636,264	1,407,316	1,262,567	2,669,883	1.3620
2001	9,502,442	4,185,522	5,316,920	1,915,123	1,380,610	3,295,733	1.6133

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

- (A) Operating expenses before depreciation and tax equivalent paid to the Village.
- (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 GO Notes \$46,090 or \$3,860,000 early call of bonds.
  - 2005 principal does not include \$4,225,000 paid by Tax Incremental District #3.
  - 2004 principal does not include \$1,970,000 of principal paid from reserves on refinancing.
  - 2001 principal payments do not include \$595,000 extraordinary call.
  - 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 auditor's report.

**Waukesha County, Wisconsin**

**Water Utility Revenue Bond Coverage**  
**Last Ten Years**

<b>Year</b>	<b>Operating Revenue (A)(D)</b>	<b>Operating Expenses (B)</b>	<b>Operating Income</b>	<b>Debt Service Requirements</b>			<b>Coverage (C)</b>
				<b>Principal (E)</b>	<b>Interest</b>	<b>Total</b>	
2010	\$ 6,342,076	\$ 3,386,391	\$ 2,955,685	\$ 1,225,000	\$ 297,375	\$ 1,522,375	1.9415
2009	6,396,980	3,349,804	3,047,176	1,175,000	347,250	1,522,250	2.0018
2008	6,686,233	3,348,158	3,338,075	1,165,000	394,737	1,559,737	2.1402
2007	7,025,431	3,104,293	3,921,138	1,150,000	439,913	1,589,913	2.4663
2006	7,009,043	3,058,580	3,950,463	1,070,000	489,325	1,559,325	2.5334
2005	7,117,399	2,852,459	4,264,940	1,025,000	495,176	1,520,176	2.8056
2004	7,296,688	2,728,476	4,568,212	975,000	737,875	1,712,875	2.6670
2003	6,438,007	2,827,809	3,610,198	925,000	779,800	1,704,800	2.1177
2002	6,358,375	2,546,107	3,812,268	860,000	815,138	1,675,138	2.2758
2001	6,360,325	2,436,751	3,923,574	760,000	911,715	1,671,715	2.3470

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

- (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) Water rate increase of 37% as of September 18, 2000.
- (E) 2001 Principal payments do not include refinancing of \$6,110,000.  
 2005 Principal payments do not include refinancing of \$5,075,000.  
 2005 Principal payments do not include an early retirement of \$1,400,000.  
 Principal and interest do not include GO requirements

See independent auditor's report.

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

**Computation of Legal Debt Margin**  
**December 31, 2010**

Equalized value of real and personal property	\$ <u>4,437,584,100</u>
Debt limit, five percent of equalized valuation	\$ 221,879,205
Total obligation bonds and notes applicable to debt limit at December 31, 2010	<u>(80,235,000)</u> *
<b>Remaining legal debt margin</b>	<b>\$ <u>141,644,205</u></b>
<b>* Includes:</b>	
Sewer Utility portion of G.O. notes	\$ 368,720
Water Utility portion of G.O. notes	1,260,000
Storm Water Utility portion of G.O. notes	2,004,965
<b>Excludes:</b>	
Water Revenue Bonds and Revenue BANs	5,345,000
Sewer Revenue Bonds and Revenue BANs	925,000
Wisconsin Clean Water Fund Loans	2,478,293
TID #7 Municipal Revenue Obligation	5,100,000
TID #5 Municipal Revenue Obligation	3,100,000

**Historical Data**

<b>Year</b>	<b>Debt Limit</b>	<b>Debt Subject to Limit</b>	<b>Legal Debt Margin</b>	<b>Percentage of Legal Debt Limit</b>
2010	\$ 221,879,205	\$ 80,235,000	\$ 141,644,205	36.16%
2009	229,467,070	55,680,000	173,787,070	24.26%
2008	231,759,745	58,760,000	172,999,745	25.35%
2007	225,500,070	61,935,000	163,565,070	27.47%
2006	212,023,230	67,873,323	144,149,907	32.01%
2005	196,574,655	73,233,385	123,341,270	37.25%
2004	179,236,085	77,595,983	101,640,102	43.29%
2003	169,418,937	79,605,951	89,812,986	46.99%
2002	155,730,605	73,719,020	82,011,585	47.34%
2001	144,860,830	65,955,665	78,905,165	45.53%

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditor's report.

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

**Computation of Direct and Overlapping Debt**  
**December 31, 2010**

	<u>Total General Obligation Debt</u>	<u>Applicable to Village Percent</u>	<u>Amount</u>
Direct debt	\$ 80,235,000	100.00%	\$ 80,235,000
<b>Overlapping Debt:</b>			
Menomonee Falls School District	35,080,000	97.49%	34,199,492
Hamilton School District	14,355,000	32.43%	4,655,327
Waukesha County	79,930,000	8.56%	6,842,008
Waukesha County Technical College	<u>32,620,000</u>	8.36%	<u>2,727,032</u>
<b>Total overlapping debt</b>	<u>161,985,000</u>		<u>48,423,859</u>
<b>Total net direct and overlapping debt</b>	<u>\$ 242,220,000</u>		<u>\$ 128,658,859</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 through the taxes levied by these government agencies.

**Direct debt does not include the following:**

Mortgage Revenue Bonds and Revenue BANs	\$ 6,270,000
Clean Water Fund Loans	2,478,293
Municipal Revenue Obligations - TIDs	8,200,000

See independent auditor's report.

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

**Demographic and Economic Statistics**  
**Last Ten Years**

<b>Year</b>	<b>Population (1)</b>	<b>Unemployment Rates (2)</b>			<b>Per-Capita Income (3)</b>			<b>Total Income</b>		
		<b>Village of Menomonee</b>	<b>Falls</b>	<b>Waukesha County</b>	<b>State of Wisconsin</b>	<b>Waukesha County</b>	<b>State of Wisconsin</b>	<b>Village of Menomonee</b>	<b>Falls (4)</b>	
2010	34,600	6.6	%	7.0	%	7.4	%	\$ 52,276	\$ 36,815	\$ 1,808,749,600
2009	34,600	7.3		7.5		8.5		\$ 52,290	\$ 36,822	\$ 1,809,234,000
2008	34,600	3.8		3.9		4.8		\$ 53,636	\$ 37,770	\$ 1,855,805,600
2007	34,450	4.0		4.0		4.9		\$ 52,713	\$ 36,990	\$ 1,815,962,850
2006	34,070	3.8		3.6		4.9		\$ 51,351	\$ 35,644	\$ 1,749,528,570
2005	33,939	3.8		3.8		4.8		\$ 46,735	\$ 33,673	\$ 1,586,139,165
2004	33,660	3.8		3.9		4.9		\$ 44,789	\$ 32,721	\$ 1,507,597,740
2003	33,489	4.6		3.8		4.8		\$ 42,734	\$ 31,642	\$ 1,431,118,926
2002	33,233	4.3		4.5		5.5		\$ 41,931	\$ 30,797	\$ 1,393,492,923
2001	32,778	3.4		3.3		4.6		\$ 41,331	\$ 30,098	\$ 1,354,747,518

- (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 Waukesha County is an estimate).
- (4) Estimated based on population and Waukesha County per-capita income.

See independent auditor's report.

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

**Principal Employers**  
**Years 2010 and 2001**

<b><u>Employer</u></b>	<b>2010</b>		<b>2001</b>	
	<b><u>Employees</u></b>	<b>Percentage of All Employed in Village</b>	<b><u>Employees</u></b>	<b>Percentage of All Employed in Village</b>
Kohls Corporation	4,300	24.88%	2,700	14.90%
Community Memorial Hospital	1,528	8.84%	1,168	6.44%
Menomonee Falls School District	945	5.47%	983	5.42%
Harley Davidson	800	4.63%	936	5.16%
Arandell-Schmidt	750	4.34%	706	3.89%
Wells Fargo (formerly Strong Capital Management)	648	3.75%	1,506	8.31%
Medical Associates	590	3.41%	---	0.00%
Bradley Corporation	347	2.01%	302	1.67%
Alto-Schaam	330	1.91%	340	1.88%
Maysteel	291	1.68%	---	0.00%
Wacker Neuson Corporation	286	1.65%	700	3.86%
Linden Grove	261	1.51%	---	0.00%
Village of Menomonee Falls	222	1.28%	298	1.64%
Bank One	---	0.00%	770	4.25%
Citation Custom Products	---	0.00%	543	3.00%
All other employers	5,987	34.64%	7,174	39.58%
<b>Total Employment</b>	<b><u>17,285</u></b>	<b><u>100.00%</u></b>	<b><u>18,126</u></b>	<b><u>100.00%</u></b>

Source: State of Wisconsin Department of Workforce Development

See independent auditor's report.

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

**Full-Time Equivalent Employees By Function**  
**Last Ten Years**

<b>Function</b>	<b>Year</b>									
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
General government and administration	33	34	36	41	44	47	48	48	47	48
Public Safety	100	104	105	104	105	103	103	103	106	104
Public Works	26	30	32	34	35	34	34	37	40	40
Culture and recreation	27	25	29	30	30	30	27	25	26	26
Conservation and Development	14	18	17	22	24	24	24	23	25	25
Sanitary Sewer	4	6	5	4	4	4	4	4	4	4
Water Utility	17	17	15	16	16	16	16	16	14	14
Storm Water Utility	1	1	1	1	1	1	1	1	-	-
<b>Totals</b>	<b>222</b>	<b>235</b>	<b>240</b>	<b>252</b>	<b>259</b>	<b>259</b>	<b>257</b>	<b>257</b>	<b>262</b>	<b>261</b>

Source: Financial Services Budget Documents

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>General Government:</b>										
Number of employees	33	34	36	41	44	47	48	48	47	48
Registered voters	25,180	24,697	24,697	23,670	23,176	23,380	23,322	20,793	18,819	21,686
<b>Public Safety:</b>										
<b>Police:</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	69	70	70	69	69	70	70	70	73	73
Crimes	433	403	550	691	703	545	587	585	596	576
Number of violations/enforcement	21,797	22,039	18,189	17,047	16,715	15,967	16,397	15,123	16,586	14,130
Accidents	510	557	877	928	832	899	881	931	893	844
<b>Fire:</b>										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of employees	21	21	22	22	22	20	20	20	18	18
Number of fires	59	72	76	73	73	51	46	75	67	67
Rescue and EMS	1,864	1,814	1,905	1,761	1,669	1,559	1,524	1,466	1,362	1,424
Hazardous conditions	96	103	100	96	92	91	87	77	109	99
<b>Dispatch:</b>										
Number of employees	13	13	13	13	13	13	13	13	13	14
Number of event calls	43,027	65,562	65,562	65,562	61,134	77,444	81,418	81,455	84,281	80,718
<b>Public Works:</b>										
Number of employees	26	30	32	34	35	34	34	37	40	40
Miles of streets and roads-Village owned	230	207	207	207	206	205	202	200	205	197
Miles - All roads, State, County, Village	294	249	249	248	247	246	244	241	237	231

Source: Village departments

See independent auditor's report.

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

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Culture and recreation:</b>										
<b>Library:</b>										
Number of employees	21	16	16	18	18	18	15	15	15	15
Volumes	124,337	123,099	138,427	146,998	132,092	125,966	122,395	114,017	105,195	99,219
Circulation	371,600	381,864	364,541	369,263	390,962	385,650	383,038	372,037	313,729	315,338
<b>Parks:</b>										
Number of employees	6	4	8	9	10	10	10	10	10	11
Number of parks	11	8	8	8	8	7	7	7	6	6
Acres of parkland - Village owned	1,525	1,508	1,508	1,506	1,458	1,016	1,016	1,016	900	900
Acres of parkland - County owned	621	544	544	544	544	546	546	546	550	550
<b>Conservation and Development:</b>										
Number of employees	14	18	17	22	24	24	23	21	25	25
Number of permits issued	745	516	636	791	692	825	830	800	865	788
Permit value	60,039,501	37,243,829	59,903,763	87,337,514	87,327,054	97,652,841	99,449,913	72,265,907	62,341,309	84,475,241
<b>Water Utility:</b>										
Number of employees	17	17	15	16	16	16	16	16	14	14
Number of customers	11,802	11,755	11,707	11,641	11,559	11,400	11,215	10,944	10,722	10,481
Gallons pumped annually (in thousands)	1,176,398	1,260,820	1,038,142	1,055,982	1,042,303	1,254,296	1,102,647	1,086,967	1,102,952	1,079,301
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	2,780	2,773	2,692	2,675	2,639	2,598	2,551	2,488	2,387	2,346
Miles of mains	218	220	216	215	212	208	205	201	194	191
<b>Sewer Utility:</b>										
Number of employees	4	6	5	4	4	4	4	4	4	4
Number of customers	11,571	10,853	10,824	10,771	10,671	10,537	10,415	10,211	10,079	9,900
Gallons pumped annually (in thousands)	808,422	853,332	888,214	903,862	896,011	963,149	969,846	951,101	957,097	939,824
Number of lift stations	10	8	8	8	7	6	6	4	4	4
Miles of main	212	212	208	208	205	202	199	194	190	186
<b>Storm Water Utility:</b>										
Number of employees	1	1	1	1	1	1	1	1	-	-
Number of retention basins	10	10	10	10	10	10	10	10	9	NA
Miles of storm main	141	140	126	126	117	115	112	107	104	NA

Source: Village departments  
NA - Information is not available

See independent auditor's report.