
VILLAGE OF MENOMONEE FALLS 2024 FINANCIAL RESULTS

SUMMARY PRESENTATION





ANNUAL FINANCIAL REPORT



ANNUAL FINANCIAL REPORT

- Report on the financial position of the Village as of 12/31/24 and the results of 2024 operations
- Required to be prepared and audited annually
 - Compliance with accounting standards
 - Second year with audit firm, Baker Tilly
- Will be included on the Village website

MAJOR REPORT COMPONENTS

- Independent Auditor's Report
- Financial Statements
 - Statement of Net Position
 - Assets – what the Village owns or controls
 - Liabilities – what the Village owes
 - Net Position – what remains after the assets have been used to meet the liabilities
 - Statement of Activities
 - Revenues, expenses and results for a fiscal year
- Footnotes (plus other required statements)

FUND TYPES

Most of our funds fall into two categories:

Governmental Funds

- Focused on reporting the results of specific activities
- Largely supported by taxes
- Examples – General Fund, Municipal Facilities & Equipment Fund

Enterprise Funds

- Operate like a business where service fees provide a majority of the revenues to keep the fund operating
- Examples – Water Utility, Sewer Utility, Storm Water Utility, Solid Waste Collection



GENERAL FUND

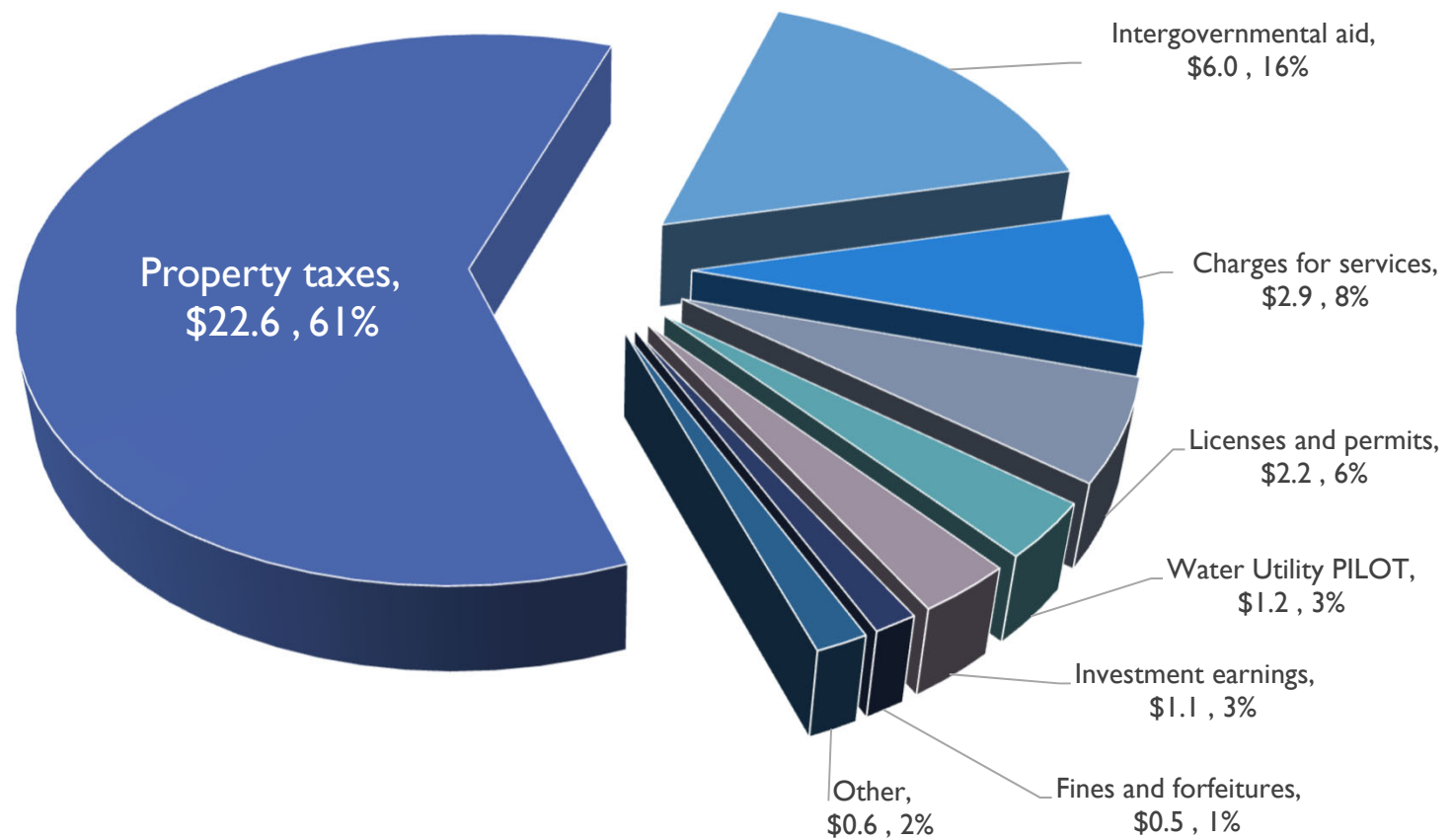


GENERAL FUND

- Main operating fund of the Village which includes:
 - Public Safety (Police, Fire, EMS)
 - Public Works (Street, building & equipment maintenance)
 - Culture & Recreation (Parks, Old Falls Village)
 - Conservation & Development (Engineering, Permits, Planning, Zoning)
 - General Government Supportive Services
 - Village Manager, Attorney, Court, Clerk Services, Human Resources, Building Maintenance, Financial Services, IT

GENERAL FUND REVENUES (\$37.1 million)

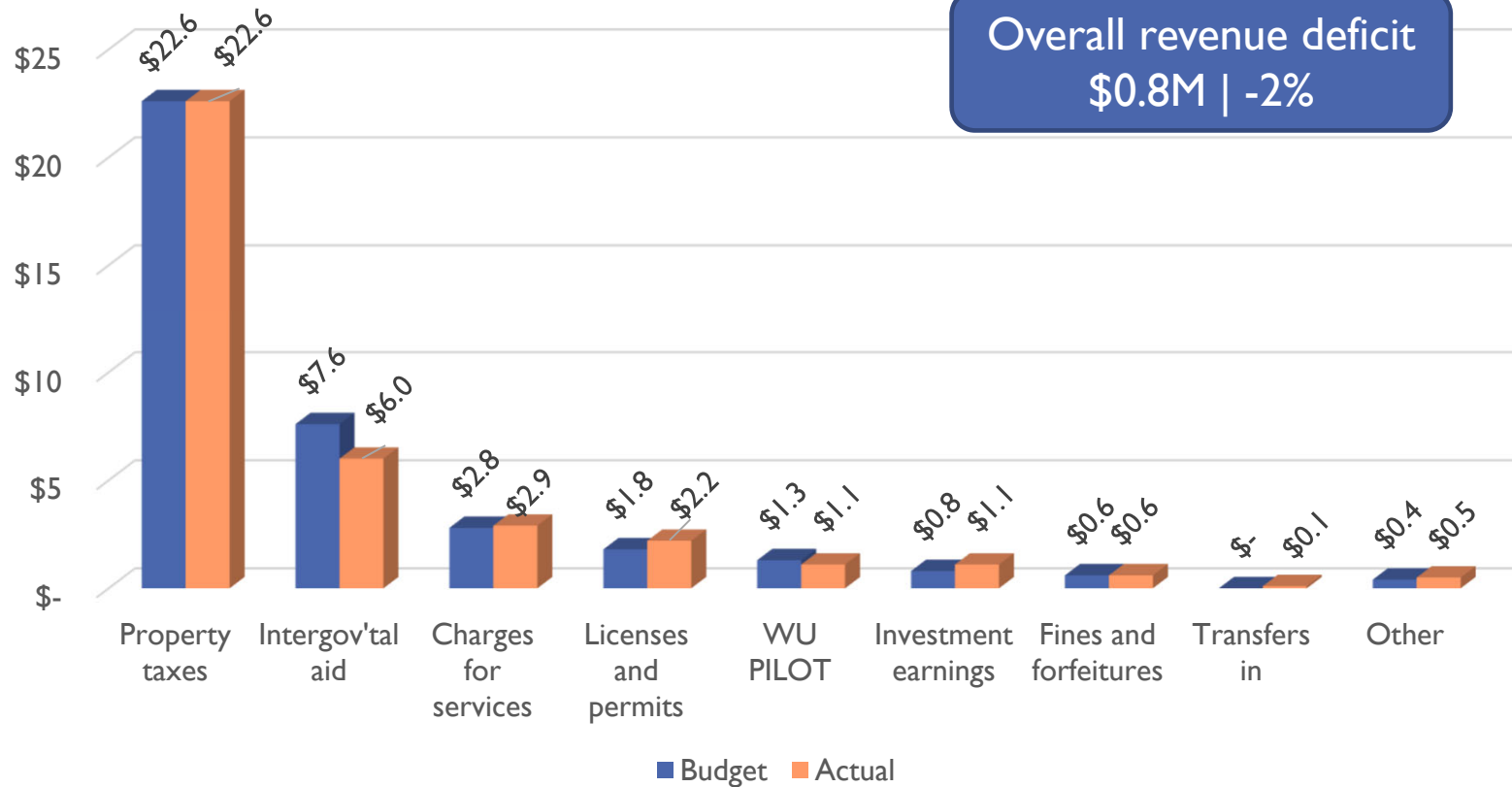
Numbers shown in millions



GENERAL FUND

REVENUES (Budget vs Actual)

Numbers shown in millions



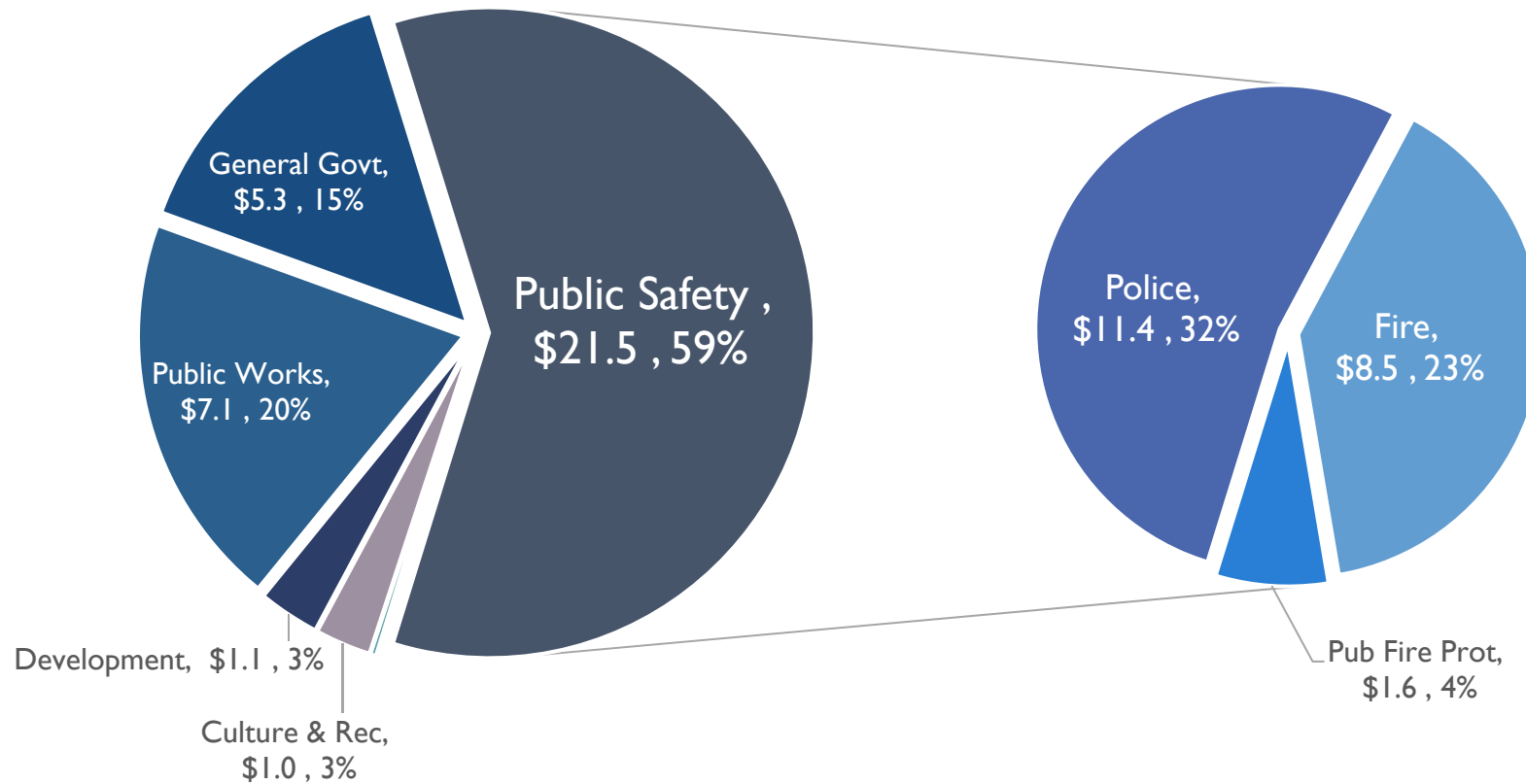
GENERAL FUND

REVENUES (Budget vs Actual)

- Budget to actual variances driven by
 - (+) \$0.4M Building permits
 - (+) \$0.2M Interest income
 - (+) \$0.2M Project & subdivision review fees
 - (+) \$0.1M Transfer from Muni Facility fund for non-federal portion of Assistance to Firefighters Grant
 - (-) \$1.5M SAFER grant revenue deferred to 2025
 - (-) \$0.2M Net ambulance fee revenue
 - Increase in fee revenue offset by insurance adjustments

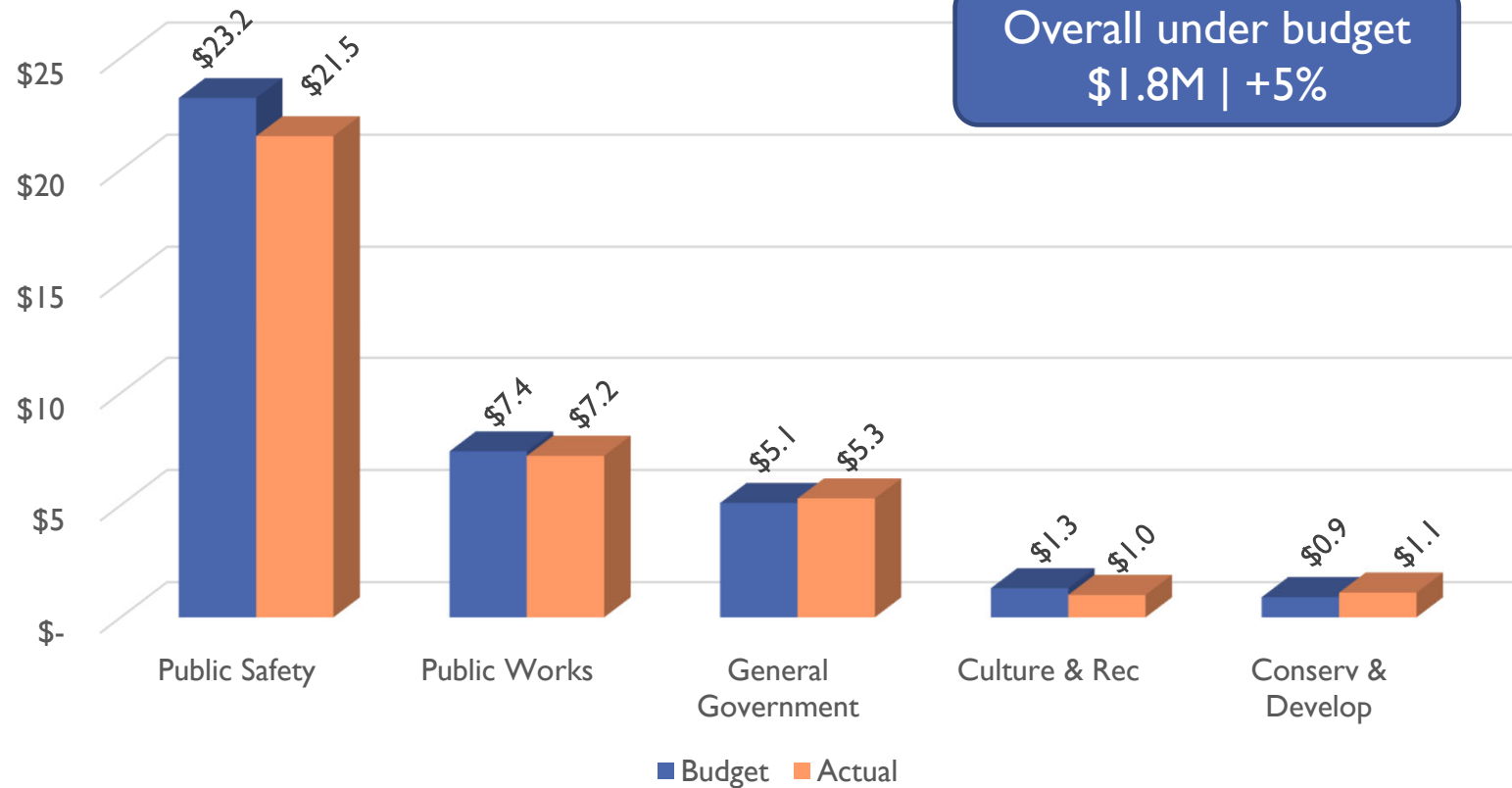
GENERAL FUND EXPENDITURES (\$36.1 million)

Numbers shown in millions



GENERAL FUND EXPENDITURES (Budget vs Actual)

Numbers shown in millions



GENERAL FUND

EXPENDITURES (Budget vs Actual)

- Savings occurred in several areas including:
 - \$1.0M Fire – Part time wages; Union OT
 - \$0.7M Police – Unfilled positions
 - \$0.2M Park operations
 - \$0.2M Sand/salt purchases
- The most significant overages occurred in:
 - \$0.2M HR – Salaries
 - \$0.2M Building inspector
 - \$0.1M Equip Maint – Salaries

GENERAL FUND SURPLUS



Fund balance (beginning of year)	\$ 10.8
Change in fund balance	1.0 *
Fund balance (December 31, 2024)	\$ 11.7

**\$800K earmarked for emergency expenditures due to August 2025 flooding*

Unassigned fund balance	\$ 9.2
Divided by monthly expenditures (based on 2024 bu	3.2
= Months of working capital	2.9

Best practice is to maintain around three months of budgetary expenditures in reserve



MUNICIPAL FACILITIES & EQUIPMENT FUND



MUNICIPAL FACILITIES & EQUIPMENT FUND (MFEF)

Numbers shown in millions

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues	\$ 3.7	\$ 2.8	\$ 2.5
Expenditures	(3.9)	(2.8)	(0.3)
Other financing sources (uses)	4.4	(1.1)	(1.2)
Net change in fund balance	\$ 4.2	\$ (1.0)	\$ 1.0

- Landfill tipping fees are the major revenue source for the MFEF
- Spending is focused on capital projects and minor equipment purchases
- Other financing sources and uses include proceeds from debt and debt service payments
- The intention for the future is to use MFEF funds as an internal revolving loan fund available to the Village for annual capital budgets



WATER UTILITY



WATER UTILITY COMMENTS

- The Water Utility is governed by the Wisconsin Public Service Commission (PSC)
 - Rates were updated as of January 1, 2017 in response to an increase in Milwaukee's wholesale supply rates
 - Water rate case study with the PSC will begin in 2025, effective in 2026
- The Water Utility completed the year with positive results
 - Important to maintain historical positive trend to continue funding infrastructure projects

WATER UTILITY INCOME STATEMENT HIGHLIGHTS

Numbers shown in millions

	2024	2023	2022
User service charges	\$ 7.2	\$ 7.4	\$ 6.8
Operating expenses (less depreciation, plus PILOT)	5.8	6.2	5.4
Operating income	1.4	1.2	1.4
Net nonoperating revenues (less contributions)	2.4	1.8	3.6
Net income (less depreciation and contributions)	\$ 3.8	\$ 3.0	\$ 5.0

Financial Statement Reconciling Info:

Depreciation expense	\$ (2.2)	\$ (2.2)	\$ (2.0)
Capital contributions	0.6	3.1	1.0

WATER UTILITY MAJOR EXPENSES

- Around 90% of the Village's water supply comes from Milwaukee
 - The Water Utility paid \$2.1 million to Milwaukee for water in 2024, roughly the same from the prior year
- The Utility also paid \$1.1 million in tax equivalent charges to the Village in 2024
 - This amount is determined based on a PSC formula



SEWER UTILITY



SEWER UTILITY COMMENTS

- Cash reserves did not grow for the first time since the fee increase in 2020
 - The need for additional rate increases is evaluated annually
 - Internal sewer rate study will begin in 2025, effective in 2026
- \$8.9 million was paid to MMSD for contracted services in 2024, a \$1.3 million increase from 2023
 - MMSD volume charges increased \$0.3 million (12%)
 - MMSD fixed capital charges increased \$0.9 million (19%)

SEWER UTILITY INCOME STATEMENT HIGHLIGHTS

Numbers shown in millions

	2024	2023	2022
User service charges	\$ 10.7	\$ 10.1	\$ 9.6
Operating expenses (less depreciation)	10.6	10.2	9.0
Operating income	0.1	(0.1)	0.6
Net nonoperating revenues (less contributions)	0.8	1.4	0.6
Net loss (less depreciation and contributions)	\$ 0.9	\$ 1.3	\$ 1.2

Financial Statement Reconciling Info:

Depreciation expense	\$ (1.6)	\$ (1.6)	\$ (1.6)
Capital contributions	0.6	3.6	1.2



STORM WATER UTILITY



SEWER UTILITY COMMENTS

- A Storm Water Utility fee was implemented in the first quarter of 2024
- Infrastructure and operating demands for the near future are significant and could no longer be supported within levy limits

STORM WATER UTILITY

INCOME STATEMENT HIGHLIGHTS

Numbers shown in millions

	2024	2023	2022
User service charges	\$ 2.1	\$ -	\$ -
Property taxes and permit fees	-	1.0	1.0
Operating expenses (less depreciation)	1.0	1.0	0.8
Operating income	1.1	(0.0)	0.1
Net nonoperating revenues (less contributions)	(0.1)	(0.1)	(0.1)
Net income (less depreciation and contributions)	\$ 1.0	\$ (0.1)	\$ 0.1

Financial Statement Reconciling Info:

Depreciation expense	\$ (0.9)	\$ (0.9)	\$ (0.8)
Capital contributions	0.6	2.6	1.0

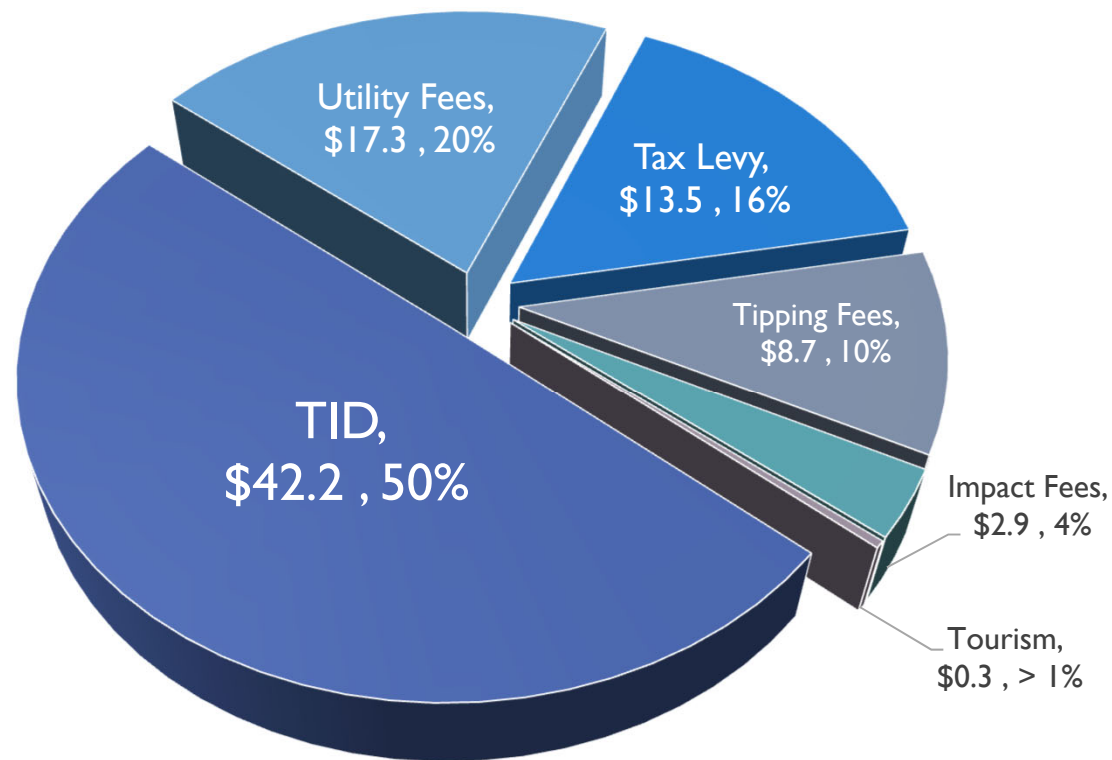


OUTSTANDING DEBT



OUTSTANDING DEBT BY REVENUE SOURCE (\$85.0 million)

Numbers shown in millions



GO debt rated Aa2 by Moody's