

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

**Comprehensive Annual Financial Report
Year Ended December 31, 2011**

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2011

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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

July 10, 2012

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, 2011 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, 2011. 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 35,675 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

VILLAGE PROFILE (continued)

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

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. 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.

In 2011, According to MTD Marketing Services of Wisconsin Inc., Menomonee Falls had the highest average value for new homes in the State of Wisconsin, of all communities that constructed more than 25 houses. Housing starts in 2011 marked a decrease when compared to the previous year; however, the Village still accounted for nearly 8% of all the new home construction in Waukesha County (33 of the 428). The high average home value and consistent volume of new construction reinforces the strong demand for property in the Village.

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 2011 for projects in the TIDs. During 2011 the Village created two new TID's, #10 along Appleton Avenue, and #11 which contains properties owned by Wacker Neuson Production Americas, LLC. Eaton Corporation has already made plans to relocate their research and development to a new facility in TID #10 and Wacker Neuson North American is committed to expansion plans in TID #11.

Management ceaselessly strives to continue the trend of increasing equalized values. Such efforts are evidenced by a 10% increase in 2011 permit revenue, a positive sign of economic improvement. The Village's 6.2% unemployment rate is well below that of the State of Wisconsin's 7.5%. We expect these percentages to improve in the future as projects are completed. Additionally, the Village's manufacturing assessed real estate value in 2011 ranked third in the State. With over \$300 million in manufacturing assessed value, Menomonee Falls only trails Milwaukee and Green Bay. From a growth perspective, the Village features the second highest rate of industrial assessed value growth over the previous year (4.12%) when compared to the other nine top valued municipalities.

Financial Policies

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

The Village Board is committed to maintaining an unassigned General Fund balance equal to a minimum of two months of operating expenditures. As of December 31, 2011, the unassigned General Fund balance approximated 3.5 months of 2012 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.

FACTORS AFFECTING FINANCIAL CONDITION

Financial Planning

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

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

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Menomonee Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2010. 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.

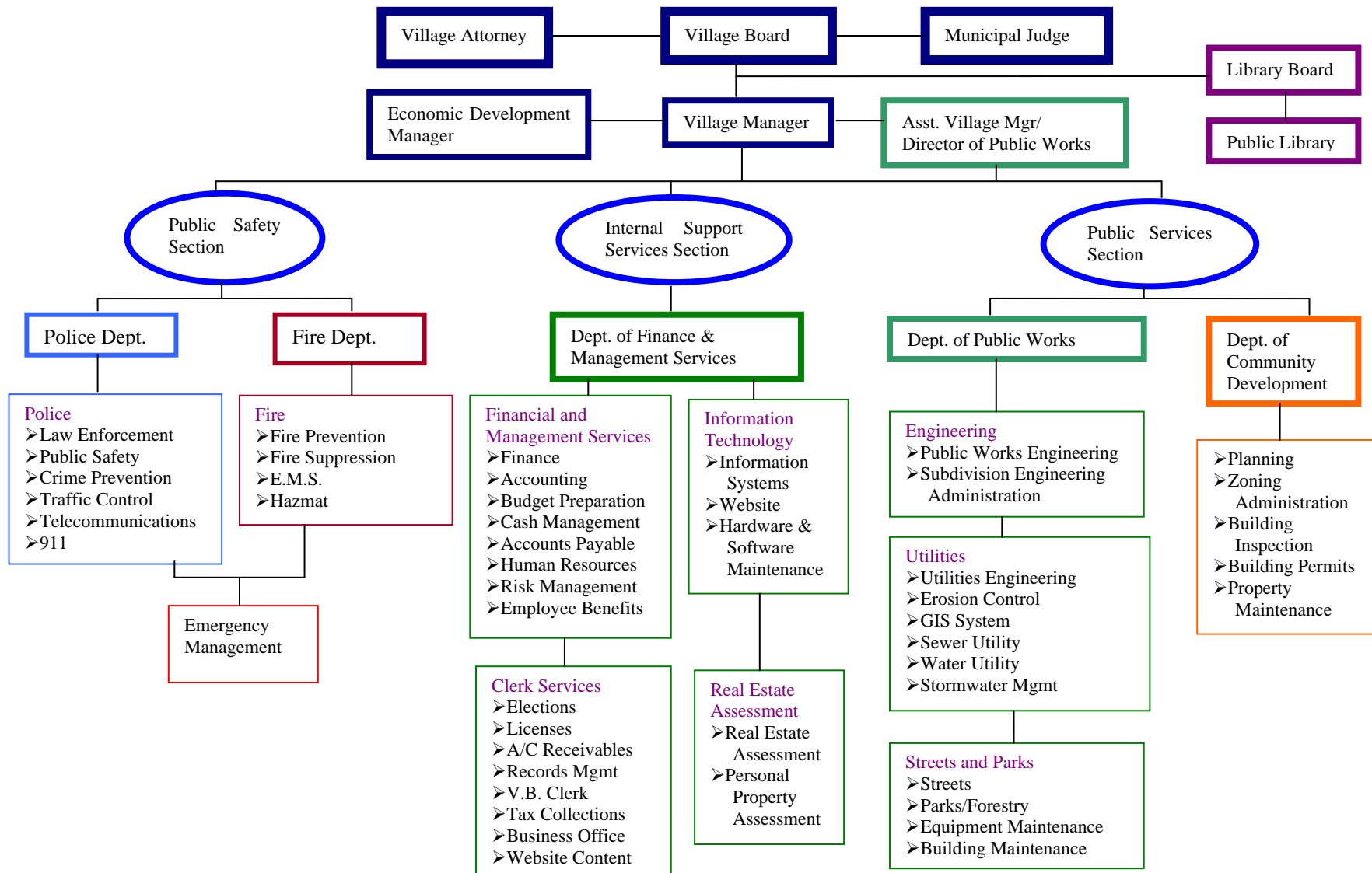
Respectfully submitted,

A handwritten signature in black ink, reading "Jason Kaczmarek". The signature is fluid and cursive, with the first name "Jason" and last name "Kaczmarek" clearly legible.

Jason A Kaczmarek, CPA
Finance Director

VILLAGE OF MENOMONEE FALLS

Functional Organization Chart



VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Directory of Officials
As of December 31, 2011

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
Randall R. Newman	President	April 2012
Michael K. McDonald	Trustee	April 2013
Jeffrey R. Steliga	Trustee	April 2013
Sharon K. Ellis	Trustee	April 2014
Dennis M. Farrell	Trustee	April 2014
James A. Jeskewitz	Trustee	April 2014
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, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

Steven C. Barney
Steven R. Volz
Daniel R. Brophey
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

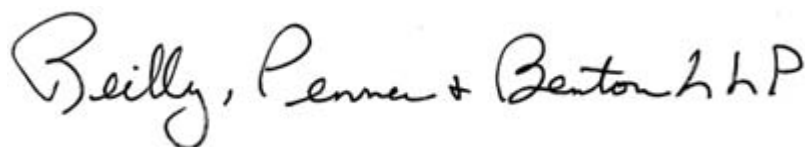
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin, as of and for the year ended December 31, 2011, 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, 2011, 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 2011 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, 2010, which are not presented with the accompanying financial statements. In our report dated May 27, 2011, 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 2010 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, 2010, 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 cursive script that reads "Beilly, Penner & Benton LLP". The signature is written in dark ink and is positioned in the center of the page.

July 10, 2012
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, 2011. This discussion is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan.

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

Using This Annual Report

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

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

The analysis of the Village as a whole begins on page 22. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net 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 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 24, and provides detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by state law and bond covenants. However, the Village establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like donations). The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are therefore not reflected in the government-wide financial statements. The 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 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information can be found on page 75 of this report. Combining and individual fund statements and schedules begin on page 76 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 \$249,713,307 as of December 31, 2011. 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, 5%, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net assets will be discussed in later sections of this analysis.

Condensed Net Assets

(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets:						
Capital assets	\$ 145.9	\$ 143.7	\$ 134.8	\$ 130.2	\$ 280.7	\$ 273.9
Other assets	82.9	80.4	23.4	28.5	106.3	108.9
Total assets	<u>228.8</u>	<u>224.1</u>	<u>158.2</u>	<u>158.7</u>	<u>387.0</u>	<u>382.8</u>
Liabilities:						
Long-term liabilities	77.2	74.8	10.0	10.7	87.2	85.5
Other liabilities	45.8	40.3	4.3	4.0	50.1	44.3
Total liabilities	<u>123.0</u>	<u>115.1</u>	<u>14.3</u>	<u>14.7</u>	<u>137.3</u>	<u>129.8</u>
Net Assets:						
Invested in capital assets, net of related debt	94.1	94.1	126.3	121.8	220.4	215.9
Restricted	5.5	6.0	6.6	10.0	12.1	16.0
Unrestricted	6.2	8.9	11.0	12.2	17.2	21.1
Total net assets	<u>\$ 105.8</u>	<u>\$ 109.0</u>	<u>\$ 143.9</u>	<u>\$ 144.0</u>	<u>\$ 249.7</u>	<u>\$ 253.0</u>

Changes in Net Assets

Net assets of the Village as a whole decreased by \$3,348,706 or 1.3%.

During 2011 net assets of governmental activities decreased 3% to \$105,821,029. Restricted assets include \$35,973 for debt service and \$2,686,967 for capital projects including TIDs, and \$2,702,146 for special revenue fund purposes. Unrestricted net assets of governmental activities amount to \$6,247,496.

Net assets of business activities totaled \$143,892,278 as of December 31, 2011. Business-type net assets totaling \$6,585,206 are restricted for capital projects, operations and maintenance, and depreciation. The Village may use the unrestricted net assets totaling \$11,038,425 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	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7.3	\$ 6.7	\$ 14.9	\$ 14.8	\$ 22.2	\$ 21.5
Operating grants and contributions	2.4	2.4	-	-	2.4	2.4
Capital grants and contributions	0.8	1.2	1.2	1.8	2.0	3.0
General revenues:						
Property taxes	25.8	25.7	1.2	1.2	27.0	26.9
Unrestricted grants and contributions	1.2	1.1	-	-	1.2	1.1
Investment earnings	0.1	0.1	0.1	0.1	0.2	0.2
Other revenues	0.1	0.1	-	-	0.1	0.1
Total revenues	<u>37.7</u>	<u>37.3</u>	<u>17.4</u>	<u>17.9</u>	<u>55.1</u>	<u>55.2</u>
Expenses:						
General government	4.4	4.2	-	-	4.4	4.2
Public safety	14.3	14.3	-	-	14.3	14.3
Public works	8.6	8.7	-	-	8.6	8.7
Culture and recreation	3.3	3.3	-	-	3.3	3.3
Conservation and development	7.3	1.7	-	-	7.3	1.7
Interest on long-term debt	3.0	2.9	-	-	3.0	2.9
Sewer Utility	-	-	9.4	9.2	9.4	9.2
Water Utility	-	-	6.7	6.5	6.7	6.5
Storm Water Utility	-	-	1.4	1.3	1.4	1.3
Total expenses	<u>40.9</u>	<u>35.1</u>	<u>17.5</u>	<u>17.0</u>	<u>58.4</u>	<u>52.1</u>
Increase (decrease) in net assets	<u>(3.2)</u>	<u>2.2</u>	<u>(0.1)</u>	<u>0.9</u>	<u>(3.3)</u>	<u>3.1</u>
Net assets, beginning of year	109.0	106.8	144.0	143.1	253.0	249.9
Net assets, end of year	<u>\$ 105.8</u>	<u>\$ 109.0</u>	<u>\$ 143.9</u>	<u>\$ 144.0</u>	<u>\$ 249.7</u>	<u>\$ 253.0</u>

Governmental activities decreased net assets by \$3,242,776. Significant changes in revenues and expenses were as follows:

Revenues:

Charges for services totaled \$7,283,901, an increase of \$648,066 from 2010. A significant portion of the increase is due to an increase in landfill tipping fees.

Capital grants and contributions totaled \$773,126, a decrease of \$467,102 from 2010. A significant portion of the decrease is due to a decline in contributed assets, reflective of the current recession. Infrastructure contributed to the Village only totaled \$298,420 in 2011.

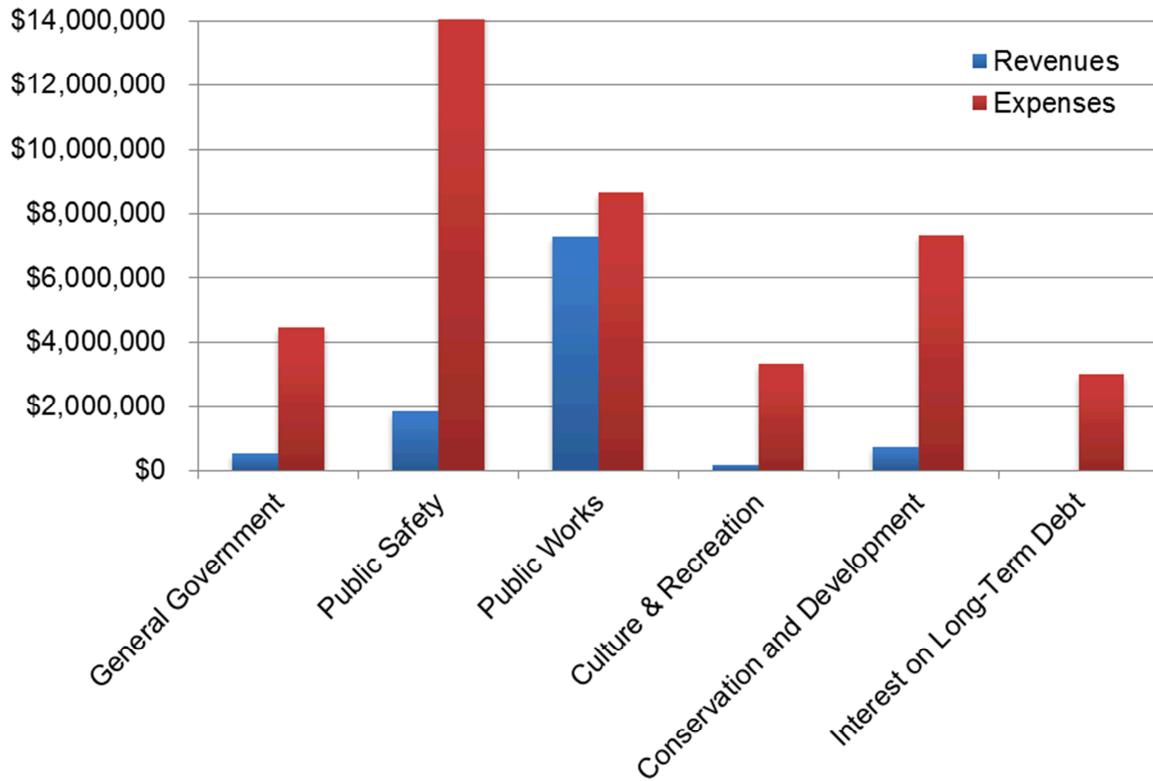
Expenses:

Governmental expenses totaled \$40,976,353, an increase of \$5,743,315 from 2010. Nearly all of this increase in governmental expenses can be attributed to an increase in TID development activities.

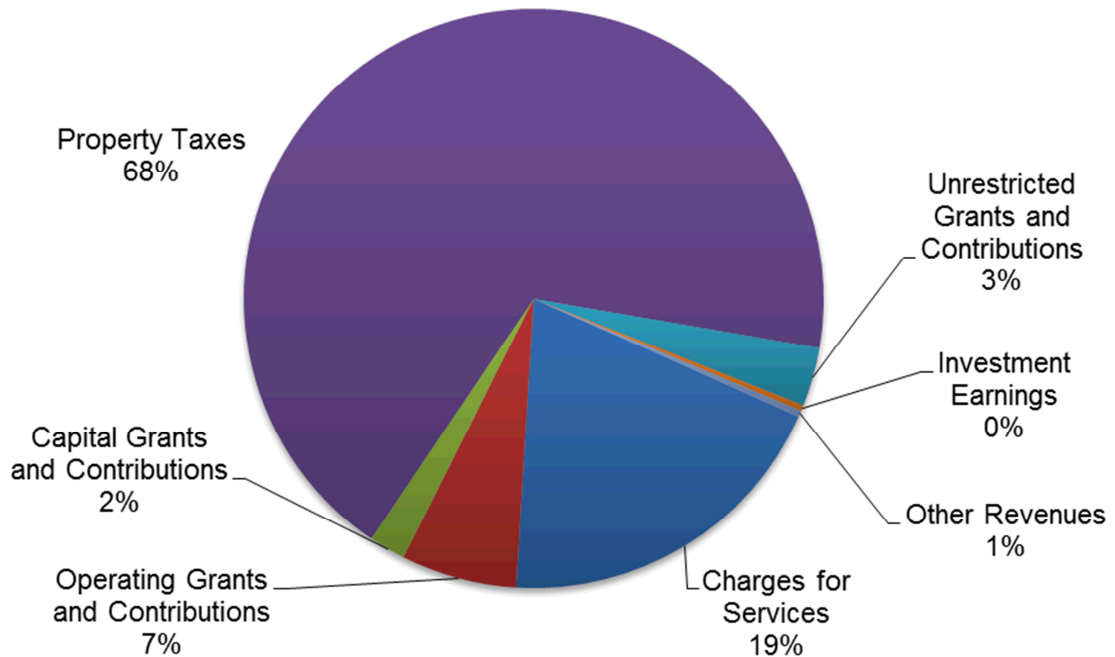
The Village is aggressively dealing with street and road deterioration, spending approximately \$2.8 million in 2011 on road construction and repairs. Funding for the construction and repairs came from the tax levy and debt issuance.

Governmental expenses included \$3,310,680 in depreciation expense.

Program Revenues and Expenses
(Governmental Activities)

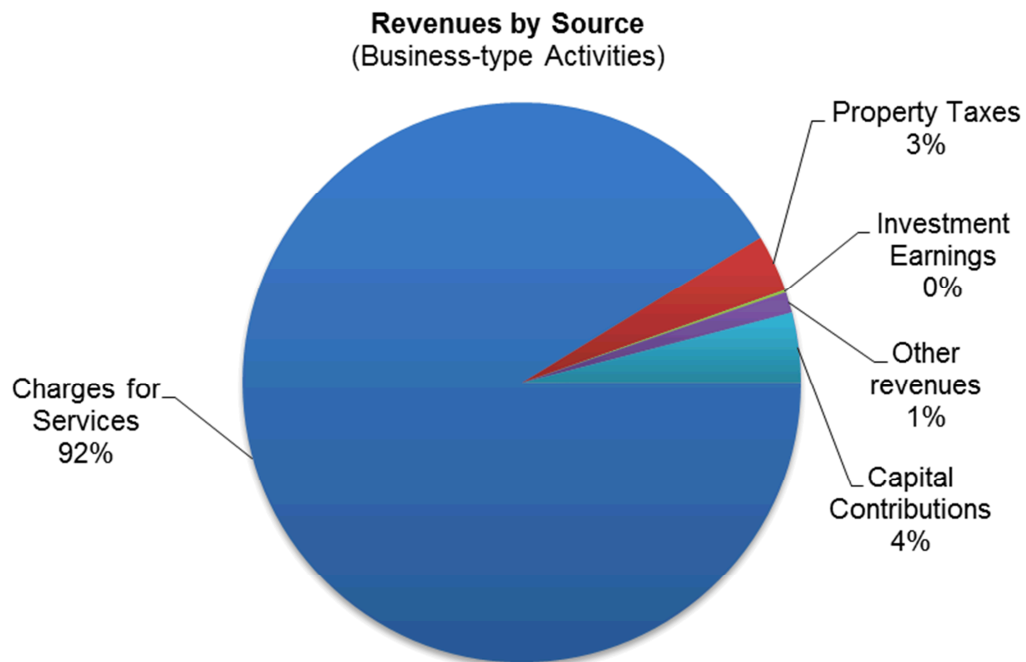
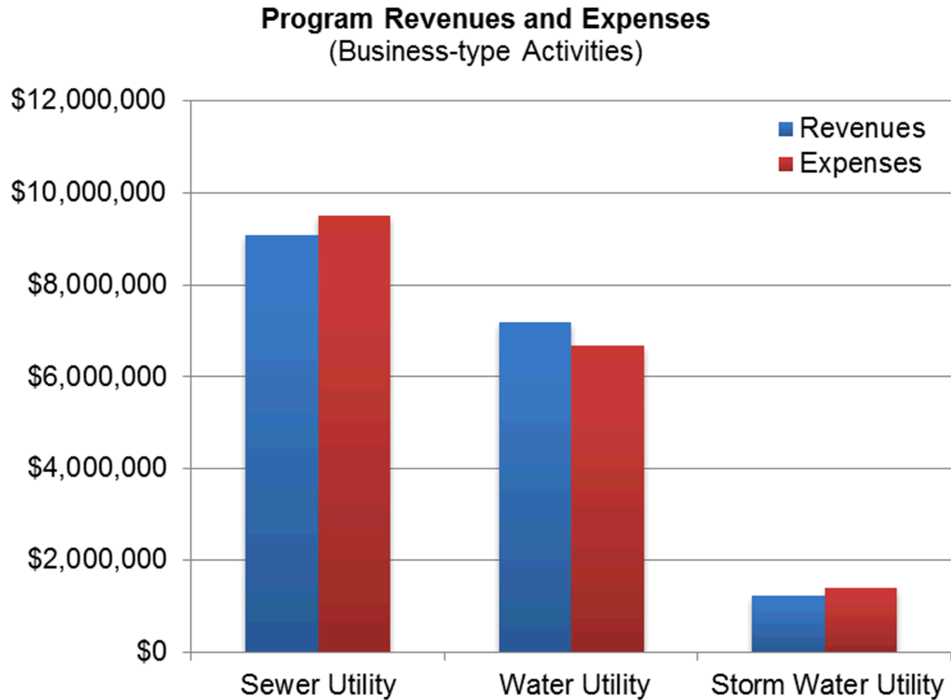


Program and General Revenues by Source
(Governmental Activities)



Business-Type Activities

Business-type activities, which include the operations of the sewer, water and storm water utilities, accounted for a decrease of \$105,930 in the Village's net assets. Total expenses exceeded charges for services by \$2,658,871. The deficit was mostly offset by a tax levy of \$1,231,250, capital grants and contributions totaling \$1,213,319, and general revenues totaling \$108,372.



Sewer Utility

The Sewer Utility reported a net operating loss of \$1,041,875 for 2011, a \$626,207 decrease from the \$415,668 loss reported in 2010. The Utility had an overall decrease in net assets totaling \$418,098, a \$1,166,691 decrease over the net increase in 2010 of \$748,593. Nearly half of that overall decrease was a reduction in capital contributions. Capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. The remaining overall decrease is attributable to a decrease in charges for services and an increase in sewerage treatment charges.

Charges for services decreased \$365,358. This coincides with a decrease in sewer rates that went into effect December 1, 2010. Investment earnings continue to be minimal due to the economic recession. The Sewer Utility capitalized \$3,839,585 of improvements during 2011 of which \$365,114 were contributed by developers. The majority of the improvements are related to the Section 31 sanitary sewer and pump station project. Operating expenses totaled \$9,329,056, an increase of \$260,849 (2.9%). Direct operating expenses increased 4.7% and administrative expenses decreased 3.1%. Depreciation expense decreased 1.8% primarily due to some older assets becoming fully depreciated.

The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2011, the Village paid MMSD \$1,714,870 for user charges, a 1.7% increase, and \$4,548,149 for capital charges, a 6.7% increase from 2010.

Sewer Utility Activity Summary (in millions of dollars)

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Charges for services	\$ 8.3	\$ 8.7	\$ (0.4)
Operating expenses	<u>9.3</u>	<u>9.1</u>	<u>0.2</u>
Operating income	<u>(1.0)</u>	<u>(0.4)</u>	<u>(0.6)</u>
Non-operating income	0.2	0.4	(0.2)
Capital contributions	<u>0.4</u>	<u>0.8</u>	<u>(0.4)</u>
Net increase (decrease) in net assets	<u>(0.4)</u>	<u>0.8</u>	<u>(1.2)</u>
Net assets, beginning of year	67.2	66.4	0.8
Net assets, end of year	<u>\$ 66.8</u>	<u>\$ 67.2</u>	<u>\$ (0.4)</u>

Water Utility

The Water Utility reported net operating income of \$271,467 for 2011, an increase from the \$85,192 reported in 2010. Operating revenues of the Water Utility totaled \$6,577,855 for 2011, a 7% increase over the \$6,144,447 reported in 2010. The increase in charges for services is attributable to both an increase in water rates and a slight increase in consumption. Operating expenses totaled \$6,306,388, an increase of \$247,133 (4.1%). Real estate taxes paid to the Village in 2011 were significantly the same as in 2010. Overall 2011 net income totaled \$496,896, a slight decrease from the \$533,661 reported in 2010.

The Water Utility capitalized \$3,508,985 of improvements during 2011, of which \$390,769 were contributions from developers. The majority of the capitalized improvements were related to the construction of well #10.

The Village purchases water from Milwaukee Water Works and supplements with water from Village deep wells. The Village paid \$1,473,373 to Milwaukee Water Works in 2011, a 15.3% increase from 2010. This large increase is due to a rate change in February 2011.

Water Utility (continued)

The Water Utility has a Purchase Water Adjustment Clause (PWAC) in its rate case which allows the Utility to adjust its rates whenever purchased water rates change. As mentioned above, there was a significant change in the cost of water purchased from Milwaukee. Effective April 2011, the Wisconsin Public Service Commission approved a PWAC adjustment for the Water Utility service rates.

Water Utility Activity Summary (in millions of dollars)

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Charges for services	\$ 6.6	\$ 6.1	\$ 0.5
Operating expenses	<u>6.3</u>	<u>6.0</u>	<u>0.3</u>
Operating income	0.3	0.1	0.2
Non-operating expense	(0.2)	(0.2)	-
Capital contributions	<u>0.4</u>	<u>0.7</u>	<u>(0.3)</u>
Net increase (decrease) in net assets	0.5	0.6	(0.1)
Net assets, beginning of year	54.8	54.2	0.6
Net assets, end of year	\$ <u>55.3</u>	\$ <u>54.8</u>	\$ <u>0.5</u>

Storm Water Utility

The Storm Water Utility reported a net operating loss of \$327,013 for 2011, a \$47,291 reduction over the \$279,722 loss reported in 2010. The 2011 net loss (before capital contributions) totaled \$400,595, a \$59,974 reduction over 2010. The overall decrease in net assets for 2011 is \$184,728, a \$155,893 improvement over the \$340,621 loss reported in 2010. This improvement is mostly attributable to one-time capital contributions. Capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village.

The Storm Water Utility capitalized \$681,681 of improvements during 2011, of which \$215,867 was contributed from developers. Some of the larger amounts are attributable to construction on Park Blvd and various projects undertaken as part of the 2011 Roads Program.

The Storm Water Utility is funded primarily through property taxes.

Operating revenues of the Storm Water Utility totaled \$963,487 for 2011, a slight increase over 2010. A 2% increase in real estate tax revenue contributed to the increase. Operating expenses totaled \$1,290,500, an increase of \$64,192 or 5.2%.

Storm Water Utility Activity Summary (in millions of dollars)

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 0.9	\$ 0.1
Operating expenses	<u>1.3</u>	<u>1.2</u>	<u>0.1</u>
Operating income	(0.3)	(0.3)	-
Capital contributions	<u>0.2</u>	<u>-</u>	<u>0.2</u>
Net increase (decrease) in net assets	(0.1)	(0.3)	0.2
Net assets, beginning of year	22.1	22.4	(0.3)
Net assets, end of year	\$ <u>22.0</u>	\$ <u>22.1</u>	\$ <u>(0.1)</u>

Fund Financial Analysis

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

Governmental Funds

As of December 31, 2011, Village governmental funds reported a combined fund balance of \$44,884,818 which is significantly the same as last year's total of \$44,770,159.

General Fund

The fund balance of the General Fund amounted to \$9,246,770, an increase of \$1,151,438 (14%) over the prior year balance of \$8,095,332. The total General Fund balance equates to 36% of the 2012 budgeted expenditures.

Revenues for the General Fund are primarily property taxes. There were no significant changes in General Fund revenues. Earnings on investments continue to be insignificant to overall operations due to the current economic situation.

General Fund expenditures were \$943,231 less than budgeted. Some of the larger savings include:

- Delay of IT related project costs;
- Higher than expected public works and engineering work done for the Village Utilities and also for external developments going on in the Village;
- Lower than expected fuel costs;
- Lower than expected road repair costs;
- Two vacated positions in public works that were not refilled

Debt Service Fund

The Debt Service Fund balance decreased \$151,239 to \$35,973. The decrease is due primarily due to use of debt issue premiums that had been set aside for future debt service. Annual debt service requirements were met primarily by property taxes levied of \$2,316,308 and transfers from other governmental funds of \$7,115,793.

Tax Incremental District #6 – Main Street

During 2011, the Village issued \$875,000 in General Obligation Debt to continue redevelopment in TID #6.

During 2010, the Village issued \$17,650,000 in Note Anticipation Notes in relation to a developer's agreement for reconstruction of a hotel. \$4,372,736 was expended on the project during the current year, of which \$3,513,720 was directly related to construction draws on the hotel project and \$859,016 was expended in the Fund. 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 paid \$1,206,845 to be used to reduce the amount of debt refinanced to long-term. The Village recorded a note receivable in the amount of \$15,512,058 as of December 31, 2011. At year end, \$536,409 is available for interest expense over the next three years and \$309,426 is available to reduce the 2014 refinancing.

Tax Incremental District #8 – Richfield Way

During 2010, the Village issued \$1,800,000 in General Obligation Debt to continue redevelopment in TID #8.

Expenditures related to the project totaled \$5,398,419 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.

Proprietary Funds

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

Capital Assets

As of December 31, 2011, the Village had \$280.7 million invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located in Note 3 E.

Capital Assets (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	\$ 88.0	\$ 86.6	\$ 0.6	\$ 0.6	\$ 88.6	\$ 87.2
Construction in progress	4.4	2.8	7.4	1.0	11.8	3.8
Total non-depreciable assets	92.4	89.4	8.0	1.6	100.4	91.0
Depreciable assets:						
Land improvements	3.8	3.6	1.0	1.0	4.8	4.6
Buildings and improvements	33.1	33.0	8.0	8.0	41.1	41.0
Equipment and furnishings	17.3	16.8	9.3	9.3	26.6	26.1
Infrastructure	38.3	37.1	163.2	162.0	201.5	199.1
Total depreciable assets	92.5	90.5	181.5	180.3	274.0	270.8
Less accumulated depreciation	39.0	36.2	54.7	51.7	93.7	87.9
Net depreciable assets	53.5	54.3	126.8	128.6	180.3	182.9
Total capital assets	\$ 145.9	\$ 143.7	\$ 134.8	\$ 130.2	\$ 280.7	\$ 273.9

The Village's 2011 capital budget anticipated a spending level of \$9.6 million for capital projects. The Village borrowed approximately \$7 million to fund these expenditures. Vehicles and equipment are funded via the Village's Municipal Facilities and Equipment Fund.

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

Road construction (including developer contributions)	\$ 1,768,392
Purchases of land for TID development	1,341,413

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

Section 31 sewer construction	\$ 3,324,595
Well #10 construction	2,086,195

Long-term Debt

As of December 31, 2011, long-term debt outstanding totaled \$94 million compared to \$89 million at December 31, 2010, a net increase of \$5 million. The net increase included the following debt issuances:

General obligation debt	General capital projects	\$ 6,830,000
General obligation debt	Tax incremental districts	5,500,000
General obligation debt	Tax incremental districts	1,800,000
		\$ 14,130,000

Long-term Debt (continued)

Principal paid on outstanding debt totaled \$9,050,358.

Information related to the 2011 Capital Budget and related borrowing is summarized as follows:

2011 sidewalk, road and curb and gutter program	\$	1,310,000
General reconstruction projects- streets		3,245,000
Sewer Utility projects		235,000
Water Utility projects		830,000
Storm Utility projects		1,210,000
Total debt issuance	\$	<u>6,830,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds/notes	\$ 80.9	\$ 75.3	\$ 5.5	\$ 3.6	\$ 86.4	\$ 78.9
Mortgage revenue bonds	-	-	6.3	8.8	6.3	8.8
Bond/note anticipation notes	1.3	1.3	-	-	1.3	1.3
	<u>\$ 82.2</u>	<u>\$ 76.6</u>	<u>\$ 11.8</u>	<u>\$ 12.4</u>	<u>\$ 94.0</u>	<u>\$ 89.0</u>

The Village's general obligation bond rating is Aa2. The Water Utility mortgage revenue bonds are rated Aa3 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 \$222,079,925. As of December 31, 2011 the Village had \$86,455,000 in outstanding general obligation debt, or 39%.

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 2012 General Fund operating budget decreased 0.4% from 2011; however, it was still necessary for the Village Board to authorize a conservative 1.4% overall increase in property taxes to balance the budget. The Village expects a decrease of \$272,000 in shared revenues and transportation aid. Other revenues are expected to remain relatively stable.

The total assessed value for the Village increased \$20.5 million or 0.5%. Total assessed values for 2011 and 2010 were \$4,388,814,210 and \$4,368,316,880 respectively. The ratio of assessed values to equalized values was 98.87% as of January 1, 2011.

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 33. 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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash and equivalents	\$ 38,385,486	\$ 9,224,061	\$ 47,609,547	\$ 131,219
Investments	2,134,966	---	2,134,966	---
Taxes receivable	18,019,465	1,231,250	19,250,715	---
Special charges on the tax roll	1,324,854	622,685	1,947,539	---
Intergovernmental aid receivable	607,978	---	607,978	---
Accounts receivable	1,309,043	2,665,252	3,974,295	---
Internal balances	2,043,784	(2,043,784)	---	---
Inventories	252,642	136,826	389,468	---
Prepaid items	275,793	1,794	277,587	---
Notes receivable	15,976,087	---	15,976,087	756,354
Pledges receivable	11,915	---	11,915	---
Special assessments	1,045,890	---	1,045,890	---
Restricted assets:				
Cash and equivalents	---	7,709,561	7,709,561	---
Advances to enterprise funds	821,457	(821,457)	---	---
Unamortized debt issuance costs	765,245	42,479	807,724	---
Deferred charges	---	4,630,043	4,630,043	---
Capital assets:				
Land and construction in progress	92,358,971	7,988,968	100,347,939	---
Other capital assets net of accumulated depreciation	53,498,360	126,786,338	180,284,698	---
Total assets	\$ 228,831,936	\$ 158,174,016	\$ 387,005,952	\$ 887,573
Liabilities and Net Assets:				
Liabilities:				
Accounts payable and accrued expenses	\$ 7,067,999	\$ 495,587	\$ 7,563,586	\$ 1,468
Incurred but not reported claims	88,241	---	88,241	---
Deposits	1,437,960	50,000	1,487,960	---
Unearned revenue	26,479,804	1,375,924	27,855,728	---
Liabilities payable from restricted assets:				
Current portion of revenue bonds	---	1,098,628	1,098,628	---
Accrued interest	---	25,727	25,727	---
Compensated absences - vacation due within one year	994,152	116,720	1,110,872	---
Compensated absences - sick leave due within one year	64,000	---	64,000	---
Compensated absences - sick leave more than one year	2,909,466	370,345	3,279,811	---
OPEB obligation	876,031	160,762	1,036,793	---
Bonds and notes - due within one year	9,723,416	1,075,278	10,798,694	---
Bonds and notes - due in more than one year	73,369,838	9,512,767	82,882,605	---
Total liabilities	123,010,907	14,281,738	137,292,645	1,468
Net Assets:				
Invested in capital assets, net of related debt	94,148,447	126,268,647	220,417,094	---
Restricted for:				
Capital projects	2,686,967	5,206,527	7,893,494	---
Debt service	35,973	---	35,973	---
Other	2,702,146	1,378,679	4,080,825	886,105
Unrestricted	6,247,496	11,038,425	17,285,921	---
Total net assets	105,821,029	143,892,278	249,713,307	886,105
Total liabilities and net assets	\$ 228,831,936	\$ 158,174,016	\$ 387,005,952	\$ 887,573

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, 2011

	Program Revenues				Net Revenue (Expense) and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business- type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 4,434,844	\$ 523,965	\$ ---	\$ 5,000	\$ (3,905,879)	\$ ---	\$ (3,905,879)	\$ ---
Public safety	14,270,726	1,513,795	311,550	---	(12,445,381)	---	(12,445,381)	---
Public works	8,643,954	4,479,108	2,033,841	768,126	(1,362,879)	---	(1,362,879)	---
Culture and recreation	3,319,499	124,526	34,814	---	(3,160,159)	---	(3,160,159)	---
Conservation and development	7,316,955	642,507	60,950	---	(6,613,498)	---	(6,613,498)	---
Interest on long-term debt	2,990,375	---	---	---	(2,990,375)	---	(2,990,375)	---
Total governmental activities	40,976,353	7,283,901	2,441,155	773,126	(30,478,171)	---	(30,478,171)	---
Business-type Activities:								
Sewer Utility	9,492,870	8,287,181	---	454,450	---	(751,239)	(751,239)	---
Water Utility	6,677,008	6,577,855	---	543,002	---	443,849	443,849	---
Storm Water Utility	1,386,266	32,237	---	215,867	---	(1,138,162)	(1,138,162)	---
Total business-like activities	17,556,144	14,897,273	---	1,213,319	---	(1,445,552)	(1,445,552)	---
Total primary government	\$ 58,532,497	\$ 22,181,174	\$ 2,441,155	\$ 1,986,445	(30,478,171)	(1,445,552)	(31,923,723)	---
Component Unit:								
Community Development Authority	\$ 36,829	\$ 14,817	\$ ---	\$ ---	---	---	---	(22,012)
General Revenues:								
Taxes:								
Property taxes levied for general purposes					18,067,331	---	18,067,331	---
Property taxes levied for utility purposes					---	1,231,250	1,231,250	---
Property taxes levied for debt service					2,316,308	---	2,316,308	---
Property taxes levied for TID districts					4,163,934	---	4,163,934	---
Payments in lieu of taxes - Water Utility					1,203,973	---	1,203,973	---
Grants and contributions not restricted to specific programs					1,230,437	---	1,230,437	---
Investment earnings					120,702	27,662	148,364	237
Interest on advances to utilities					22,082	---	22,082	---
Gain on retirement of capital assets					13,182	24,135	37,317	---
Other revenues					97,446	56,575	154,021	---
Total general revenues					27,235,395	1,339,622	28,575,017	237
Change in net assets					(3,242,776)	(105,930)	(3,348,706)	(21,775)
Net assets, beginning of year					99,919,848	143,998,208	243,918,056	907,880
Prior period adjustment					9,143,957	---	9,143,957	---
Net assets, beginning of year - as restated					109,063,805	143,998,208	253,062,013	907,880
Net assets, end of year					\$ 105,821,029	\$ 143,892,278	\$ 249,713,307	\$ 886,105

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, 2011

	General Fund	Debt Service Fund	T.I.D. #6 Main Street	T.I.D. #8 Richfield Way	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and equivalents	\$ 12,043,136	\$ 37,273	\$ 4,582,502	\$ 2,785,382	\$ 18,120,655	\$ 37,568,948
Certificate of deposit	2,134,966	---	---	---	---	2,134,966
Accounts receivable:						
Taxes	9,664,809	2,397,891	---	27,560	5,929,205	18,019,465
Special charges on the tax roll	9,547	---	---	---	1,315,307	1,324,854
Intergovernmental aid	351,032	---	1,116	52	255,778	607,978
Special assessments	---	---	---	---	1,045,890	1,045,890
Accounts	724,943	---	---	19,296	520,325	1,264,564
Notes	---	---	15,512,058	---	464,029	15,976,087
Pledges	---	---	---	---	11,915	11,915
Due from other funds	3,652,794	---	---	---	---	3,652,794
Prepaid items	269,610	---	---	---	6,183	275,793
Inventory of supplies, at cost	252,642	---	---	---	---	252,642
Advance to other governmental funds	1,596,269	---	---	---	1,697,574	3,293,843
Long-term advances to utilities	219,186	---	---	---	602,271	821,457
Total assets	\$ 30,918,934	\$ 2,435,164	\$ 20,095,676	\$ 2,832,290	\$ 29,969,132	\$ 86,251,196
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 3,770,893	\$ ---	\$ 1,670,470	\$ ---	\$ 1,054,589	\$ 6,495,952
Accrued compensated absences	921,432	---	---	---	72,720	994,152
Deposits	94,414	---	1,206,845	28,211	108,490	1,437,960
Deferred revenue	16,810,560	2,397,891	1,116	27,612	8,223,417	27,460,596
Due to other funds	74,865	1,300	57,060	91,958	1,458,692	1,683,875
Long-term advances from other governmental funds	---	---	978,509	50,700	2,264,634	3,293,843
Total liabilities	21,672,164	2,399,191	3,914,000	198,481	13,182,542	41,366,378
Fund Balances:						
Nonspendable	2,391,707	---	15,512,058	---	2,306,028	20,209,793
Restricted	11,094	35,973	669,618	2,633,809	8,521,259	11,871,753
Committed	---	---	---	---	6,311,798	6,311,798
Assigned	---	---	---	---	534,957	534,957
Unassigned	6,843,969	---	---	---	(887,452)	5,956,517
Total fund balances	9,246,770	35,973	16,181,676	2,633,809	16,786,590	44,884,818
Total liabilities and fund balance	\$ 30,918,934	\$ 2,435,164	\$ 20,095,676	\$ 2,832,290	\$ 29,969,132	\$ 86,251,196

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, 2011

Total fund balance of governmental funds	\$ 44,884,818
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Amounts reported for governmental activities in the government-wide statement of net assets are different because:

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

Land and construction in progress	92,358,971
Other capital assets net of accumulated depreciation	53,498,360

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

Pledges receivable	11,915
Special assessments receivable	382,886
Police fines receivable	121,962
Notes receivable	464,029

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	765,245
Net unamortized premiums, discounts and losses on refunding	(895,354)

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	(82,197,900)
Compensated absences payable - sick pay	(2,973,466)
OPEB obligation	(876,031)
Accrued interest payable on long-term bonds and notes	(572,047)

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.

847,641

Net assets of governmental activities	\$ <u>105,821,029</u>
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The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
Year Ended December 31, 2011

	General Fund	Debt Service Fund	T.I.D. #6 Main Street	T.I.D. #8 Richfield Way	Other Governmental Funds	Total
Revenues:						
Property taxes	\$ 16,156,597	\$ 2,316,308	\$ ---	\$ 2,130	\$ 5,974,234	\$ 24,449,269
Other taxes	98,304	---	---	---	---	98,304
Payments in lieu of taxes - Water Utility	1,203,973	---	---	---	---	1,203,973
Charges for services:						
Licenses and permits	1,094,714	---	---	---	---	1,094,714
Fines and forfeitures	627,478	---	---	---	20,638	648,116
Program revenues	---	---	---	---	1,511,174	1,511,174
Other charges for services	975,809	---	---	---	3,088,333	4,064,142
Operating grants and contributions:						
Intergovernmental	3,097,890	---	2,511	99,882	363,814	3,564,097
Donations	---	---	---	---	18,138	18,138
Capital grants and contributions:						
Intergovernmental	---	---	---	---	236,512	236,512
Special assessments and interest	---	---	---	---	195,095	195,095
Contributions from developers	---	---	---	---	184,803	184,803
Investment earnings	56,782	---	8,437	6,565	17,495	89,279
Interest on advances to governmental funds	72,190	---	---	---	9,794	81,984
Interest on advances to utilities	16,020	---	---	---	6,062	22,082
Other revenues	106,871	---	---	---	19,513	126,384
Total governmental revenues	23,506,628	2,316,308	10,948	108,577	11,645,605	37,588,066
Expenditures:						
Current:						
General government	3,351,735	---	186,267	132,430	269,285	3,939,717
Public safety	13,114,776	---	---	---	417,644	13,532,420
Public works	3,542,777	---	6,196	45,291	3,321,265	6,915,529
Culture and recreation	830,464	---	---	---	1,927,883	2,758,347
Conservation and development	887,821	---	213,478	4,038,369	2,270,817	7,410,485
Interest on advances from governmental funds	---	---	46,876	2,709	32,399	81,984
Debt issuance costs	---	205,922	---	---	---	205,922
Capital outlay	207,377	---	406,199	1,179,620	3,326,571	5,119,767
Debt Service:						
Principal on long-term debt	---	6,258,415	---	---	---	6,258,415
Interest and fiscal charges on long-term debt	---	3,355,521	---	---	---	3,355,521
Total expenditures	21,934,950	9,819,858	859,016	5,398,419	11,565,864	49,578,107
Excess (deficit) of revenues over (under) expenditures	1,571,678	(7,503,550)	(848,068)	(5,289,842)	79,741	(11,990,041)
Other Financing Sources (Uses):						
Proceeds from sales of capital assets	---	---	---	---	13,182	13,182
Transfers in	165,482	7,115,793	---	1,119,275	1,617,123	10,017,673
Transfers out	(585,722)	---	(931,391)	(1,119,875)	(7,380,685)	(10,017,673)
Bonds and notes issued	---	---	875,000	1,800,000	9,180,000	11,855,000
Debt issuance premiums	---	236,518	---	---	---	236,518
Total other financing sources (uses)	(420,240)	7,352,311	(56,391)	1,799,400	3,429,620	12,104,700
Net change in fund balances	1,151,438	(151,239)	(904,459)	(3,490,442)	3,509,361	114,659
Fund balance, beginning of year	8,095,332	187,212	17,086,135	6,124,251	13,277,229	44,770,159
Fund balance, end of year	\$ 9,246,770	\$ 35,973	\$ 16,181,676	\$ 2,633,809	\$ 16,786,590	\$ 44,884,818

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, 2011**

Net change in fund balances of governmental funds	\$ 114,659
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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	5,119,767
Depreciation expense in government-wide financial statements	(3,310,680)

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.

303,420

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	(11,855,000)
Principal payments on debt in governmental fund financial statements	6,258,415

Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, 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	(236,518)
Debt issuance costs in governmental fund financial statements	205,922
Amortization of these amounts included in interest expense in the statement of activities	36,586

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

328,560

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.

21,696

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	(3,468)
Decrease in deferred special assessments receivable	(53,879)
Decrease in deferred police fines receivable	(48,946)
Increase in deferred notes receivable	100,805

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	(77,353)
Increase in OPEB obligation	(146,762)

Change in net assets of governmental activities	\$ <u>(3,242,776)</u>
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The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund
Year Ended December 31, 2011

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 16,149,420	\$ 16,149,420	\$ 16,156,597	\$ 7,177
Other taxes	245,500	245,500	98,304	(147,196)
Payments in lieu of taxes - Water Utility	1,120,000	1,120,000	1,203,973	83,973
Licenses and permits	906,200	906,200	1,094,714	188,514
Fines and forfeitures	672,200	672,200	627,478	(44,722)
Intergovernmental	3,049,033	3,049,033	3,097,890	48,857
Charges for services	860,400	860,400	975,809	115,409
Investment earnings	100,000	100,000	56,782	(43,218)
Interest on advances to other governmental funds	45,887	45,887	72,190	26,303
Interest on advances to utilities	24,000	24,000	16,020	(7,980)
Other	105,185	105,185	106,871	1,686
Total revenues	<u>23,277,825</u>	<u>23,277,825</u>	<u>23,506,628</u>	<u>228,803</u>
Expenditures:				
General government	3,601,092	3,601,092	3,444,447	156,645
Public safety	13,312,574	13,312,574	13,205,168	107,406
Public Works	3,965,400	3,965,400	3,547,887	417,513
Culture and recreation	861,485	861,485	849,627	11,858
Conservation and development	1,137,630	1,137,630	887,821	249,809
Total expenditures	<u>22,878,181</u>	<u>22,878,181</u>	<u>21,934,950</u>	<u>943,231</u>
Excess of revenues over expenditures	<u>399,644</u>	<u>399,644</u>	<u>1,571,678</u>	<u>1,172,034</u>
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	45,000	45,000	---	(45,000)
Transfers in	165,482	165,482	165,482	---
Transfers out	(610,126)	(610,126)	(585,722)	24,404
Net other financing uses	<u>(399,644)</u>	<u>(399,644)</u>	<u>(420,240)</u>	<u>(20,596)</u>
Net change in fund balance	<u>---</u>	<u>---</u>	<u>1,151,438</u>	<u>1,151,438</u>
Fund Balance:				
Beginning of year	8,095,332	8,095,332	8,095,332	---
End of year	<u>\$ 8,095,332</u>	<u>\$ 8,095,332</u>	<u>\$ 9,246,770</u>	<u>\$ 1,151,438</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, 2011

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental</u>
	<u>Sewer</u>	<u>Water</u>	<u>Storm</u>	<u>Enterprise</u>	<u>Internal</u>
	<u>Utility</u>	<u>Utility</u>	<u>Water</u>	<u>Funds</u>	<u>Service</u>
			<u>Utility</u>		<u>Fund</u>
Assets:					
Current assets:					
Cash and equivalents	\$ 4,900,770	\$ 2,242,852	\$ 2,080,439	\$ 9,224,061	\$ 816,538
Cash and equivalents - restricted	171,683	952,672	---	1,124,355	---
Receivables:					
Taxes	300,000	---	931,250	1,231,250	---
Special charges on the tax roll	425,758	196,927	---	622,685	---
Utility customers	1,660,364	971,461	---	2,631,825	---
Other	18,270	12,723	2,434	33,427	44,479
Due from other funds	---	---	---	---	74,865
Prepaid items	---	1,794	---	1,794	---
Inventory	13,974	97,026	25,826	136,826	---
Total current assets	<u>7,490,819</u>	<u>4,475,455</u>	<u>3,039,949</u>	<u>15,006,223</u>	<u>935,882</u>
Noncurrent Assets:					
Cash and equivalents - restricted	4,466,236	2,118,970	---	6,585,206	---
Land and construction in progress	3,625,417	3,755,787	607,764	7,988,968	---
Other capital assets, net of depreciation	51,690,463	52,339,726	22,756,149	126,786,338	---
Unamortized debt issuance costs	---	42,479	---	42,479	---
Prepaid capacity charge	4,630,043	---	---	4,630,043	---
Total noncurrent assets	<u>64,412,159</u>	<u>58,256,962</u>	<u>23,363,913</u>	<u>146,033,034</u>	<u>---</u>
Total assets	<u>\$ 71,902,978</u>	<u>\$ 62,732,417</u>	<u>\$ 26,403,862</u>	<u>\$ 161,039,257</u>	<u>\$ 935,882</u>
Liabilities and Net Assets:					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 322,837	\$ 122,955	\$ 8,793	\$ 454,585	\$ ---
Deposits	---	---	50,000	50,000	---
Incurred but not reported insurance claims	---	---	---	---	88,241
Compensated absences - vacation due within one year	31,888	75,258	9,574	116,720	---
Deferred revenue	342,000	102,674	931,250	1,375,924	---
Current portion of general obligation notes	71,090	230,000	280,494	581,584	---
Current portion of revenue bonds	80,774	412,920	---	493,694	---
Accrued interest	3,989	13,656	23,357	41,002	---
Current portion of advance	81,013	---	73,424	154,437	---
Due to other funds	911,492	925,274	207,018	2,043,784	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	161,548	937,080	---	1,098,628	---
Accrued interest	10,135	15,592	---	25,727	---
Total current liabilities	<u>2,016,766</u>	<u>2,835,409</u>	<u>1,583,910</u>	<u>6,436,085</u>	<u>88,241</u>
Long-Term Liabilities:					
Compensated absences - sick pay	95,090	238,454	36,801	370,345	---
OPEB obligation	21,110	130,710	8,942	160,762	---
Advances from other funds	521,258	---	145,762	667,020	---
General obligation notes	486,540	1,710,000	2,758,976	4,955,516	---
Revenue bonds	2,000,613	2,735,000	---	4,735,613	---
Unamortized debt issuance premiums, discounts and losses on refundings	---	(178,362)	---	(178,362)	---
Total long-term liabilities	<u>3,124,611</u>	<u>4,635,802</u>	<u>2,950,481</u>	<u>10,710,894</u>	<u>---</u>
Total liabilities	<u>5,141,377</u>	<u>7,471,211</u>	<u>4,534,391</u>	<u>17,146,979</u>	<u>88,241</u>
Net Assets:					
Invested in capital assets, net of related debt	54,758,249	51,185,955	20,324,443	126,268,647	---
Restricted for:					
Operations and maintenance	755,684	275,530	---	1,031,214	---
Depreciation	272,465	75,000	---	347,465	---
Capital projects	3,438,087	1,768,440	---	5,206,527	---
Unrestricted	7,537,116	1,956,281	1,545,028	11,038,425	847,641
Total net assets	<u>66,761,601</u>	<u>55,261,206</u>	<u>21,869,471</u>	<u>143,892,278</u>	<u>847,641</u>
Total liabilities and net assets	<u>\$ 71,902,978</u>	<u>\$ 62,732,417</u>	<u>\$ 26,403,862</u>	<u>\$ 161,039,257</u>	<u>\$ 935,882</u>

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, 2011

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Sewer Utility	Water Utility	Storm Water Utility		
Operating Revenues:					
Charges for services	\$ 8,287,181	\$ 6,577,855	\$ 32,237	\$ 14,897,273	\$ 71,760
General property taxes	---	---	931,250	931,250	---
Total operating revenues	<u>8,287,181</u>	<u>6,577,855</u>	<u>963,487</u>	<u>15,828,523</u>	<u>71,760</u>
Operating Expenses:					
Operation and maintenance	7,000,105	2,472,216	462,503	9,934,824	83,864
Administrative expense	961,568	1,071,548	295,915	2,329,031	---
Depreciation expense	1,327,122	1,473,925	518,630	3,319,677	---
Taxes paid to Village	---	1,203,973	---	1,203,973	---
Social Security tax	40,261	77,562	13,452	131,275	---
Regulatory commission remainder assessments	---	7,164	---	7,164	---
Total operating expenses	<u>9,329,056</u>	<u>6,306,388</u>	<u>1,290,500</u>	<u>16,925,944</u>	<u>83,864</u>
Operating income (loss)	<u>(1,041,875)</u>	<u>271,467</u>	<u>(327,013)</u>	<u>(1,097,421)</u>	<u>(12,104)</u>
Nonoperating Revenues (Expenses):					
General property taxes	300,000	---	---	300,000	---
Investment earnings	13,941	11,148	2,573	27,662	33,800
Sale of materials	---	17,398	13,222	30,620	---
Miscellaneous revenues	19,200	35	6,720	25,955	---
Gain (loss) on retirement of property and plant	---	24,466	(331)	24,135	---
Impact fees	89,336	152,233	---	241,569	---
Rent	(19,200)	---	---	(19,200)	---
Fiscal charges on debt	(1,272)	(2,640)	(320)	(4,232)	---
Amortization of premiums, discounts and losses on refundings	(16,809)	(66,242)	---	(83,051)	---
Amortization of debt issuance costs	---	(8,640)	---	(8,640)	---
Interest on long-term debt	(125,907)	(287,662)	(79,426)	(492,995)	---
Interest on advances from governmental funds	(626)	(5,436)	(16,020)	(22,082)	---
Net nonoperating revenues (expenses)	<u>258,663</u>	<u>(165,340)</u>	<u>(73,582)</u>	<u>19,741</u>	<u>33,800</u>
Net income (loss) before capital contributions	<u>(783,212)</u>	<u>106,127</u>	<u>(400,595)</u>	<u>(1,077,680)</u>	<u>21,696</u>
Capital Contributions	365,114	390,769	215,867	971,750	---
Increase (decrease) in net assets	<u>(418,098)</u>	<u>496,896</u>	<u>(184,728)</u>	<u>(105,930)</u>	<u>21,696</u>
Net Assets:					
Balance, beginning of year	67,179,699	54,764,310	22,054,199	143,998,208	825,945
Balance, end of year	<u>\$ 66,761,601</u>	<u>\$ 55,261,206</u>	<u>\$ 21,869,471</u>	<u>\$ 143,892,278</u>	<u>\$ 847,641</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Sewer Utility	Water Utility	Storm Water Utility		
Cash Flows From Operating Activities:					
Receipts from customers	\$ 8,356,425	\$ 4,769,705	\$ 33,461	\$ 13,159,591	\$ ---
Payments to suppliers	(6,830,515)	(2,217,550)	(92,659)	(9,140,724)	(56,316)
Payments to and on behalf of employees	(888,010)	(1,354,403)	(676,347)	(2,918,760)	---
Internal activity - receipts from other funds	1,037,573	2,622,428	---	3,660,001	71,760
Internal activity - payments to other funds	(140,678)	(1,203,973)	(146,306)	(1,490,957)	(47,012)
Other receipts	---	17,433	951,192	968,625	(2,195)
Other payments	---	---	---	---	(37,624)
Net cash provided (used) by operating activities	1,534,795	2,633,640	69,341	4,237,776	(71,387)
Cash Flows From Noncapital Financing Activities					
Principal payments on advances	---	---	(83,980)	(83,980)	---
Cash Flows From Capital and Related Financing Activities:					
Proceeds from sale of property and plant	---	24,561	---	24,561	---
Additions to property and plant	(3,372,663)	(3,041,545)	(467,419)	(6,881,627)	---
Fair value of debt issued	235,000	830,000	1,210,000	2,275,000	---
Principal payments on debt	(1,206,448)	(1,410,000)	(175,495)	(2,791,943)	---
Interest on debt	(133,019)	(293,375)	(72,937)	(499,331)	---
Fiscal charges on debt	(1,272)	(2,640)	(320)	(4,232)	---
Advances from municipality	602,271	---	---	602,271	---
Principal payments on advances	---	(124,780)	---	(124,780)	---
Interest on advances	(626)	(5,436)	(16,020)	(22,082)	---
General property taxes	300,000	---	---	300,000	---
Impact fees	89,336	152,233	---	241,569	---
Net cash provided (used) by capital and related financing activities	(3,487,421)	(3,870,982)	477,809	(6,880,594)	---
Cash Flows From Investing Activities:					
Investment earnings	13,941	11,148	2,573	27,662	33,800
Net increase (decrease) in cash and equivalents	(1,938,685)	(1,226,194)	465,743	(2,699,136)	(37,587)
Cash and equivalents, beginning of year	11,477,374	6,540,688	1,614,696	19,632,758	854,125
Cash and equivalents, end of year	\$ 9,538,689	\$ 5,314,494	\$ 2,080,439	\$ 16,933,622	\$ 816,538
Reconciliation to cash and cash equivalents on the statement of net assets:					
Cash and cash equivalents - unrestricted	\$ 4,900,770	\$ 2,242,852	\$ 2,080,439	\$ 9,224,061	\$ 816,538
Cash and cash equivalents - restricted	4,637,919	3,071,642	---	7,709,561	---
Total cash and equivalents	\$ 9,538,689	\$ 5,314,494	\$ 2,080,439	\$ 16,933,622	\$ 816,538

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Sewer	Water	Storm	Enterprise	Internal
	Utility	Utility	Water	Funds	Service
			Utility		Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (1,041,875)	\$ 271,467	\$ (327,013)	\$ (1,097,421)	\$ (12,104)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,327,122	1,473,925	518,630	3,319,677	---
Depreciation charged to other accounts	---	156,669	---	156,669	---
Amortization of prepaid capacity	252,152	---	---	252,152	---
Proceeds from sales of materials	---	17,398	13,222	30,620	---
Miscellaneous revenues	---	35	6,720	6,755	---
Changes in assets and liabilities related to operations:					
Receivables	76,382	(78,729)	1,224	(1,123)	(10,076)
Inventory	2,037	6,663	---	8,700	---
Prepaid items	---	---	(3,355)	(3,355)	---
Due from other funds	1,037,573	808,419	(146,306)	1,699,686	(47,012)
Accounts payable and accrued liabilities	(107,177)	(27,799)	1,355	(133,621)	---
Compensated absences	4,750	(32,491)	2,080	(25,661)	---
OPEB obligation	(9,169)	32,846	2,784	26,461	---
Incurred but not reported claims	---	---	---	---	(2,195)
Deferred revenue	(7,000)	5,237	---	(1,763)	---
Net cash provided (used) by operating activities	\$ 1,534,795	\$ 2,633,640	\$ 69,341	\$ 4,237,776	\$ (71,387)
Noncash Capital Activities:					
Utility plant contributions	\$ 365,114	\$ 390,769	\$ 215,867	\$ 971,750	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	16,809	66,242	---	83,051	---
Amortization of debt issuance costs	---	8,640	---	8,640	---
Gain on sale of utility plant	---	24,466	---	24,466	---
Loss on sale of utility plant	---	---	331	331	---

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, 2011

Assets:

Cash and equivalents	\$ 14,926,098
Taxes receivable	<u>46,912,992</u>
Total assets	\$ <u><u>61,839,090</u></u>

Liabilities:

Due to other taxing units	\$ <u><u>61,839,090</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

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VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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, 2011

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, 2011

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 #8 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	Cable TV
Fire Department	Unallocated
Parks Department	Solid Waste Collection
Community Development	Library Operations and Maintenance
Library	TID #9 EDMF
Community Grant	

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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, 2011

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, 2011

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, 2011

1. Summary of Significant Accounting Policies (continued)

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

Property Tax Calendar – 2011 Tax Roll:

Levy date	December 2011
Lien date	September 1, 2012
Tax bills mailed	December 2011
Payment in full, or	January 31, 2012
First installment due	January 31, 2012
Second installment due	July 31, 2012
Personal property taxes due in full	January 31, 2012
Tax Settlement with other governmental units:	
First settlement	January 15, 2012
Second settlement	February 20, 2012
Final settlement	August 20, 2012
Tax sale by County - 2011 delinquent real estate taxes	October 2016

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, 2011

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, 2011

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, 2011 was \$37,722,393.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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

- a. Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form (i.e. convertible into cash) or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale and long-term receivables.
- b. Restricted – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- c. Committed – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government’s highest level of decision-making authority. Fund balance amounts are committed through a formal action of the Village. The formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

1. Summary of Significant Accounting Policies (continued)

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

Equity Classifications (continued)

Fund Statements (continued)

- d. Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- e. Unassigned – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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

The Village does not record encumbrances.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

2. Stewardship, Compliance, and Accountability (continued)

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, 2011, the Village was obligated for a total of \$86,455,000 in general obligation debt, or 38.93% of the total debt limit.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts**A. Cash and Investments**

As of December 31, 2011, the Village held the following cash and investments.

	<u>Custodial Balance</u>	<u>Carrying Amount</u>
Primary Government:		
Cash and Equivalents:		
Demand deposits	\$ 16,371,356	\$ 14,281,057
State of Wisconsin Local Government Investment Pool	55,962,430	55,962,430
Petty cash	---	1,719
Total cash and equivalents	<u>72,333,786</u>	<u>70,245,206</u>
Investments – certificates of deposit	2,134,966	2,134,966
Total cash and investments	<u>\$ 74,468,752</u>	<u>\$ 72,380,172</u>
Reconciliation to Financial Statements:		
Cash and equivalents:		
Per statement of net assets:		
Cash and equivalents		\$ 47,609,547
Restricted assets – cash and equivalents		7,709,561
Per statement of net assets – Fiduciary Fund		<u>14,926,098</u>
Total cash and equivalents		<u>70,245,206</u>
Investments per statement of net assets		<u>2,134,966</u>
Total cash and investments		<u>\$ 72,380,172</u>
Component Unit:		
Demand deposits	\$ <u>128,665</u>	\$ <u>131,219</u>
Cash and equivalents per statement of net assets		<u>\$ 131,219</u>

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, 2011 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, 2011, the Village's demand deposits were exposed to custodial credit risk in that \$2,847,968 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, 2011

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

A. Cash and Investments (continued)

Custodial Credit Risk - Cash and Investments (continued)

Additionally, the Village's certificates of deposit were exposed to custodial credit risk in that \$1,634,966 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.

As of December 31, 2011, 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 for interest bearing accounts and unlimited amounts for noninterest bearing accounts. 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, 2011, 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, 2011 the Village's investments were comprised of investments in the LGIP. The weighted average maturity is 97 days.

Credit Risk

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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

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

Governmental Activities

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Expected After December 31, 2012
Taxes	\$ 18,025,425	\$ 5,960	\$ 18,019,465	\$ ---
Special charges on tax roll	1,324,854	---	1,324,854	---
Intergovernmental aid	607,978	---	607,978	---
Accounts	1,472,216	163,173	1,309,043	310,000
Notes	15,976,087	---	15,976,087	13,753,050
Pledges	32,315	20,400	11,915	10,000
Special assessments	1,045,890	---	1,045,890	900,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$161,377 and for ambulance billings of \$1,796. The allowances for pledges receivable is for pledges to the library special revenue fund. The gross receivable for pledges receivable has been reduced by \$1,685 to the net present value of expected future cash flows using a discount rate of 4%.

As of December 31, 2011, approximately \$15.5 million of the notes receivable balance relates to a note that was signed in 2010 by a hotel developer within TID #6. A \$1.2 million principal reduction payment was received from the developer in June 2011. This amount will be released in 2014 when the debt that was used to finance the original receivable becomes due. The Village expects to receive the entire amount of the receivable. Any shortfalls that may arise in the future would be recovered by future tax increment revenues of TID #6. The Village holds a first-mortgage interest in the property. In 2012 the hotel went into receivership and the Village is still involved in legal proceedings on the property.

Business-type Activities

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Expected After December 31, 2012
Taxes	\$ 1,231,250	\$ ---	\$ 1,231,250	\$ ---
Special charges on tax roll	622,685	---	622,685	---
Accounts	2,694,321	29,069	2,665,252	---

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts (continued)**B. Receivables (continued)*****Fiduciary (Agency) Funds***

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2012</u>
Taxes	\$ 46,912,992	\$ ---	\$ 46,912,992	\$ ---

Component Unit - CDA

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2012</u>
Notes	\$ 1,727,156	\$ 970,802	\$ 756,354	\$ 520,000

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.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 1,300
General Fund	TID #6	57,060
General Fund	TID #8	91,958
General Fund	Other governmental funds	1,458,692
General Fund	Sewer Utility	911,492
General Fund	Water Utility	925,274
General Fund	Storm Water Utility	207,018
Risk Management Fund	General Fund	74,865

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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, with interest charged at 6% on the outstanding balance.

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 2011 was .14%.

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

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

Aggregated balances outstanding for these advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TID #6	\$ 978,509
General Fund	TID #8	50,700
General Fund	Other governmental funds	567,060
General Fund	Storm Water Utility	219,186
Other governmental funds	Other governmental funds	1,697,574
Other governmental funds	Sewer Utility	602,271

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts (continued)**C. Interfund Balances and Transfers (continued)*****Transfers***

Transfers between governmental funds are summarized as follows:

Transfers in	Transfers out	Amount
General Fund	Other governmental funds	\$ 165,482
Debt Service Fund	TID #6	931,391
Debt Service Fund	TID #8	1,119,875
Debt Service Fund	Other governmental funds	5,064,527
TID #8	Other governmental funds	1,119,275
Other governmental funds	General Fund	585,722
Other governmental funds	Other governmental funds	1,031,401

These transfers were made for the following purposes:

- Transfers to the General Fund from other governmental funds of \$150,000 were made to offset the budgeted deficit of general fund revenues under expenditures. The remaining amount of \$15,482 was transferred from the General Capital Projects Fund to fund 2011 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 TID #8 from other governmental funds were made in relation to TID #4 transferring over excess tax increments to the donee district to assist with TID #8 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.
- Public Fire Protection 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.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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

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

Restricted cash and equivalents:	Sewer Utility	Water Utility	Total
Interceptor sewer reserve	\$ 1,233,052	\$ ---	\$ 1,233,052
Impact fee reserve	2,205,035	1,768,440	3,973,475
Debt reserve	---	824,580	824,580
Special redemption reserve	171,683	128,092	299,775
Operation and maintenance reserve	755,684	275,530	1,031,214
Depreciation reserve	272,465	75,000	347,465
Total	\$ <u>4,637,919</u>	\$ <u>3,071,642</u>	\$ <u>7,709,561</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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

Capital asset activity for the year ended December 31, 2011 is summarized as follows:

Governmental Activities

	Balance January 1, 2011	Additions	Transfers	Disposals	Balance December 31, 2011
Nondepreciable capital assets:					
Land	\$ 86,565,747	\$ 1,341,413	\$ 100,000	\$ ---	\$ 88,007,160
Construction in progress	2,834,358	2,243,762	(726,309)	---	4,351,811
Total nondepreciable capital assets	89,400,105	3,585,175	(626,309)	---	92,358,971
Depreciable capital assets:					
Land improvements	3,605,340	185,913	---	---	3,791,253
Buildings and improvements	33,029,866	39,367	111,018	---	33,180,251
Equipment and furnishings	16,828,577	810,795	94,388	(473,255)	17,260,505
Infrastructure	37,088,731	801,937	420,903	---	38,311,571
Total depreciable capital assets	90,552,514	1,838,012	626,309	(473,255)	92,543,580
Less accumulated depreciation:					
Land improvements	1,372,493	181,345	---	---	1,553,838
Buildings and improvements	9,097,136	801,192	---	---	9,898,328
Equipment and furnishings	12,670,019	915,026	---	(473,255)	13,111,790
Infrastructure	13,068,147	1,413,117	---	---	14,481,264
Total accumulated depreciation	36,207,795	3,310,680	---	(473,255)	39,045,220
Net depreciable capital assets	54,344,719	(1,472,668)	626,309	---	53,498,360
Net total capital assets	\$ 143,744,824	2,112,507	\$ ---	\$ ---	\$ 145,857,331

Depreciation was charged to governmental functions as follows:

General government	\$ 475,654
Public safety	546,488
Public works	1,794,532
Culture and recreation	494,006
Total depreciation	<u>\$ 3,310,680</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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

E. Capital Assets (continued)

Business-type Activities

	Balance January 1, 2011	Additions	Transfers	Disposals	Balance December 31, 2011
Nondepreciable capital assets:					
Land	\$ 608,743	\$ ---	\$ ---	\$ (95)	\$ 608,648
Construction in progress	1,032,262	6,490,495	(142,437)	---	7,380,320
Total nondepreciable capital assets	1,641,005	6,490,495	(142,437)	(95)	7,988,968
Depreciable capital assets:					
Land improvements	1,041,812	---	---	---	1,041,812
Buildings and improvements	7,972,250	---	---	---	7,972,250
Equipment and furnishings	9,265,047	414,813	---	(366,174)	9,313,686
Infrastructure	161,978,442	1,124,943	142,437	(24,819)	163,221,003
Total depreciable capital assets	180,257,551	1,539,756	142,437	(390,993)	181,548,751
Less accumulated depreciation:					
Land improvements	345,851	21,869	---	---	367,720
Buildings and improvements	3,156,692	304,023	---	---	3,460,715
Equipment and furnishings	5,645,644	547,225	---	(366,174)	5,826,695
Infrastructure	42,528,543	2,603,228	---	(24,488)	45,107,283
Total accumulated depreciation	51,676,730	3,476,345	---	(390,662)	54,762,413
Net depreciable capital assets	128,580,821	(1,936,589)	142,437	(331)	126,786,338
Net total capital assets	\$ 130,221,826	\$ 4,553,906	\$ ---	\$ (426)	\$ 134,775,306
Depreciation was charged to proprietary functions as follows:					
Sewer Utility					\$ 1,327,122
Water Utility					1,473,925
Storm Water Utility					518,630
Total depreciation					\$ 3,319,677

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, 2011

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

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt	\$ 75,321,315	\$ 11,855,000	\$ (6,258,415)	\$ 80,917,900	\$ 9,723,416
Note anticipation note	1,280,000	---	---	1,280,000	---
Other liabilities:					
Accumulated unpaid sick pay	2,896,113	132,387	(55,034)	2,973,466	64,000
Total governmental long-term obligations	<u>\$ 79,497,428</u>	<u>\$ 11,987,387</u>	<u>\$ (6,313,449)</u>	<u>\$ 85,171,366</u>	<u>\$ 9,787,416</u>
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 8,748,293	\$ ---	\$ (2,420,358)	\$ 6,327,935	\$ 1,592,322
General obligation debt	3,633,685	2,275,000	(371,585)	5,537,100	581,584
Total long-term debt	<u>12,381,978</u>	<u>2,275,000</u>	<u>(2,791,943)</u>	<u>11,865,035</u>	<u>2,173,906</u>
Other liabilities:					
Accumulated unpaid sick pay	391,263	---	(20,918)	370,345	---
Total business-type long-term obligations	<u>\$ 12,773,241</u>	<u>\$ 2,275,000</u>	<u>\$ (2,812,861)</u>	<u>\$ 12,235,380</u>	<u>\$ 2,173,906</u>

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

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
Balance, beginning of year	\$ 2,896,113	\$ 391,263	\$ 3,287,376
Sick leave benefit earned - current year	601,936	60,404	662,340
Sick leave used - current year	(469,549)	(63,853)	(533,402)
Sick leave paid upon retirement	<u>(55,034)</u>	<u>(17,469)</u>	<u>(72,503)</u>
Balance, end of year	<u>\$ 2,973,466</u>	<u>\$ 370,345</u>	<u>\$ 3,343,811</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts (continued)**F. Long-Term Obligations (continued)*****General Obligation Debt***

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

	Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/11
Bonds:	03/15/02	03/01/21	4.92%	\$ 11,500,000	\$ 7,350,000
	05/15/03	05/01/22	4.41%	12,000,000	9,625,000
	05/15/04	05/01/18	4.92%	7,225,000	6,125,000
Notes:	07/15/02	06/01/12	3.70%	2,325,000	325,000
	08/01/03	06/01/13	3.56%	3,770,000	1,050,000
	09/15/03	04/01/12	3.52%	1,000,000	175,000
	09/01/04	09/01/14	3.60%	3,360,000	600,000
	07/01/05	06/01/15	3.87%	3,780,000	2,000,000
	09/01/06	06/01/16	4.21%	2,660,000	1,500,000
	06/01/07	06/01/17	4.32%	1,750,000	1,375,000
	07/01/08	12/01/18	4.10%	3,800,000	3,075,000
	06/01/09	05/01/19	3.35%	3,320,000	3,075,000
	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	1,700,000
	06/01/10	06/01/20	3.16%	3,955,000	3,800,000
	05/17/10	11/01/14	4.25%	17,650,000	17,650,000
	10/05/10	12/01/19	3.06%	11,800,000	11,050,000
	06/06/11	06/01/21	2.80%	6,830,000	6,830,000
	10/18/11	10/01/13	2.00%	5,500,000	5,500,000
	10/18/11	10/01/19	2.03%	1,800,000	1,800,000
Total general obligation debt					\$ 86,455,000
Governmental activity debt					\$ 80,917,900
Business-type activity debt					5,537,100
Total general obligation debt					\$ 86,455,000

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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, 2011, the Village has used 38.93% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2011:

Equalized Value January 1, 2011	\$ 4,441,598,500
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Debt limit (5% of equalized value)	\$ 222,079,925
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General Obligation Debt by Funding Source:

Tax levy	\$ 16,207,400
Tipping fees	17,084,750
Special assessments	1,775,750
TID increments	45,850,000
Utility user fees	5,537,100
Total General Obligation debt	\$ 86,455,000

Ratio of applicable general obligation debt to debt limit	38.93 %
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Note Anticipation Notes

The Note Anticipation Notes ("Notes") are issued pursuant to Section 67.12(1)(b) of the Wisconsin Statutes. The Notes will be special obligations of the Village and do not constitute general obligation indebtedness of the Village nor a charge against its general credit or taxing power. The Notes are payable solely from revenues and tax increments generated by Tax Incremental District No. 6. Details of the Notes are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/11</u>
Governmental Activities:					
Note Anticipation Notes	10/05/10	03/01/13	1.50%	\$ 1,280,000	\$ 1,280,000

Revenue Bonds

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts (continued)**F. Long-Term Obligations (continued)*****Revenue Bonds***

Details of revenue bonds outstanding are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/11</u>
Business-type Activities:					
Revenue Bonds:					
Water Utility	07/01/00	12/01/18	5.57%	\$ 1,425,000	\$ 725,000
	06/01/01	12/01/12	4.51%	6,485,000	725,000
	03/15/05	12/01/16	4.08%	5,280,000	2,635,000
Clean Water Fund Loans:					
Sewer Utility	10/18/93	05/01/13	3.19%	1,702,971	180,932
	02/19/01	05/01/20	2.97%	217,231	118,246
	12/17/01	05/01/16	3.21%	791,035	306,198
	08/22/07	05/01/27	2.55%	1,887,778	1,637,559
Total business-type					\$ 6,327,935

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, 2011, \$860,000 of the defeased bonds remain outstanding.

Subsequent Debt Issuances

In June 2012, the Village Board approved the issuance and sale of \$6,400,000 general obligation refunding bonds. The Village plans to issue the debt in July 2012. The proceeds from the issuance will be used to refinance the remaining debt service requirements on 2002 general obligation bonds. The loan has a maturity life of 8.67 years, with an average interest rate of 3.42%.

In June 2012, the Village Board approved the issuance and sale of \$7,950,000 general obligation refunding bonds. The Village plans to issue the debt in July 2012. The proceeds from the issuance will be used to refinance the remaining debt service requirements on 2003 general obligation bonds. The loan has a maturity life of 9.67 years, with an average interest rate of 3.34%.

In June 2012, the Village Board approved the issuance and sale of \$4,610,000 general obligation promissory notes for purposes of supporting the 2012 Capital Budget. The Village plans to issue the debt in July 2012. The loan has a maturity life of 9.92 years, with an average interest rate of 2.80%.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2011

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

F. Long-Term Obligations (continued)

Debt Maturities

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

Governmental Activities:

Year	General Obligation Debt		Anticipation Notes		Total
	Principal	Interest	Principal	Interest	
2012	\$ 9,723,416	\$ 2,993,532	\$ ---	\$ 19,200	\$ 12,736,148
2013	11,385,416	2,463,082	1,280,000	9,600	15,138,098
2014	24,086,416	2,103,873	---	---	26,190,289
2015	6,051,416	1,153,424	---	---	7,204,840
2016	6,021,415	962,902	---	---	6,984,317
2017-2021	22,649,820	1,975,366	---	---	24,625,186
2022-2026	1,000,000	20,000	---	---	1,020,000
2027-2031	---	---	---	---	---
Totals	\$ 80,917,899	\$ 11,672,179	\$ 1,280,000	\$ 28,800	\$ 93,898,878

Business-type Activities:

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2012	\$ 581,584	\$ 184,437	\$ 1,592,322	\$ 244,323	\$ 2,602,666
2013	639,584	141,762	909,495	175,432	1,866,273
2014	613,584	123,293	832,064	140,145	1,709,086
2015	648,584	104,499	851,647	105,770	1,710,500
2016	578,584	86,364	641,361	70,378	1,376,687
2017-2021	2,475,180	171,325	808,690	145,773	3,600,968
2022-2026	---	---	569,587	52,633	622,220
2027-2031	---	---	122,769	1,563	124,332
Totals	\$ 5,537,100	\$ 811,680	\$ 6,327,935	\$ 936,017	\$ 13,612,732

Total Primary Government:

Year	General Obligation Debt		Anticipation Notes and Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2012	\$ 10,305,000	\$ 3,177,969	\$ 1,592,322	\$ 263,523	\$ 15,338,814
2013	12,025,000	2,604,844	2,189,495	185,032	17,004,371
2014	24,700,000	2,227,166	832,064	140,145	27,899,375
2015	6,700,000	1,257,923	851,647	105,770	8,915,340
2016	6,600,000	1,049,266	641,361	70,378	8,361,005
2017-2021	25,125,000	2,146,691	808,690	145,773	28,226,154
2022-2026	1,000,000	20,000	569,587	52,633	1,642,220
2027-2031	---	---	122,769	1,563	124,332
Totals	\$ 86,455,000	\$ 12,483,859	\$ 7,607,935	\$ 964,817	\$ 107,511,611

The debt maturity schedules include the revised payment schedules related to the 2012 debt proceeds used to refinance 2002 and 2003 general obligation bonds.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

3. Detail Notes on Transaction Classes and Accounts (continued)**F. Long-Term Obligations (continued)*****Premiums, Discounts, and Gains and Losses on Refundings******Governmental Activities:***

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

Business-type Activities:

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

Activity for the year ended December 31, 2011 is summarized as follows:

	Balance January 1, 2011	Additions	Amortization Expense (Benefit)	Balance December 31, 2011
Governmental Activities	\$ 865,194	\$ 236,518	\$ (206,358)	\$ 895,354
Business-type Activities:				
Sewer Utility	\$ 16,809	\$ ---	\$ (16,809)	\$ ---
Water Utility	244,604	---	(66,242)	178,362
Total business-type activities	\$ 261,413	\$ ---	\$ (83,051)	\$ 178,362

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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	\$	92,358,971	
Other capital assets net of accumulated depreciation		53,498,360	
Less related long-term debt		<u>(51,708,884)</u>	
Total invested in capital assets net of related debt			\$ 94,148,447

Restricted for:

Capital Projects:

Park development and land acquisition	572,751	
Library facilities	191,987	
Tax Incremental District projects	<u>1,922,229</u>	
Total restricted for capital projects		2,686,967

Debt Service

35,973

Other:

Community development	1,199,766	
Public safety programs	284,279	
Parks operations	4,863	
Library operations and maintenance	<u>1,213,238</u>	
Total restricted for other		2,702,146

Unrestricted

6,247,496

Total governmental net assets\$ 105,821,029

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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	\$	7,988,968	
Other capital assets net of accumulated depreciation		126,786,338	
Less related long-term debt		(8,505,659)	
Total invested in capital assets net of related debt			\$ 126,268,647

Restricted for:**Capital Projects:**

Interceptor sewer improvements	1,233,052	
Other sewer infrastructure improvements	2,205,035	
Other water infrastructure improvements	1,768,440	
Total restricted for capital projects		5,206,527

Debt Service:

Restricted for debt service – sewer	171,683	
Less liabilities payable from restricted assets – sewer	(171,683)	
Restricted for debt service – water	952,672	
Less liabilities payable from restricted assets – water	(952,672)	
Total restricted for debt service		---

Other:

Operation and maintenance – sewer	755,684	
Depreciation fund – sewer	272,465	
Operation and maintenance – water	275,530	
Depreciation fund – water	75,000	
Total restricted for other		1,378,679

Unrestricted		11,038,425
Total business-type net assets	\$	<u>143,892,278</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

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:

Nonspendable:

Prepaid items	\$ 269,610	
Advances to other funds	1,815,455	
Delinquent personal property taxes receivable	54,000	
Inventory of supplies	252,642	
Total nonspendable		\$ 2,391,707

Restricted:

Tourism		11,094
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Unassigned

6,843,969

Total General Fund

\$ 9,246,770

Debt Service Fund:

Restricted for debt service	\$ 35,973
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T.I.D. #6 Main Street:

Nonspendable for long-term loans receivable	\$ 15,512,058
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Restricted for TIF District Improvements and Debt Service	669,618
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Total T.I.D. #6 Main Street	\$ 16,181,676
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T.I.D. #8 Richfield Way:

Restricted for TIF District Improvements and Debt Service	\$ 2,633,809
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Non-major Funds:

Nonspendable:

Prepaid items	\$ 6,183	
Advances to other funds	2,299,845	
Total nonspendable		\$ 2,306,028

Restricted:

Revolving loans for community development	735,737	
Public safety programs	284,279	
Park development and land acquisition	572,751	
Parks operations	4,863	
Library facilities	180,072	
Library operations and maintenance	1,005,136	
TIF District Improvements and Debt Service	5,738,421	
Total restricted		8,521,259

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2011

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

G. Net Assets and Fund Balances (continued)

Fund Financial Statements (continued)

Committed:			
Community grants	\$	9,933	
Cable TV programs		62,583	
Capital projects		6,239,282	
Assigned:			\$ 6,311,798
Special revenue projects			534,957
Unassigned			(887,452)
Total non-major funds			\$ 16,786,590

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 over 600 hours a year (1,200 hours for employees hired on or after July 1, 2011) are eligible to participate in the WRS. Covered employees in the General category were required by statute to contribute 6.5% of their salary (3.9% for executives and elected officials, 5.8% for protective occupations with social security, and 4.8% for protective occupations without social security) to the plan through June 28, 2011. Beginning June 29, 2011, and thereafter covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for executives and elected officials, 5.8% for protective occupations with social security, and 5.8% for protective occupations without social security) to the plan. Employers generally made these contributions to the plan on behalf of employees through June 28, 2011. Thereafter, employees are required to fund their contribution subject to terms of employment contracts and which employee group they are a member of. Due to legal delays and time to implement these changes, employees of the Village did not start contributing until September 2011. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for employees covered by the WRS for the year ended December 31, 2011 was \$13,000,231; the employer's total payroll was \$13,076,264. The total required contribution for the year ended December 31, 2011 was \$1,688,202, which consisted of \$1,545,780, or 11.9% of payroll from the employer and \$142,422, or 1.1% of payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$1,561,997 and \$1,487,736, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 57 for general serve and elected officials with 30 years of service, 54 for protective occupation employees with less than 25 years of service and 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 benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998 or beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 are immediately vested.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)

A. Employee Pension Plan (continued)

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.

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	\$	606,741
Interest on net OPEB obligation		34,543
Annual OPEB cost (expense)		<u>641,284</u>
Contributions made		(468,061)
Increase in net OPEB obligation		<u>173,223</u>
Net OPEB obligation – beginning of year		863,570
Net OPEB obligation – end of year	\$	<u>1,036,793</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2011

4. Other Notes (continued)

B. Other Post-Employment Benefits (continued)

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2009	\$ 466,165	138,148	29%	\$ 598,155
December 31, 2010	567,199	301,784	53%	863,570
December 31, 2011	641,284	468,061	73%	1,036,793

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.

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, 2011 was twenty-eight 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.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)

C. Risk Management (continued)

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.

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, 2011, this fund had net assets totaling \$847,641 which is available to pay future claims. Additionally, a liability of \$88,241 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>
2011	\$	90,436	\$ 32,548	\$ (34,743)	\$	88,241
2010		51,363	72,654	(33,581)		90,436

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, 2011. 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, 2011 is available from the CVMIC offices. As of December 31, 2011, the CVMIC had assets of \$41,736,283 and a policyholders' surplus of \$25,113,790.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)**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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 10,079,425	\$ 11,682,325	\$ 10,079,425	\$ 13,087,899	\$ 1,700,000

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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 56,085,164	\$ 19,213,373	\$ 56,085,164	\$ 17,291,144	\$ ---

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)**D. Tax Incremental Districts (continued)****T.I.D. #5 - Westbrook Corporate Park**

On June 14, 1999, the Village created Tax Incremental District #5 ("TID #5"). TID #5 has a statutory life of 23 years which will expire June 14, 2022. On December 18, 2000 the original project plan was amended to increase certain planned project expenditures. On July 16, 2001 the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. The last date to incur project costs is June 14, 2017. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 20,527,977	\$ 6,909,089	\$ 20,527,977	\$ 15,132,493	\$ 8,150,000

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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 26,760,500	\$ 155,186	\$ 26,760,500	\$ 3,778,510	\$ 19,805,000

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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 11,096,724	\$ 715,580	\$ 11,096,724	\$ 906,558	\$ ---

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)**D. Tax Incremental Districts (continued)****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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 58,945,750	\$ 1,252,110	\$ 58,945,750	\$ 11,468,301	\$ 12,850,000

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, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 23,481,963	\$ ---	\$ 23,481,963	\$ 620,983	\$ ---

T.I.D. #10

On August 17, 2011, the Village created Tax Incremental District #10 ("TID #10"). TID #10 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 40,307,876	\$ 1,076	\$ 40,307,876	\$ 579,310	\$ 4,100,000

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)**D. Tax Incremental Districts (continued)****T.I.D. #11**

On August 17, 2011, the Village created Tax Incremental District #11 ("TID #11"). TID #11 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2011:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/11</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/11</u>	<u>Outstanding debt as of 12/31/11</u>
\$ 4,501,500	\$ 82	\$ 4,501,500	\$ 527,169	\$ 525,000

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 has entered into employment contracts with two non-represented Village employees. The terms of these contracts include salary continuation benefits for the employees in the event that the employees are terminated without cause. The length of salary continuation benefits is six months for each employee.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)

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.

The Village has issued municipal revenue obligations ("MRO") from TID #5, TID #7, TID #10 and TID #11 as part of development agreements. The principal amount of the MRO's are \$3,100,000, \$5,100,000, \$2,500,000 and \$500,000, and are payable solely from tax increments collected by the TID #5, TID #7, TID #10 and TID #11, respectively. The payment schedules vary. The TID #7 MRO carries an 8.5% interest rate, while all of the others maintain a 0% interest rate. The obligation does not constitute a charge upon any funds of the Village. The increments collected by the Districts are pledged in their entirety. If the tax increments collected by the Districts during the life of the Districts are insufficient to pay the principal and interest on the MRO's, the obligations terminate with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligations are not reported as a liability in the accompanying financial statements. The balance of the maximum potential commitments at December 31, 2011 was approximately \$16,430,000

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.

I. Leases as Lessor

The Village has entered a lease agreement with a local school district, wherein the Village has agreed to allow the use of Village property for the purpose of the school district's operations. Revenue from this activity totaled \$32,780 for the year ended December 31, 2011. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2012	\$ 32,780
2013	32,780
2014	32,780
2015	32,780
2016	32,780
2017 – 2021	13,658
Total	\$ 177,558

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)**I. Leases as Lessor (continued)**

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. Payments received on these leases totaled \$30,950 for the year ended December 31, 2011. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2012	\$ 32,099
2013	33,292
2014	9,676
2015	9,966
Total	\$ 85,033

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Payments received on these leases totaled \$178,729 for the year ended December 31, 2011. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2012	\$ 163,415
2013	125,300
2014	109,529
2015	115,007
Total	\$ 513,251

J. Deficit Fund Balances

As of December 31, 2011, the following non-major individual funds had deficit fund balances:

Fund	Deficit
Capital Projects Funds:	
T.I.D. #5	\$ 73,404
T.I.D. #7	190,978
T.I.D. #9	620,983
T.I.D. #11	2,087

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2011

4. Other Notes (continued)

K. Accounting Pronouncements

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy primarily based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. This Statement also clarifies the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. The Village implemented this Statement beginning with fiscal year January 1, 2011.

The Governmental Accounting Standards Board ("GASB") has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus, and Statements No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements, Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53. Application of these standards may restate portions of these financial statements.

L. Prior-Period Restatement

The beginning net assets of the Village's governmental activities have been restated as of January 1, 2011. The restatement relates to the improper recording of potential future commitments of the Village as long-term obligations. The effects of the restatement are noted below:

Net assets, January 1, 2011 as previously reported	\$ 99,919,848
Village commitments previously reported as long-term obligations	8,200,000
Interest accrued in relation to commitments	<u>943,957</u>
Net assets, January 1, 2011 as restated	\$ <u>109,063,805</u>

M. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (July 10, 2012). Except for the event noted in note 3.B. and the debt transactions already noted in note 3.F., 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, 2011

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

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Cash and equivalents	\$ 12,043,136	\$ 8,746,344
Certificate of deposit	2,134,966	2,095,693
Accounts receivable:		
Taxes	9,664,809	12,303,447
Special charges on the tax roll	9,547	3,236
Intergovernmental aid	351,032	455,503
Accounts	724,943	739,520
Due from other funds	3,652,794	1,787,449
Prepaid items	269,610	559,338
Inventory	252,642	265,366
Advance to other governmental funds	1,596,269	882,254
Advances to utilities	219,186	303,166
Total assets	<u><u>\$ 30,918,934</u></u>	<u><u>\$ 28,141,316</u></u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 3,770,893	\$ 2,331,393
Compensated absences	921,432	895,378
Deposits	94,414	88,054
Deferred revenue	16,810,560	16,731,159
Due to other funds	74,865	---
Total liabilities	<u>21,672,164</u>	<u>20,045,984</u>
Fund Balances:		
Nonspendable	2,391,707	2,018,827
Restricted	11,094	---
Committed	---	100,000
Unassigned	6,843,969	5,976,505
Total fund balances	<u>9,246,770</u>	<u>8,095,332</u>
Total liabilities and fund balance	<u><u>\$ 30,918,934</u></u>	<u><u>\$ 28,141,316</u></u>

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Revenues:			
Property taxes	\$ 16,156,597	\$ 16,162,010	\$ (5,413)
Other taxes	98,304	16,684	81,620
Payments in lieu of taxes - Water Utility	1,203,973	1,200,836	3,137
Licenses and permits	1,094,714	1,102,585	(7,871)
Fines and forfeitures	627,478	731,937	(104,459)
Intergovernmental	3,097,890	3,014,744	83,146
Charges for services	975,809	852,003	123,806
Investment earnings	56,782	62,444	(5,662)
Interest on advances to governmental funds	72,190	71,554	636
Interest on advances to utilities	16,020	27,349	(11,329)
Other	106,871	74,372	32,499
Total revenues	<u>23,506,628</u>	<u>23,316,518</u>	<u>190,110</u>
Expenditures:			
General Government:			
Village board	45,446	48,748	(3,302)
Village manager	62,919	54,844	8,075
Clerk services	595,179	587,177	8,002
Human resources	91,614	93,595	(1,981)
Assessment of property	287,664	285,363	2,301
Building maintenance	464,143	460,737	3,406
Insurance and benefits	113,161	57,694	55,467
Judicial	186,726	42,859	143,867
Legal services	376,060	400,314	(24,254)
Financial services	349,377	300,339	49,038
Communications and information services	779,446	692,908	86,538
Capital outlay	92,712	20,198	72,514
Total general government	<u>3,444,447</u>	<u>3,044,776</u>	<u>399,671</u>
Public Safety:			
Police	7,830,350	7,772,679	57,671
Emergency dispatch	811,727	881,325	(69,598)
Fire	2,711,321	2,516,288	195,033
Fire protection services	1,663,828	1,684,428	(20,600)
Weed control	51,394	37,348	14,046
Emergency government	4,878	6,066	(1,188)
Other protection services	41,278	40,294	984
Capital outlay	90,392	87,140	3,252
Total public safety	<u>13,205,168</u>	<u>13,025,568</u>	<u>179,600</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
Years Ended December 31, 2011 and 2010
(Continued)

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Public Works:			
Street and alley repair	\$ 3,036,060	\$ 3,158,688	\$ (122,628)
Equipment maintenance	434,800	401,995	32,805
Municipal garages	71,917	78,814	(6,897)
Capital outlay	5,110	---	5,110
Total public works	<u>3,547,887</u>	<u>3,639,497</u>	<u>(91,610)</u>
Culture and Recreation:			
Historical society and museum	35,806	24,581	11,225
Parks operations	669,478	748,232	(78,754)
Parks projects	43,258	17,918	25,340
Community quality of life	81,922	70,072	11,850
Capital outlay	19,163	---	19,163
Total culture and recreation	<u>849,627</u>	<u>860,803</u>	<u>(11,176)</u>
Conservation and Development:			
Community development	81,989	50,414	31,575
Building inspection	376,330	388,860	(12,530)
Engineering	140,178	213,910	(73,732)
Planning	289,324	267,957	21,367
Total conservation and development	<u>887,821</u>	<u>921,141</u>	<u>(33,320)</u>
Total general fund expenditures	<u>21,934,950</u>	<u>21,491,785</u>	<u>443,165</u>
Excess of revenues over expenditures	1,571,678	1,824,733	(253,055)
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	---	32,391	(32,391)
Transfers in	165,482	355,633	(190,151)
Transfers out	(585,722)	(2,212,757)	1,627,035
Net other financing uses	<u>(420,240)</u>	<u>(1,824,733)</u>	<u>1,404,493</u>
Net change in fund balance	1,151,438	---	1,151,438
Fund Balance:			
Beginning of year	8,095,332	8,095,332	---
End of year	<u>\$ 9,246,770</u>	<u>\$ 8,095,332</u>	<u>\$ 1,151,438</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, 2011

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Property taxes	\$ 2,320,395	\$ 2,320,395	\$ 2,316,308
Expenditures:			
Principal	6,360,836	6,360,836	6,258,415
Interest and fiscal charges	3,793,703	3,793,703	3,355,521
Debt issuance costs	---	---	205,922
Total expenditures	<u>10,154,539</u>	<u>10,154,539</u>	<u>9,819,858</u>
Deficit of revenues under expenditures	<u>(7,834,144)</u>	<u>(7,834,144)</u>	<u>(7,503,550)</u>
Other Financing Sources:			
Transfers in	7,834,144	7,834,144	7,115,793
Bond premiums	---	---	236,518
Net other financing sources	<u>7,834,144</u>	<u>7,834,144</u>	<u>7,352,311</u>
Net change in fund balance	---	---	(151,239)
Fund Balance:			
Beginning of year	187,212	187,212	187,212
End of year	<u>\$ 187,212</u>	<u>\$ 187,212</u>	<u>\$ 35,973</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, 2011

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
Assets:			
Cash and equivalents	\$ 3,744,019	\$ 14,376,636	\$ 18,120,655
Accounts receivable:			
Taxes	1,742,835	4,186,370	5,929,205
Special charges on tax roll	1,221,464	93,843	1,315,307
Intergovernmental aid	13,448	242,330	255,778
Special assessments	---	1,045,890	1,045,890
Accounts	426	519,899	520,325
Notes	464,029	---	464,029
Pledges	11,915	---	11,915
Prepaid items	6,183	---	6,183
Advance to other governmental funds	---	1,697,574	1,697,574
Long-term advances to utilities	---	602,271	602,271
Total assets	<u><u>\$ 7,204,319</u></u>	<u><u>\$ 22,764,813</u></u>	<u><u>\$ 29,969,132</u></u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and other accrued liabilities	\$ 73,209	\$ 981,380	\$ 1,054,589
Accrued compensated absences	72,720	---	72,720
Deposits	---	108,490	108,490
Deferred revenue	3,440,443	4,782,974	8,223,417
Due to other funds	221,453	1,237,239	1,458,692
Long-term advances from other governmental funds	---	2,264,634	2,264,634
Total liabilities	<u><u>3,807,825</u></u>	<u><u>9,374,717</u></u>	<u><u>13,182,542</u></u>
Fund Balances:			
Nonspendable	6,183	2,299,845	2,306,028
Restricted	2,782,838	5,738,421	8,521,259
Committed	72,516	6,239,282	6,311,798
Assigned	534,957	---	534,957
Unassigned	---	(887,452)	(887,452)
Total fund balances	<u><u>3,396,494</u></u>	<u><u>13,390,096</u></u>	<u><u>16,786,590</u></u>
Total liabilities and fund balance	<u><u>\$ 7,204,319</u></u>	<u><u>\$ 22,764,813</u></u>	<u><u>\$ 29,969,132</u></u>

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, 2011

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Property taxes	\$ 1,812,430	\$ 4,161,804	\$ 5,974,234
Charges for services:			
Fines and forfeitures	20,638	---	20,638
Program revenues	1,511,174	---	1,511,174
Other charges for services	---	3,088,333	3,088,333
Operating grants and contributions:			
Intergovernmental	195,316	168,498	363,814
Donations	18,138	---	18,138
Capital grants and contributions:			
Intergovernmental	---	236,512	236,512
Special assessments and interest	---	195,095	195,095
Contributions from developers	92,825	91,978	184,803
Investment earnings	4,837	12,658	17,495
Interest earned on advances to governmental funds	---	9,794	9,794
Interest earned on advances to utilities	---	6,062	6,062
Other revenues	13,888	5,625	19,513
Total governmental revenues	<u>3,669,246</u>	<u>7,976,359</u>	<u>11,645,605</u>
Expenditures:			
Current:			
General government	10,711	258,574	269,285
Public safety	125,655	291,989	417,644
Public works	1,670,276	1,650,989	3,321,265
Culture and recreation	1,854,334	73,549	1,927,883
Conservation and development	283,994	1,986,823	2,270,817
Interest on advances to governmental funds	---	32,399	32,399
Capital outlay	30,000	3,296,571	3,326,571
Total expenditures	<u>3,974,970</u>	<u>7,590,894</u>	<u>11,565,864</u>
Excess (deficit) of revenues over (under) expenditures	(305,724)	385,465	79,741
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	---	13,182	13,182
Transfers in	1,099,763	517,360	1,617,123
Transfers out	(565,441)	(6,815,244)	(7,380,685)
Bonds and notes issued	---	9,180,000	9,180,000
Total other financing sources (uses)	<u>534,322</u>	<u>2,895,298</u>	<u>3,429,620</u>
Net change in fund balances	228,598	3,280,763	3,509,361
Fund balance, beginning of year	3,167,896	10,109,333	13,277,229
Fund balance, end of year	<u>\$ 3,396,494</u>	<u>\$ 13,390,096</u>	<u>\$ 16,786,590</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.

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

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

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

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

VILLAGE OF MENOMOMNEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2011

Non-major Special Revenue Funds

	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Unallocated	Solid Waste Collection	Library Operations and Maintenance	TID #9 EDMF	Total Non-major Special Revenue Funds
Assets:														
Cash and equivalents	\$ 669,072	\$ 47,235	\$ ---	\$ ---	\$ 1,030,391	\$ 204,819	\$ ---	\$ ---	\$ ---	\$ 390,823	\$ 39,941	\$ 1,282,967	\$ 78,771	\$ 3,744,019
Receivables:														
Taxes	---	---	---	---	---	---	---	---	---	---	---	1,742,835	---	1,742,835
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	1,221,464	---	---	1,221,464
Intergovernmental aid	---	3,790	---	---	---	---	---	---	---	9,658	---	---	---	13,448
Accounts	---	---	---	---	---	---	---	---	---	---	426	---	---	426
Notes	348,090	---	---	---	---	---	---	---	---	---	---	---	115,939	464,029
Pledges	---	---	---	---	---	11,915	---	---	---	---	---	---	---	11,915
Prepaid items	---	---	---	---	---	---	---	---	---	---	---	6,183	---	6,183
Due from (to) unallocated	(276)	133,556	88,778	4,863	(457,640)	(24,747)	9,933	10,920	62,583	172,030	---	---	---	---
Total assets	<u>\$ 1,016,886</u>	<u>\$ 184,581</u>	<u>\$ 88,778</u>	<u>\$ 4,863</u>	<u>\$ 572,751</u>	<u>\$ 191,987</u>	<u>\$ 9,933</u>	<u>\$ 10,920</u>	<u>\$ 62,583</u>	<u>\$ 572,511</u>	<u>\$ 1,261,831</u>	<u>\$ 3,031,985</u>	<u>\$ 194,710</u>	<u>\$ 7,204,319</u>
Liabilities and Fund Balance:														
Liabilities:														
Accounts payable and other accrued liabilities	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 22,777	\$ ---	\$ 38,602	\$ 11,830	\$ 73,209
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	---	72,720	---	72,720
Deferred revenue	348,090	---	---	---	---	11,915	---	---	---	---	1,221,664	1,742,835	115,939	3,440,443
Due to other funds	---	---	---	---	---	---	---	---	---	14,777	40,167	166,509	---	221,453
Total liabilities	<u>348,090</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>11,915</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>37,554</u>	<u>1,261,831</u>	<u>2,020,666</u>	<u>127,769</u>	<u>3,807,825</u>
Fund Balances:														
Nospendable	---	---	---	---	---	---	---	---	---	---	---	6,183	---	6,183
Restricted	668,796	184,581	88,778	4,863	572,751	180,072	---	10,920	---	---	---	1,005,136	66,941	2,782,838
Committed	---	---	---	---	---	---	9,933	---	62,583	---	---	---	---	72,516
Assigned	---	---	---	---	---	---	---	---	---	534,957	---	---	---	534,957
Total fund balances	<u>668,796</u>	<u>184,581</u>	<u>88,778</u>	<u>4,863</u>	<u>572,751</u>	<u>180,072</u>	<u>9,933</u>	<u>10,920</u>	<u>62,583</u>	<u>534,957</u>	<u>---</u>	<u>1,011,319</u>	<u>66,941</u>	<u>3,396,494</u>
Total liabilities and fund balance	<u>\$ 1,016,886</u>	<u>\$ 184,581</u>	<u>\$ 88,778</u>	<u>\$ 4,863</u>	<u>\$ 572,751</u>	<u>\$ 191,987</u>	<u>\$ 9,933</u>	<u>\$ 10,920</u>	<u>\$ 62,583</u>	<u>\$ 572,511</u>	<u>\$ 1,261,831</u>	<u>\$ 3,031,985</u>	<u>\$ 194,710</u>	<u>\$ 7,204,319</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances-
Non-Major Special Revenue Funds
Year Ended December 31, 2011

	Non-major Special Revenue Funds													Total Non-major Special Revenue Funds
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Unallocated	Solid Waste Collection	Library Operations and Maintenance	TID #9 EDMF	
Revenues:														
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	1,812,430	\$ --	\$ 1,812,430
Public charges for services:														
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	---	20,638	---	20,638
Program revenue	28,848	3,284	27,918	---	---	---	---	825	90,000	---	1,355,356	---	4,943	1,511,174
Operating grants and contributions:														
Intergovernmental	---	80,902	7,915	---	---	575	---	---	---	---	70,536	35,388	---	195,316
Donations	---	14,084	1,015	1	---	2,171	---	720	---	---	---	147	---	18,138
Capital grants and contributions:														
Impact fees	---	---	60,118	---	32,707	---	---	---	---	---	---	---	---	92,825
Investment earnings	337	147	---	---	1,403	---	---	---	---	650	---	1,810	490	4,837
Other revenues	---	---	---	---	---	600	---	---	---	---	---	13,288	---	13,888
Total revenues	29,185	98,417	96,966	1	34,110	3,346	---	1,545	90,000	650	1,425,892	1,883,701	5,433	3,669,246
Expenditures:														
Current:														
General government	---	---	---	---	---	---	10,000	---	---	711	---	---	---	10,711
Public safety	---	88,355	37,151	---	---	---	---	149	---	---	---	---	---	125,655
Public works	---	---	---	---	---	---	---	---	---	---	1,670,276	---	---	1,670,276
Culture, recreation and education	---	---	---	---	1,527	5,409	---	---	90,000	---	---	1,757,398	---	1,854,334
Conservation and development	1,519	---	---	---	3,983	---	---	---	---	---	---	---	278,492	283,994
Capital outlay	---	---	---	---	---	---	---	---	---	---	---	30,000	---	30,000
Total expenditures	1,519	88,355	37,151	---	5,510	5,409	10,000	149	90,000	711	1,670,276	1,787,398	278,492	3,974,970
Excess (deficit) of revenues over (under) expenditures	27,666	10,062	59,815	1	28,600	(2,063)	(10,000)	1,396	---	(61)	(244,384)	96,303	(273,059)	(305,724)
Other Financing Sources (Uses):														
Transfers in	---	---	---	---	---	---	---	---	---	524,662	235,101	---	340,000	1,099,763
Transfers out	---	---	---	---	(524,662)	---	---	---	---	---	---	(40,779)	---	(565,441)
Total other financing sources (uses)	---	---	---	---	(524,662)	---	---	---	---	524,662	235,101	(40,779)	340,000	534,322
Net change in fund balances	27,666	10,062	59,815	1	(496,062)	(2,063)	(10,000)	1,396	---	524,601	(9,283)	55,524	66,941	228,598
Fund Balance - beginning of year	641,130	174,519	28,963	4,862	1,068,813	182,135	19,933	9,524	62,583	10,356	9,283	955,795	---	3,167,896
Fund Balance - end of year	\$ 668,796	\$ 184,581	\$ 88,778	\$ 4,863	\$ 572,751	\$ 180,072	\$ 9,933	\$ 10,920	\$ 62,583	\$ 534,957	\$ ---	\$ 1,011,319	\$ 66,941	\$ 3,396,494

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

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

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

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Capital Projects Funds
December 31, 2011

	Non-major Capital Projects Funds										Total Non-major Capital Projects Funds
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #7 First Park	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	Special Assessments	
Assets:											
Cash and equivalents	\$ 3,595,195	\$ 3,828,219	\$ 294,426	\$ 1,923,640	\$ 340,656	\$ 377,607	\$ ---	\$ 3,571,002	\$ 25,082	\$ 420,809	\$ 14,376,636
Receivables:											
Taxes	---	---	641,282	1,818,211	1,408,846	318,031	---	---	---	---	4,186,370
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	93,843	93,843
Intergovernmental aid	28,612	---	207	147,578	45,411	858	19,664	---	---	---	242,330
Special assessments	---	---	---	---	---	---	---	---	---	1,045,890	1,045,890
Accounts	87,048	432,851	---	---	---	---	---	---	---	---	519,899
Advances to other capital project funds	408,285	1,289,289	---	---	---	---	---	---	---	---	1,697,574
Advance to utilities	---	602,271	---	---	---	---	---	---	---	---	602,271
Total assets	\$ 4,119,140	\$ 6,152,630	\$ 935,915	\$ 3,889,429	\$ 1,794,913	\$ 696,496	\$ 19,664	\$ 3,571,002	\$ 25,082	\$ 1,560,542	\$ 22,764,813
Liabilities and Fund Balances:											
Liabilities:											
Accounts payable and other accrued liabilities	\$ 312,488	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,888	\$ ---	\$ ---	\$ 663,004	\$ 981,380
Deposits	108,490	---	---	---	---	---	---	---	---	---	108,490
Deferred revenue	---	---	641,489	1,965,789	1,454,257	318,889	19,664	---	---	382,886	4,782,974
Due to other funds	836,337	40,691	---	1,411	5,775	1,525	275,095	49,236	27,169	---	1,237,239
Advances from other capital projects funds	949,289	---	---	---	408,285	---	---	---	---	---	1,357,574
Advances from municipality	---	---	---	---	---	567,060	340,000	---	---	---	907,060
Total liabilities	2,206,604	40,691	641,489	1,967,200	1,868,317	887,474	640,647	49,236	27,169	1,045,890	9,374,717
Fund Balances:											
Nonspendable	408,285	1,891,560	---	---	---	---	---	---	---	---	2,299,845
Restricted	---	---	294,426	1,922,229	---	---	---	3,521,766	---	---	5,738,421
Committed	1,504,251	4,220,379	---	---	---	---	---	---	---	514,652	6,239,282
Unassigned	---	---	---	---	(73,404)	(190,978)	(620,983)	---	(2,087)	---	(887,452)
Total fund balances	1,912,536	6,111,939	294,426	1,922,229	(73,404)	(190,978)	(620,983)	3,521,766	(2,087)	514,652	13,390,096
Total liabilities and fund balances	\$ 4,119,140	\$ 6,152,630	\$ 935,915	\$ 3,889,429	\$ 1,794,913	\$ 696,496	\$ 19,664	\$ 3,571,002	\$ 25,082	\$ 1,560,542	\$ 22,764,813

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Non-Major Capital Projects Funds
Year Ended December 31, 2011**

	Non-major Capital Projects Funds										Total Non-major Capital Projects Funds
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #7 First Park	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	Special Assessments	
Revenues:											
Tax increment	\$ ---	\$ ---	\$ 672,468	\$ 2,088,145	\$ 1,062,922	\$ 338,269	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,161,804
Public charges for services:											
Program revenues	320	3,088,013	---	---	---	---	---	---	---	---	3,088,333
Operating grants and contributions:											
Intergovernmental	---	---	17,366	101,950	47,978	1,204	---	---	---	---	168,498
Capital grants and contributions:											
Intergovernmental	28,612	207,900	---	---	---	---	---	---	---	---	236,512
Special assessments and interest	---	---	---	---	---	---	---	---	---	195,095	195,095
Contributions from developers	51,785	23,367	---	---	16,826	---	---	---	---	---	91,978
Investment earnings	4,290	389	604	3,800	998	348	---	1,076	82	1,071	12,658
Interest on advances to governmental funds	8,285	1,509	---	---	---	---	---	---	---	---	9,794
Interest on advances to utilities	5,436	626	---	---	---	---	---	---	---	---	6,062
Other revenue	---	5,625	---	---	---	---	---	---	---	---	5,625
Total revenues	98,728	3,327,429	690,438	2,193,895	1,128,724	339,821	---	1,076	82	196,166	7,976,359
Expenditures:											
Current:											
General government	80,963	14,582	1,945	33,610	10,205	7,197	24,751	63,412	20,785	1,124	258,574
Public safety	---	291,989	---	---	---	---	---	---	---	---	291,989
Public works	1,613,852	204	---	22,232	3,129	---	---	7,848	3,724	---	1,650,989
Culture, recreation and education	29,895	---	---	---	---	---	43,654	---	---	---	73,549
Conservation and development	---	---	---	235,450	409,298	331,875	---	507,600	502,600	---	1,986,823
Interest on advances from governmental funds	1,509	---	---	---	8,285	22,605	---	---	---	---	32,399
Capital Outlay	1,742,810	1,388,431	---	---	---	---	165,330	---	---	---	3,296,571
Total expenditures	3,469,029	1,695,206	1,945	291,292	430,917	361,677	233,735	578,860	527,109	1,124	7,590,894
Excess (deficit) of revenues over (under) expenditures	(3,370,301)	1,632,223	688,493	1,902,603	697,807	(21,856)	(233,735)	(577,784)	(527,027)	195,042	385,465
Other Financing Sources (Uses):											
Proceeds from sales of capital assets	---	13,182	---	---	---	---	---	---	---	---	13,182
Transfers in	243,079	274,281	---	---	---	---	---	---	---	---	517,360
Transfers out	(15,482)	(2,216,113)	(573,000)	(1,740,476)	(1,171,263)	---	(340,000)	(450)	(60)	(758,400)	(6,815,244)
Bonds and notes issued	4,555,000	---	---	---	---	---	---	4,100,000	525,000	---	9,180,000
Total other financing sources (uses)	4,782,597	(1,928,650)	(573,000)	(1,740,476)	(1,171,263)	---	(340,000)	4,099,550	524,940	(758,400)	2,895,298
Net change in fund balances	1,412,296	(296,427)	115,493	162,127	(473,456)	(21,856)	(573,735)	3,521,766	(2,087)	(563,358)	3,280,763
Fund balance, beginning of year	500,240	6,408,366	178,933	1,760,102	400,052	(169,122)	(47,248)	---	---	1,078,010	10,109,333
Fund balance, end of year	\$ 1,912,536	\$ 6,111,939	\$ 294,426	\$ 1,922,229	\$ (73,404)	\$ (190,978)	\$ (620,983)	\$ 3,521,766	\$ (2,087)	\$ 514,652	\$ 13,390,096

See independent auditor's report.

PROPRIETARY FUNDS

Enterprise Funds:

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

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Sewer Utility
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 4,900,770	\$ 4,577,882
Cash and equivalents - restricted	171,683	276,931
Receivables:		
Taxes	300,000	300,000
Special charges on the tax roll	425,758	436,471
Utility customers	1,660,364	1,726,565
Other	18,270	17,738
Due from other funds	---	126,081
Inventory	13,974	16,011
Total current assets	<u>7,490,819</u>	<u>7,477,679</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and equivalents	4,466,236	6,622,561
Land and construction in progress	3,625,417	298,696
Other capital assets net of depreciation	51,690,463	52,504,721
Prepaid capacity charge	4,630,043	4,882,195
Total noncurrent assets	<u>64,412,159</u>	<u>64,308,173</u>
Total assets	<u>\$ 71,902,978</u>	<u>\$ 71,785,852</u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 322,837	\$ 328,206
Compensated absences - vacation due within one year	31,888	29,674
Deferred revenue	342,000	349,000
Current portion of advance	81,013	---
Due to other funds	911,492	---
Current portion of general obligation notes and BANS	71,090	46,090
Current portion of revenue bonds	80,774	78,452
Accrued interest	3,989	1,211
Liabilities payable from restricted assets:		
Current portion of revenue bonds	161,548	256,906
Accrued interest	10,135	20,025
Total current liabilities	<u>2,016,766</u>	<u>1,109,564</u>
Long-Term Liabilities:		
Compensated absences - sick pay	95,090	92,554
OPEB obligation	21,110	30,279
Advances from other funds	521,258	---
General obligation notes and BANS	486,540	322,630
Revenue bonds	2,000,613	3,067,935
Unamortized debt issuance premiums, discounts and losses on refundings	---	(16,809)
Total long-term liabilities	<u>3,124,611</u>	<u>3,496,589</u>
Total liabilities	<u>5,141,377</u>	<u>4,606,153</u>
Net Assets:		
Invested in capital assets, net of related debt	54,758,249	51,672,596
Restricted	4,466,236	6,622,561
Unrestricted	7,537,116	8,884,542
Total net assets	<u>66,761,601</u>	<u>67,179,699</u>
Total liabilities and net assets	<u>\$ 71,902,978</u>	<u>\$ 71,785,852</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Charges for services	\$ 8,287,181	\$ 8,652,539
Operating Expenses:		
Operation and maintenance	7,000,105	6,686,654
Administrative expense	961,568	991,934
Depreciation expense	1,327,122	1,351,740
Social Security tax	40,261	37,879
Total operating expenses	<u>9,329,056</u>	<u>9,068,207</u>
Operating loss	(1,041,875)	(415,668)
Nonoperating Revenues (Expenses):		
General property taxes	300,000	300,000
Investment earnings	13,941	21,577
Miscellaneous revenues	19,200	2,400
Gain on retirement of property and plant	---	4,232
Impact fees	89,336	153,757
Rent	(19,200)	(2,400)
Fiscal charges on debt	(1,272)	(1,272)
Amortization of debt issuance premiums, discounts and losses on refundings	(16,809)	(2,241)
Interest on long-term debt	(125,907)	(139,395)
Interest on advances	(626)	---
Net nonoperating revenues	<u>258,663</u>	<u>336,658</u>
Net loss before capital contributions	(783,212)	(79,010)
Capital Contributions	365,114	827,603
Increase (decrease) in net assets	<u>(418,098)</u>	<u>748,593</u>
Net Assets:		
Balance, beginning of year	67,179,699	66,431,106
Balance, end of year	<u>\$ 66,761,601</u>	<u>\$ 67,179,699</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 8,356,425	\$ 8,698,115
Payments to suppliers	(6,830,515)	(6,552,092)
Payments to and on behalf of employees	(888,010)	(868,255)
Internal activity - receipts from other funds	1,037,573	---
Internal activity - payments to other funds	(140,678)	(497,123)
Net cash provided by operating activities	<u>1,534,795</u>	<u>780,645</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	---	4,232
Additions to property and plant	(3,372,663)	(1,516,895)
Fair value of debt issued	235,000	---
Principal payments on debt	(1,206,448)	(374,686)
Interest on debt	(133,019)	(141,590)
Fiscal charges on debt	(1,272)	(1,272)
Advances from municipality	602,271	---
Interest on advances	(626)	---
General property taxes	300,000	300,000
Impact fees	89,336	153,757
Special assessments collected	---	13,056
Net cash used by capital and related financing activities	<u>(3,487,421)</u>	<u>(1,563,398)</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>13,941</u>	<u>21,577</u>
Net decrease in cash and equivalents	<u>(1,938,685)</u>	<u>(761,176)</u>
Cash and equivalents, beginning of year	<u>11,477,374</u>	<u>12,238,550</u>
Cash and equivalents, end of year	<u><u>\$ 9,538,689</u></u>	<u><u>\$ 11,477,374</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 4,900,770	\$ 4,577,882
Cash and cash equivalents - restricted	<u>4,637,919</u>	<u>6,899,492</u>
Total cash and equivalents	<u><u>\$ 9,538,689</u></u>	<u><u>\$ 11,477,374</u></u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2011 and 2010
(Continued)

	<u>2011</u>	<u>2010</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating loss	\$ (1,041,875)	\$ (415,668)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,327,122	1,351,740
Amortization of prepaid capacity	252,152	252,152
Abandonment of CIP	---	42,078
Changes in assets and liabilities related to operations:		
Receivables	76,382	55,901
Inventory	2,037	1,243
Due from other funds	1,037,573	(358,034)
Accounts payable and accrued liabilities	(107,177)	(163,947)
Deferred revenues	(7,000)	(7,000)
Compensated absences	4,750	14,241
OPEB obligation	(9,169)	7,939
Net cash provided by operating activities	\$ <u>1,534,795</u>	\$ <u>780,645</u>
 Noncash Capital Activities:		
Utility plant contributions	\$ 365,114	\$ 814,547
Amortization of debt issuance premiums, discounts and losses on refundings	16,809	2,241
Gain on sale of utility plant	---	4,232

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Water Utility
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 2,242,852	\$ 1,936,066
Cash and equivalents - restricted	952,672	1,081,685
Receivables:		
Special charges on the tax roll	196,927	184,023
Utility customers	971,461	915,267
Other	12,723	3,092
Prepaid items	1,794	1,794
Inventory	97,026	103,689
Total current assets	<u>4,475,455</u>	<u>4,225,616</u>
Noncurrent Assets:		
Cash and equivalents - restricted	2,118,970	3,522,937
Deferred bond issuance costs	42,479	51,119
Land and construction in progress	3,755,787	1,057,922
Other capital assets, net of depreciation	52,339,726	53,159,293
Total noncurrent assets	<u>58,256,962</u>	<u>57,791,271</u>
Total assets	<u>\$ 62,732,417</u>	<u>\$ 62,016,887</u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 122,955	\$ 74,081
Compensated absences - vacation due within one year	75,258	82,587
Deferred revenue	102,674	97,437
Due to other funds	925,274	116,855
Current portion of general obligation notes and BANS	230,000	150,000
Current portion of revenue bonds	412,920	198,594
Accrued interest	13,656	14,682
Liabilities payable from restricted assets:		
Current portion of revenue bonds	937,080	1,061,406
Accrued interest	15,592	20,279
Total current liabilities	<u>2,835,409</u>	<u>1,815,921</u>
Long-Term Liabilities:		
Compensated absences - sick pay	238,454	263,616
OPEB obligation	130,710	97,864
Advances from other funds	---	124,780
General obligation notes and BANS	1,710,000	1,110,000
Revenue bonds	2,735,000	4,085,000
Unamortized debt issuance premiums, discounts and losses on refundings	(178,362)	(244,604)
Total long-term liabilities	<u>4,635,802</u>	<u>5,436,656</u>
Total liabilities	<u>7,471,211</u>	<u>7,252,577</u>
Net Assets:		
Invested in capital assets - net of related debt	51,185,955	48,918,225
Restricted	2,118,970	3,522,937
Unrestricted	1,956,281	2,323,148
Total net assets	<u>55,261,206</u>	<u>54,764,310</u>
Total liabilities and net assets	<u>\$ 62,732,417</u>	<u>\$ 62,016,887</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Charges for services	\$ 6,577,855	\$ 6,144,447
Operating Expenses:		
Operation and maintenance	2,472,216	2,201,648
Administrative expense	1,071,548	1,102,835
Depreciation expense	1,473,925	1,472,028
Taxes paid to Village	1,203,973	1,200,836
Social Security tax	77,562	75,900
Regulatory commission remainder assessments	7,164	6,008
Total operating expenses	<u>6,306,388</u>	<u>6,059,255</u>
Operating income	271,467	85,192
Nonoperating Revenues (Expenses):		
Investment earnings	11,148	16,310
Sale of materials	17,398	14,923
Miscellaneous revenues	35	---
Gain on retirement of property and plant	24,466	446
Impact fees	152,233	165,950
Fiscal charges on debt	(2,640)	(1,872)
Amortization of debt issuance premiums, discounts and losses on refundings	(66,242)	(66,242)
Amortization of debt issuance costs	(8,640)	(8,640)
Interest on long-term debt	(287,662)	(325,774)
Interest on advances	(5,436)	(11,475)
Net nonoperating expenses	<u>(165,340)</u>	<u>(216,374)</u>
Net income (loss) before capital contributions	106,127	(131,182)
Capital Contributions	<u>390,769</u>	<u>664,843</u>
Increase in net assets	496,896	533,661
Net assets:		
Balance, beginning of year	54,764,310	54,230,649
Balance, end of year	<u>\$ 55,261,206</u>	<u>\$ 54,764,310</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 4,769,705	\$ 4,363,970
Payments to suppliers	(2,217,550)	(1,926,987)
Payments to and on behalf of employees	(1,354,403)	(1,350,874)
Internal activity - receipts from other funds	2,622,428	1,859,636
Internal activity - payments to other funds	(1,203,973)	(1,200,836)
Other receipts	17,433	14,923
Net cash provided by operating activities	<u>2,633,640</u>	<u>1,759,832</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	24,561	446
Additions to property and plant	(3,041,545)	(987,778)
Fair value of debt issued	830,000	790,000
Principal payments on debt	(1,410,000)	(1,310,000)
Interest on debt	(293,375)	(317,391)
Fiscal charges on debt	(2,640)	(1,872)
Advances from municipality	---	224,780
Principal payments on advances	(124,780)	(100,000)
Interest on advances	(5,436)	(11,475)
Impact fees	152,233	165,950
Special assessments collected	---	12,498
Net cash used by capital and related financing activities	<u>(3,870,982)</u>	<u>(1,534,842)</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>11,148</u>	<u>16,310</u>
Net increase (decrease) in cash and equivalents	(1,226,194)	241,300
Cash and equivalents, beginning of year	<u>6,540,688</u>	<u>6,299,388</u>
Cash and equivalents, end of year	<u><u>\$ 5,314,494</u></u>	<u><u>\$ 6,540,688</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 2,242,852	\$ 1,936,066
Cash and cash equivalents - restricted	<u>3,071,642</u>	<u>4,604,622</u>
Total cash and equivalents	<u><u>\$ 5,314,494</u></u>	<u><u>\$ 6,540,688</u></u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2011 and 2010
(Continued)

	<u>2011</u>	<u>2010</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 271,467	\$ 85,192
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,473,925	1,472,028
Depreciation charged to other accounts	156,669	151,096
Proceeds from sales of materials	17,398	14,923
Miscellaneous revenues	35	---
Changes in assets and liabilities related to operations:		
Receivables	(78,729)	(20,843)
Prepaid items	---	(1,794)
Inventory	6,663	(7,121)
Due from other funds	808,419	31,630
Accounts payable and accrued liabilities	(27,799)	13,534
Compensated absences	(32,491)	(8,396)
OPEB obligation	32,846	38,469
Deferred revenue	5,237	(8,886)
Net cash provided by operating activities	\$ <u>2,633,640</u>	\$ <u>1,759,832</u>
 Noncash Capital Activities:		
Utility plant contributions	\$ 390,769	\$ 652,345
Amortization of debt issuance premiums, discounts and losses on refundings	66,242	66,242
Amortization of debt issuance costs	8,640	8,640
Gain on sale of utility plant	24,466	446

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Storm Water Utility
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 2,080,439	\$ 1,614,696
Receivables:		
Taxes	931,250	931,250
Other	2,434	3,658
Inventory	<u>25,826</u>	<u>22,471</u>
Total current assets	<u>3,039,949</u>	<u>2,572,075</u>
Noncurrent Assets:		
Land and construction in progress	607,764	284,387
Other capital assets, net of depreciation	<u>22,756,149</u>	<u>22,916,807</u>
Total noncurrent assets	<u>23,363,913</u>	<u>23,201,194</u>
Total assets	<u><u>\$ 26,403,862</u></u>	<u><u>\$ 25,773,269</u></u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 8,793	\$ 9,044
Deposits	50,000	50,000
Compensated absences - vacation due within one year	9,574	9,202
Deferred revenue	931,250	931,250
Current portion of advance	73,424	100,000
Due to other funds	207,018	353,324
Current portion of general obligation notes and BANS	280,494	175,494
Accrued interest	<u>23,357</u>	<u>16,868</u>
Total current liabilities	<u>1,583,910</u>	<u>1,645,182</u>
Long-Term Liabilities:		
Compensated absences - sick pay	36,801	35,093
OPEB obligation	8,942	6,158
Advances from other funds	145,762	203,166
General obligation notes and BANS	<u>2,758,976</u>	<u>1,829,471</u>
Total long-term liabilities	<u>2,950,481</u>	<u>2,073,888</u>
Total liabilities	<u>4,534,391</u>	<u>3,719,070</u>
Net Assets:		
Invested in capital assets - net of related debt	20,324,443	21,196,229
Unrestricted	<u>1,545,028</u>	<u>857,970</u>
Total net assets	<u>21,869,471</u>	<u>22,054,199</u>
Total liabilities and net assets	<u><u>\$ 26,403,862</u></u>	<u><u>\$ 25,773,269</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
General property taxes	\$ 931,250	\$ 912,990
Charges for services	32,237	33,596
Total operating revenues	<u>963,487</u>	<u>946,586</u>
Operating Expenses:		
Operation and maintenance	462,503	394,501
Administrative expense	295,915	306,397
Depreciation expense	518,630	513,060
Social Security tax	13,452	12,350
Total operating expenses	<u>1,290,500</u>	<u>1,226,308</u>
Operating loss	<u>(327,013)</u>	<u>(279,722)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	2,573	3,653
Sale of materials	13,222	20,558
Miscellaneous revenues	6,720	3,069
Loss on retirement of property and plant	(331)	---
Fiscal charges on debt	(320)	(166)
Interest on long-term debt	(79,426)	(60,664)
Interest on advances	(16,020)	(27,349)
Net nonoperating expenses	<u>(73,582)</u>	<u>(60,899)</u>
Net loss before capital contributions	<u>(400,595)</u>	<u>(340,621)</u>
Capital Contributions	215,867	---
Decrease in net assets	<u>(184,728)</u>	<u>(340,621)</u>
Net Assets:		
Balance, beginning of year	22,054,199	22,394,820
Balance, end of year	<u>\$ 21,869,471</u>	<u>\$ 22,054,199</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 33,461	\$ 34,376
Payments to suppliers	(92,659)	(103,896)
Payments to and on behalf of employees	(676,347)	(637,973)
Internal activity - receipts from other funds	---	257,308
Internal activity - payments to other funds	(146,306)	---
Other receipts	<u>951,192</u>	<u>936,617</u>
Net cash provided by operating activities	<u>69,341</u>	<u>486,432</u>
Cash Flows From Noncapital Financing Activities		
Principal payments on advances	(83,980)	(152,651)
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(467,419)	(244,040)
Fair value of debt issued	1,210,000	590,000
Principal payments on debt	(175,495)	(110,494)
Interest on debt	(72,937)	(66,466)
Fiscal charges on debt	(320)	(166)
Interest on advances	<u>(16,020)</u>	<u>(27,349)</u>
Net cash provided by capital and related financing activities	<u>477,809</u>	<u>141,485</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>2,573</u>	<u>3,653</u>
Net increase in cash and equivalents	465,743	478,919
Cash and equivalents, beginning of year	<u>1,614,696</u>	<u>1,135,777</u>
Cash and equivalents, end of year	<u><u>\$ 2,080,439</u></u>	<u><u>\$ 1,614,696</u></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, 2011 and 2010
(Continued)

	<u>2011</u>	<u>2010</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (327,013)	\$ (279,722)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	518,630	513,060
Proceeds from sales of materials	13,222	20,558
Miscellaneous revenues	6,720	3,069
Changes in assets and liabilities related to operations:		
Receivables	1,224	(17,480)
Inventory	(3,355)	(22,471)
Due to or from other funds	(146,306)	257,308
Accounts payable and accrued liabilities	1,355	(10,707)
Compensated absences	2,080	2,151
OPEB obligation	2,784	2,406
Deferred revenue	---	18,260
Net cash provided by operating activities	\$ <u>69,341</u>	\$ <u>486,432</u>
 Noncash Capital Activities:		
Utility plant contributions	\$ 215,867	\$ ---
Loss on retirement of property and plant	331	---

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Risk Management Fund
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 816,538	\$ 854,125
Receivables	44,479	34,403
Due from other funds	74,865	27,853
Total assets	<u>\$ 935,882</u>	<u>\$ 916,381</u>
Liabilities and Net Assets:		
Current Liabilities:		
Incurred but not reported claims	\$ 88,241	\$ 90,436
Net Assets:		
Unrestricted	847,641	825,945
Total liabilities and net assets	<u>\$ 935,882</u>	<u>\$ 916,381</u>

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Charges for services	\$ 71,760	\$ ---
Operating Expenses	<u>83,864</u>	<u>134,437</u>
Operating loss	<u>(12,104)</u>	<u>(134,437)</u>
Nonoperating Revenues:		
Investment earnings	1,144	1,857
Dividend on investment in CVMIC	<u>32,656</u>	<u>34,403</u>
Net nonoperating revenues	<u>33,800</u>	<u>36,260</u>
Increase (decrease) in net assets	<u>21,696</u>	<u>(98,177)</u>
Net Assets:		
Balance, beginning of year	825,945	924,122
Balance, end of year	<u><u>\$ 847,641</u></u>	<u><u>\$ 825,945</u></u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (56,316)	\$ (65,844)
Internal activity - receipts from other funds	71,760	---
Internal activity - payments to other funds	(47,012)	(28,948)
Other receipts	(2,195)	---
Other payments	(37,624)	(41,516)
Net cash used by operating activities	<u>(71,387)</u>	<u>(136,308)</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>33,800</u>	<u>36,260</u>
Net decrease in cash and equivalents	(37,587)	(100,048)
Cash and equivalents, beginning of year	<u>854,125</u>	<u>954,173</u>
Cash and equivalents, end of year	<u><u>\$ 816,538</u></u>	<u><u>\$ 854,125</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:		
Operating loss	\$ (12,104)	\$ (134,437)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	(10,076)	(11,996)
Due from other funds	(47,012)	(28,948)
Incurred but not reported claims	(2,195)	39,073
Net cash used by operating activities	<u><u>\$ (71,387)</u></u>	<u><u>\$ (136,308)</u></u>

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, 2011

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2011</u>
Assets:				
Cash and equivalents	\$ 8,715,817	\$ 68,646,383	\$ (62,436,102)	\$ 14,926,098
Taxes receivable	53,720,285	61,839,090	(68,646,383)	46,912,992
Total assets	<u>\$ 62,436,102</u>	<u>\$ 130,485,473</u>	<u>\$ (131,082,485)</u>	<u>\$ 61,839,090</u>
Liabilities:				
Due to other taxing units	<u>\$ 62,436,102</u>	<u>\$ 61,839,090</u>	<u>\$ (62,436,102)</u>	<u>\$ 61,839,090</u>

See independent auditor's report.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2011

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2011	New Issues	Payments	Balance Outstanding December 31, 2011	Interest Paid 2011	Principal Due 2012	Interest Due 2012
General Fund :												
2001 G.O. Notes	05/15/01	4.55%	05/01	05/01 & 11/01	\$ 1,460,000	\$ 332,000	\$ ---	\$ (332,000)	\$ ---	\$ 7,802	\$ ---	\$ ---
2002 G.O. Notes	07/15/02	3.70%	06/01	06/01 & 12/01	1,627,500	455,000	---	(227,500)	227,500	13,536	227,500	4,550
2003 G.O. Notes	08/01/03	3.56%	06/01	06/01 & 12/01	2,110,000	1,020,000	---	(310,000)	710,000	34,213	355,000	21,300
2004 G.O. Notes	09/01/04	3.60%	09/01	03/01 & 09/01	2,431,961	525,000	---	(105,000)	420,000	20,584	122,500	16,647
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	2,668,000	1,741,000	---	(238,000)	1,503,000	64,229	283,000	54,283
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	2,045,000	1,531,000	---	(338,500)	1,192,500	57,516	163,500	46,849
2007 G.O. Notes	06/01/07	4.32%	06/01	06/01 & 12/01	1,590,000	1,363,000	---	(84,000)	1,279,000	56,946	134,000	52,314
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	2,143,000	---	(32,000)	2,111,000	88,481	82,000	86,404
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	2,061,700	---	(101,300)	1,960,400	66,236	226,300	61,449
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	2,385,000	---	(26,000)	2,359,000	110,251	101,000	72,144
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	---	4,445,000	---	4,445,000	---	110,000	170,851
Total General Fund						<u>\$ 13,556,700</u>	<u>\$ 4,445,000</u>	<u>\$ (1,794,300)</u>	<u>\$ 16,207,400</u>	<u>\$ 519,794</u>	<u>\$ 1,804,800</u>	<u>\$ 586,791</u>
Municipal Facilities and Equipment Fund:												
2002 G.O. Bonds	03/15/02	4.92%	03/01	03/01 & 09/01	\$ 11,500,000	\$ 7,900,000	\$ ---	\$ (550,000)	\$ 7,350,000	\$ 386,300	\$ 950,000	\$ 361,712
2002 G.O. Notes	07/15/02	3.70%	06/01	06/01 & 12/01	69,750	19,500	---	(9,750)	9,750	580	9,750	195
2003 G.O. Bonds	05/15/03	4.41%	05/01	05/01 & 11/01	12,000,000	10,275,000	---	(650,000)	9,625,000	437,506	1,675,000	412,181
2008 G.O. Notes	07/01/08	3.66%	06/01	06/01 & 12/01	250,000	150,000	---	(50,000)	100,000	4,719	50,000	2,938
Total Municipal Facilities Fund						<u>\$ 18,344,500</u>	<u>\$ ---</u>	<u>\$ (1,259,750)</u>	<u>\$ 17,084,750</u>	<u>\$ 829,105</u>	<u>\$ 2,684,750</u>	<u>\$ 777,026</u>
Special Assessment Fund:												
2001 G.O. Notes	05/15/01	4.55%	05/01	05/01 & 11/01	\$ 665,000	\$ 68,000	\$ ---	\$ (68,000)	\$ ---	\$ 1,598	\$ ---	\$ ---
2002 G.O. Notes	07/15/02	3.70%	06/01	06/01 & 12/01	627,750	175,500	---	(87,750)	87,750	5,221	87,750	1,755
2003 G.O. Notes	08/01/03	3.56%	06/01	06/01 & 12/01	1,660,000	505,000	---	(165,000)	340,000	16,693	170,000	10,200
2004 G.O. Notes	09/01/04	3.60%	09/01	03/01 & 09/01	508,264	225,000	---	(45,000)	180,000	8,822	52,500	7,134
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	272,000	139,000	---	(27,000)	112,000	4,953	27,000	3,923
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	250,059	150,035	---	(25,005)	125,030	5,876	25,006	4,814
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	160,000	112,000	---	(16,000)	96,000	4,460	16,000	3,780
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	471,280	---	(58,910)	412,370	17,856	58,910	15,757
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	159,300	---	(17,700)	141,600	4,916	17,700	4,407
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	190,000	---	(19,000)	171,000	7,833	19,000	4,779
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	110,000	---	110,000	---	110,000	---	10,000	3,878
Total Special Assessment Fund						<u>\$ 2,195,115</u>	<u>\$ 110,000</u>	<u>\$ (529,365)</u>	<u>\$ 1,775,750</u>	<u>\$ 78,228</u>	<u>\$ 483,866</u>	<u>\$ 60,427</u>
TID District #2:												
2010 G.O. Notes	02/01/10	2.15%	09/01	03/01 & 09/01	\$ 2,800,000	\$ 2,225,000	\$ ---	\$ (525,000)	\$ 1,700,000	\$ 48,000	\$ 550,000	\$ 36,844
TID District #4:												
2008 G.O. Promissory Notes	05/15/08	3.41%	06/01	05/01 & 11/01	\$ 1,800,000	\$ 600,000	\$ ---	\$ (600,000)	\$ ---	\$ 21,000	\$ ---	\$ ---
TID District #5:												
2003 G.O. Notes	09/15/03	3.52%	04/01	04/01 & 10/01	\$ 1,000,000	\$ 325,000	\$ ---	\$ (150,000)	\$ 175,000	\$ 9,369	\$ 175,000	\$ 3,325
2004 G.O. Refunding Bonds	05/15/04	4.92%	05/01	05/01 & 11/01	7,225,000	6,775,000	---	(650,000)	6,125,000	318,344	700,000	289,594
2009 G.O. Notes	10/19/09	2.30%	10/01	04/01 & 10/01	1,850,000	1,850,000	---	---	1,850,000	42,550	1,850,000	42,550
Total TID District #5						<u>\$ 8,950,000</u>	<u>\$ ---</u>	<u>\$ (800,000)</u>	<u>\$ 8,150,000</u>	<u>\$ 370,263</u>	<u>\$ 2,725,000</u>	<u>\$ 335,469</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2011

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2011	New Issues	Payments	Balance Outstanding December 31, 2011	Interest Paid 2011	Principal Due 2012	Interest Due 2012
TID District #6:												
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	\$ ---	\$ 750,125
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	---	19,200
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	875,000	---	875,000	---	875,000	---	---	16,674
Total TID District #6						<u>\$ 18,930,000</u>	<u>\$ 875,000</u>	<u>\$ ---</u>	<u>\$ 19,805,000</u>	<u>\$ 1,109,236</u>	<u>\$ ---</u>	<u>\$ 785,999</u>
TID District #8:												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 11,800,000	\$ ---	\$ (750,000)	\$ 11,050,000	\$ 368,875	\$ 1,075,000	\$ 310,781
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	---	1,800,000	---	1,800,000	---	400,000	31,263
Total TID District #8						<u>\$ 11,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ (750,000)</u>	<u>\$ 12,850,000</u>	<u>\$ 368,875</u>	<u>\$ 1,475,000</u>	<u>\$ 342,044</u>
TID District #10:												
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	\$ 4,100,000	\$ ---	\$ 4,100,000	\$ ---	\$ 4,100,000	\$ ---	\$ ---	\$ 78,128
TID District #11:												
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	\$ 525,000	\$ ---	\$ 525,000	\$ ---	\$ 525,000	\$ ---	\$ ---	\$ 10,004
Water Utility :												
2000 Water Revenue Bonds	07/01/00	5.57%	12/01	06/01 & 12/01	\$ 1,425,000	\$ 800,000	\$ ---	\$ (75,000)	\$ 725,000	\$ 45,125	\$ 75,000	\$ 41,000
2001 Water Revenue Bonds	06/01/01	4.51%	12/01	06/01 & 12/01	6,485,000	1,400,000	---	(675,000)	725,000	66,525	725,000	34,800
2005 Water Refunding Bonds	03/15/05	4.08%	12/01	06/01 & 12/01	5,280,000	3,145,000	---	(510,000)	2,635,000	131,700	550,000	111,300
2005 G.O. Notes	07/01/05	3.87%	06/01	06/01 & 12/01	840,000	470,000	---	(85,000)	385,000	16,882	90,000	13,544
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	790,000	790,000	---	(65,000)	725,000	33,143	75,000	20,479
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	---	830,000	---	830,000	---	65,000	29,079
Total Water Utility						<u>\$ 6,605,000</u>	<u>\$ 830,000</u>	<u>\$ (1,410,000)</u>	<u>\$ 6,025,000</u>	<u>\$ 293,375</u>	<u>\$ 1,580,000</u>	<u>\$ 250,202</u>
Sewer Utility:												
1995 Clean Water Fund Loans	10/18/93	3.19%	05/01	05/01 & 11/01	\$ 1,238,571	\$ 267,224	\$ ---	\$ (86,292)	\$ 180,932	\$ 7,148	\$ 89,046	\$ 4,351
2000 Sewer Revenue Bonds	07/01/00	5.58%	05/01	05/01 & 11/01	1,600,000	925,000	---	(925,000)	---	54,755	---	---
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	217,231	129,565	---	(11,319)	118,246	3,680	11,653	3,339
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	791,035	361,850	---	(55,652)	306,198	10,709	57,437	8,896
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	1,719,654	---	(82,095)	1,637,559	42,754	84,186	40,637
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	368,720	---	(46,090)	322,630	13,973	46,090	12,331
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	---	235,000	---	235,000	---	25,000	7,845
Total Sewer Utility						<u>\$ 3,772,013</u>	<u>\$ 235,000</u>	<u>\$ (1,206,448)</u>	<u>\$ 2,800,565</u>	<u>\$ 133,019</u>	<u>\$ 313,412</u>	<u>\$ 77,399</u>
Storm Water Utility:												
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 218,965	\$ ---	\$ (36,495)	\$ 182,470	\$ 8,576	\$ 36,494	\$ 7,025
2008 G.O. Notes	07/01/08	3.67%	06/01	06/01 & 12/01	315,000	192,000	---	(63,000)	129,000	6,066	63,000	3,821
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	1,004,000	---	(31,000)	973,000	33,397	31,000	32,507
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	590,000	---	(45,000)	545,000	24,898	55,000	15,449
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	---	1,210,000	---	1,210,000	---	95,000	42,358
Total Storm Water Utility						<u>\$ 2,004,965</u>	<u>\$ 1,210,000</u>	<u>\$ (175,495)</u>	<u>\$ 3,039,470</u>	<u>\$ 72,937</u>	<u>\$ 280,494</u>	<u>\$ 101,160</u>
Total long-term obligations						<u>\$ 88,983,293</u>	<u>\$ 14,130,000</u>	<u>\$ (9,050,358)</u>	<u>\$ 94,062,935</u>	<u>\$ 3,843,832</u>	<u>\$ 11,897,322</u>	<u>\$ 3,441,493</u>

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:

Page(s)

Financial Trends

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

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Revenue Capacity

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

117 - 121

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.

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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.

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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 Nine Years
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:									
Invested in capital assets, net of related debt	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481	\$ 72,568,233	\$ 69,606,209	\$ 63,706,297	\$ 56,228,372	\$ 51,422,115	\$ 50,067,332
Restricted	5,425,086	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	6,247,496	8,956,797	5,714,651	15,515,922	16,150,668	13,930,194	16,678,531	16,012,115	12,490,729
Total governmental activities net assets	<u>\$ 105,821,029</u>	<u>\$ 109,063,805</u>	<u>\$ 106,731,744</u>	<u>\$ 96,421,788</u>	<u>\$ 94,616,555</u>	<u>\$ 86,719,675</u>	<u>\$ 81,529,005</u>	<u>\$ 83,345,831</u>	<u>\$ 77,491,484</u>
Business-type activities:									
Invested in capital assets, net of related debt	\$ 126,268,647	\$ 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	6,585,206	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	11,038,425	12,191,413	8,893,049	9,917,625	8,652,115	6,657,611	2,721,065	(254,094)	(5,858,161)
Total business-type activities net assets	<u>\$ 143,892,278</u>	<u>\$ 143,998,208</u>	<u>\$ 143,056,575</u>	<u>\$ 143,666,397</u>	<u>\$ 141,419,681</u>	<u>\$ 136,199,809</u>	<u>\$ 130,627,658</u>	<u>\$ 117,569,333</u>	<u>\$ 107,548,307</u>
Primary government:									
Invested in capital assets, net of related debt	\$ 220,417,094	\$ 215,904,341	\$ 212,148,197	\$ 192,820,321	\$ 189,466,832	\$ 181,495,030	\$ 173,207,575	\$ 159,361,680	\$ 150,585,582
Restricted	12,010,292	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	17,285,921	21,148,210	14,607,700	25,433,547	24,802,783	20,587,805	19,399,596	15,758,021	6,632,568
Total primary government net assets	<u>\$ 249,713,307</u>	<u>\$ 253,062,013</u>	<u>\$ 249,788,319</u>	<u>\$ 240,088,185</u>	<u>\$ 236,036,236</u>	<u>\$ 222,919,484</u>	<u>\$ 212,156,663</u>	<u>\$ 200,915,164</u>	<u>\$ 185,039,791</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:									
Total expenses	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219	\$ 34,223,341	32,085,604	\$ 32,185,991	\$ 33,361,030	\$ 32,249,642	\$ 30,375,516
Total program revenues	10,498,182	10,237,660	16,953,433	10,077,758	13,845,474	9,888,737	10,875,638	13,142,066	15,001,733
Net program expense	<u>(30,478,171)</u>	<u>(24,731,956)</u>	<u>(16,009,786)</u>	<u>(24,145,583)</u>	<u>(18,240,130)</u>	<u>(22,297,254)</u>	<u>(22,485,392)</u>	<u>(19,107,576)</u>	<u>(15,373,783)</u>
Total general revenues and other changes in net assets	27,235,395	27,064,017	26,319,742	25,950,816	26,137,010	27,487,924	20,668,568	24,714,561	24,491,256
Change in net assets	<u>(3,242,776)</u>	<u>2,332,061</u>	<u>10,309,956</u>	<u>1,805,233</u>	<u>7,896,880</u>	<u>5,190,670</u>	<u>(1,816,824)</u>	<u>5,606,985</u>	<u>9,117,473</u>
Business-type activities:									
Total expenses	17,556,144	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	16,110,592	16,642,735	15,558,718	17,340,658	18,716,083	18,761,894	21,305,600	24,101,073	19,281,984
Net program revenue	<u>(1,445,552)</u>	<u>(358,525)</u>	<u>(1,950,713)</u>	<u>485,277</u>	<u>2,888,487</u>	<u>3,400,924</u>	<u>5,452,983</u>	<u>8,539,592</u>	<u>5,457,660</u>
Total general revenues and other changes in net assets	1,339,622	1,300,158	1,340,891	1,761,439	2,331,385	2,171,227	7,605,342	1,728,796	1,538,232
Change in net assets	<u>(105,930)</u>	<u>941,633</u>	<u>(609,822)</u>	<u>2,246,716</u>	<u>5,219,872</u>	<u>5,572,151</u>	<u>13,058,325</u>	<u>10,268,388</u>	<u>6,995,892</u>
Total primary government									
Change in net assets	<u>\$ (3,348,706)</u>	<u>\$ 3,273,694</u>	<u>\$ 9,700,134</u>	<u>\$ 4,051,949</u>	<u>13,116,752</u>	<u>\$ 10,762,821</u>	<u>\$ 11,241,501</u>	<u>\$ 15,875,373</u>	<u>\$ 16,113,365</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:									
General government	\$ 4,434,844	\$ 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	14,270,726	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	8,643,954	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	3,319,499	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	7,316,955	1,639,911	1,044,474	936,484	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	2,990,375	2,843,439	2,523,047	2,636,693	2,837,633	3,099,567	3,339,639	3,491,937	3,439,786
Total governmental activities expenses	<u>40,976,353</u>	<u>34,969,616</u>	<u>32,963,219</u>	<u>34,223,341</u>	<u>32,085,604</u>	<u>32,185,991</u>	<u>33,361,030</u>	<u>32,249,642</u>	<u>30,375,516</u>
Business-type Activities:									
Sewer Utility	9,492,870	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	6,677,008	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	1,386,266	1,314,487	1,349,322	1,348,632	1,378,942	1,270,048	1,133,097	1,357,662	1,176,194
Total business-type activities expenses	<u>17,556,144</u>	<u>17,001,260</u>	<u>17,509,431</u>	<u>16,855,381</u>	<u>15,827,596</u>	<u>15,360,970</u>	<u>15,852,617</u>	<u>15,561,481</u>	<u>13,824,324</u>
Total primary government expenses	<u>\$ 58,532,497</u>	<u>\$ 51,970,876</u>	<u>\$ 50,472,650</u>	<u>\$ 51,078,722</u>	<u>\$ 47,913,200</u>	<u>\$ 47,546,961</u>	<u>\$ 49,213,647</u>	<u>\$ 47,811,123</u>	<u>\$ 44,199,840</u>

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 Nine Years
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
Charges for services	\$ 7,283,901	\$ 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	2,441,155	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	<u>773,126</u>	<u>1,240,308</u>	<u>7,970,386</u>	<u>1,605,110</u>	<u>3,162,703</u>	<u>1,874,468</u>	<u>2,193,204</u>	<u>4,912,643</u>	<u>7,152,252</u>
Total governmental activities program revenues	<u>10,498,182</u>	<u>10,237,660</u>	<u>16,953,433</u>	<u>10,077,758</u>	<u>13,845,474</u>	<u>9,888,737</u>	<u>10,875,638</u>	<u>13,142,066</u>	<u>15,001,733</u>
Business-type Activities:									
Charges for services	14,897,273	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	<u>1,213,319</u>	<u>1,812,153</u>	<u>580,999</u>	<u>1,971,719</u>	<u>3,838,028</u>	<u>3,977,406</u>	<u>6,017,563</u>	<u>10,198,600</u>	<u>6,025,956</u>
Total business-type activities program revenues	<u>16,110,592</u>	<u>16,642,735</u>	<u>15,558,718</u>	<u>17,340,658</u>	<u>18,716,083</u>	<u>18,761,894</u>	<u>21,305,600</u>	<u>24,101,073</u>	<u>19,281,984</u>
Total primary government program revenues	<u>\$ 26,608,774</u>	<u>\$ 26,880,395</u>	<u>\$ 32,512,151</u>	<u>\$ 27,418,416</u>	<u>\$ 32,561,557</u>	<u>\$ 28,650,631</u>	<u>\$ 32,181,238</u>	<u>\$ 37,243,139</u>	<u>\$ 34,283,717</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
General government	\$ 523,965	\$ 478,962	\$ 461,226	\$ 369,566	\$ 334,312	\$ 303,884	\$ 281,972	\$ 265,915	\$ 371,172
Public safety	1,513,795	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	4,479,108	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	124,526	127,391	108,368	323,646	48,565	47,860	40,775	43,473	23,970
Conservation and development	642,507	707,274	500,104	653,426	935,587	974,224	1,009,563	1,590,716	1,397,249
Total governmental activities charges for services	<u>7,283,901</u>	<u>6,635,835</u>	<u>6,302,663</u>	<u>6,467,051</u>	<u>6,864,218</u>	<u>5,634,095</u>	<u>5,371,437</u>	<u>5,145,202</u>	<u>5,089,959</u>
Business-type activities:									
Sewer Utility	8,287,181	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	6,577,855	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	32,237	33,596	33,834	40,907	58,680	55,734	39,087	---	---
Total business-type activities charges for services	<u>14,897,273</u>	<u>14,830,582</u>	<u>14,977,719</u>	<u>15,368,939</u>	<u>14,878,055</u>	<u>14,784,488</u>	<u>15,288,037</u>	<u>13,902,473</u>	<u>13,256,028</u>
Total primary government charges for services	<u>\$ 22,181,174</u>	<u>\$ 21,466,417</u>	<u>\$ 21,280,382</u>	<u>\$ 21,835,990</u>	<u>\$ 21,742,273</u>	<u>\$ 20,418,583</u>	<u>\$ 20,659,474</u>	<u>\$ 19,047,675</u>	<u>\$ 18,345,987</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
Public safety	\$ 311,550	\$ 242,256	\$ 302,725	\$ 211,964	\$ 178,992	\$ 181,375	\$ 436,815	\$ 171,791	\$ 172,037
Public works	2,033,841	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	34,814	44,121	45,431	34,995	39,688	15,088	21,146	14,090	14,902
Conservation and development	60,950	48,081	204,826	229,911	710,781	274,877	403,337	598,749	319,602
Total governmental activities operating grants and contributions	<u>\$ 2,441,155</u>	<u>\$ 2,361,517</u>	<u>\$ 2,680,384</u>	<u>\$ 2,005,597</u>	<u>\$ 3,818,553</u>	<u>\$ 2,380,174</u>	<u>\$ 3,310,997</u>	<u>\$ 3,084,221</u>	<u>\$ 2,759,522</u>

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
General government	\$ 5,000	\$ 14,569	\$ ---	\$ ---	\$ ---	\$ 70,510	\$ ---	\$ ---	\$ ---
Public safety	---	---	60,000	---	---	---	---	---	---
Public works	768,126	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
Total governmental activities capital grants and contributions	<u>773,126</u>	<u>1,240,308</u>	<u>7,970,386</u>	<u>1,605,110</u>	<u>3,162,703</u>	<u>1,874,468</u>	<u>2,193,204</u>	<u>4,912,643</u>	<u>7,152,252</u>
Business-type activities:									
Sewer Utility	454,450	981,360	278,529	492,911	1,553,881	1,133,729	2,176,126	3,984,327	1,777,680
Water Utility	543,002	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	215,867	---	14,813	341,627	940,757	807,780	1,253,667	2,826,094	1,448,294
Total business-type activities capital grants and contributions	<u>1,213,319</u>	<u>1,812,153</u>	<u>580,999</u>	<u>1,971,719</u>	<u>3,838,028</u>	<u>3,977,406</u>	<u>6,017,563</u>	<u>10,198,600</u>	<u>6,025,956</u>
Total primary government capital grants and contributions	<u>\$ 1,986,445</u>	<u>\$ 3,052,461</u>	<u>\$ 8,551,385</u>	<u>\$ 3,576,829</u>	<u>\$ 7,000,731</u>	<u>\$ 5,851,874</u>	<u>\$ 8,210,767</u>	<u>\$ 15,111,243</u>	<u>\$ 13,178,208</u>

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 Nine Years
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
Taxes	\$ 25,751,546	\$ 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	1,230,437	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	120,702	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	22,082	38,824	31,048	34,537	39,037	39,037	36,828	35,155	31,657
Gain on retirement of capital assets	13,182	32,391	---	56,912	33,175	3,318	16,182	---	---
Residual equity transfer - TID 3	---	---	---	---	---	---	(5,625,000)	---	---
Other revenues	97,446	65,883	62,511	57,072	37,380	50,883	107,266	122,611	43,159
Total governmental activities general revenues and other changes in net assets	27,235,395	27,064,017	26,319,742	25,950,816	26,137,010	27,487,924	20,668,568	24,714,561	24,491,256
Business-type activities:									
Taxes	1,231,250	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	27,662	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	24,135	4,678	147	(21,138)	497	5,888	920	102,393	---
Residual equity transfer - TID 3	---	---	---	---	---	---	5,625,000	---	---
Other revenues	56,575	40,950	14,598	2,255	926	891	1,154	1,796	4,019
Total business-type activities general revenues and other changes in net assets	1,339,622	1,300,158	1,340,891	1,761,439	2,331,385	2,171,227	7,605,342	1,728,796	1,538,232
Total primary government general revenues and other changes in net assets	\$ 28,575,017	\$ 28,364,175	\$ 27,660,633	\$ 27,712,255	\$ 28,468,395	\$ 29,659,151	\$ 28,273,910	\$ 26,443,357	\$ 26,029,488

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund:										
Nonspendable	\$ 2,391,707	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	11,094	---	---	---	---	---	---	---	---	---
Unassigned	6,843,969	---	---	---	---	---	---	---	---	---
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
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
Total general fund	9,246,770	8,095,332	8,095,332	8,095,332	8,095,332	8,095,332	9,665,462	10,732,707	11,172,860	10,397,436
All Other Governmental Funds:										
Nonspendable	17,818,086	---	---	---	---	---	---	---	---	---
Restricted	11,860,659	---	---	---	---	---	---	---	---	---
Committed	6,311,798	---	---	---	---	---	---	---	---	---
Assigned	534,957	---	---	---	---	---	---	---	---	---
Unassigned	(887,452)	---	---	---	---	---	---	---	---	---
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
Unreserved, reported in:										
Special Revenue funds	---	6,485,333	91,966	304,130	23,631	1,172	5,628	8,259	92,540	84,728
Capital Projects funds	---	(230,554)	3,429,420	5,917,809	5,742,738	6,519,125	6,104,382	5,209,549	8,058,729	12,308,663
Total all other governmental funds	<u>35,638,048</u>	<u>36,674,827</u>	<u>18,347,606</u>	<u>18,660,170</u>	<u>18,682,705</u>	<u>19,027,885</u>	<u>17,698,431</u>	<u>24,156,024</u>	<u>26,423,797</u>	<u>20,478,223</u>
Total all governmental funds	<u>\$ 44,884,818</u>	<u>\$ 44,770,159</u>	<u>\$ 26,442,938</u>	<u>\$ 26,755,502</u>	<u>\$ 26,778,037</u>	<u>\$ 27,123,217</u>	<u>\$ 27,363,893</u>	<u>\$ 34,888,731</u>	<u>\$ 37,596,657</u>	<u>\$ 30,875,659</u>

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

Source: Comprehensive Annual Financial Reports (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)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues	\$ 37,588,066	\$ 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
Expenditures	<u>49,578,107</u>	<u>54,945,695</u>	<u>40,537,373</u>	<u>42,473,059</u>	<u>38,696,476</u>	<u>41,293,845</u>	<u>40,532,576</u>	<u>48,650,981</u>	<u>51,830,426</u>	<u>78,432,944</u>
Deficiency of revenues under expenditures	(11,990,041)	(18,659,987)	(4,645,420)	(6,231,219)	(103,870)	(4,418,582)	(4,952,646)	(15,161,768)	(18,274,002)	(44,910,598)
Other financing sources (uses) and other Changes in fund balances	<u>12,104,700</u>	<u>36,987,208</u>	<u>4,332,856</u>	<u>6,208,684</u>	<u>(241,310)</u>	<u>4,177,906</u>	<u>(2,572,192)</u>	<u>12,453,842</u>	<u>24,995,000</u>	<u>34,446,696</u>
Total change in fund balance	<u>\$ 114,659</u>	<u>\$ 18,327,221</u>	<u>\$ (312,564)</u>	<u>\$ (22,535)</u>	<u>\$ (345,180)</u>	<u>\$ (240,676)</u>	<u>\$ (7,524,838)</u>	<u>\$ (2,707,926)</u>	<u>\$ 6,720,998</u>	<u>\$ (10,463,902)</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
Revenues
Last Ten Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxes	\$ 24,547,573	\$ 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
Payment in lieu of tax	1,203,973	1,200,836	1,110,169	1,002,460	980,285	962,261	981,345	1,055,177	974,576	1,024,574
Special assessment & interest	195,095	156,193	271,814	303,739	370,858	416,269	488,565	247,651	1,039,210	2,521,840
Licenses and permits	1,094,714	1,102,585	877,195	875,180	1,047,884	1,058,018	1,109,962	1,190,990	1,075,685	762,208
Fines and penalties	648,116	755,247	662,503	661,095	611,749	602,289	559,558	564,392	554,470	485,949
Intergovernmental aid	3,800,609	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
Program revenues	1,511,174	1,410,802	1,244,290	1,492,130	119,856	124,012	145,726	159,083	144,874	---
Other charges for service	4,064,142	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
Interest income	89,279	120,726	222,381	1,073,689	2,110,216	1,997,467	1,293,674	660,851	560,412	1,122,988
Interest on advances	104,066	112,724	84,728	85,392	69,525	60,164	46,364	52,761	64,310	---
Other revenue	329,325	250,485	506,822	1,064,781	835,741	700,555	1,100,654	1,173,217	797,841	884,825
Total revenues	<u>\$ 37,588,066</u>	<u>\$ 36,285,708</u>	<u>\$ 35,891,953</u>	<u>\$ 36,241,840</u>	<u>\$ 38,592,606</u>	<u>\$ 36,875,263</u>	<u>\$ 35,579,930</u>	<u>\$ 33,489,213</u>	<u>\$ 33,556,424</u>	<u>\$ 33,522,346</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
Expenditures
Last Ten Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current:										
General government	\$ 3,939,717	\$ 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
Public safety	13,532,420	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
Public works	6,915,529	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
Culture and recreation	2,758,347	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
Conservation and development	7,410,485	1,645,679	1,145,049	870,587	1,215,791	1,152,259	1,189,051	1,562,005	1,944,069	1,547,872
Interest on advances	81,984	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	205,922	692,884	90,750	68,243	11,500	10,000	75,335	---	---	---
Capital outlay	5,119,767	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
Debt service:										
Principal	6,258,415	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
Interest and fiscal charges	3,355,521	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
Total expenditures	<u>\$ 49,578,107</u>	<u>\$ 54,945,695</u>	<u>\$ 40,537,373</u>	<u>\$ 42,473,059</u>	<u>\$ 38,696,476</u>	<u>\$ 41,293,845</u>	<u>\$ 40,532,576</u>	<u>\$ 48,650,981</u>	<u>\$ 51,830,426</u>	<u>\$ 78,432,944</u>
Debt service as a percentage of noncapital expenditures	<u>21.62%</u>	<u>34.17%</u>	<u>28.14%</u>	<u>30.61%</u>	<u>29.77%</u>	<u>33.22%</u>	<u>30.20%</u>	<u>42.70%</u>	<u>47.63%</u>	<u>58.52%</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)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating transfers in	\$ 10,017,673	\$ 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
Operating transfers out	(10,017,673)	(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)
Residual equity transfer	---	---	---	---	---	---	(5,625,000)	---	---	---
Proceeds from sale of capital assets	13,182	32,391	87,106	66,341	41,560	32,847	63,112	28,842	---	---
Fair market of bond/notes issued	11,855,000	32,025,000	4,155,000	6,074,100	1,750,000	2,295,059	2,940,000	3,025,000	23,570,000	34,446,696
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	236,518	849,817	90,750	68,243	11,500	---	49,696	---	---	---
Distribution upon closure of TID	---	---	---	---	(2,044,370)	---	---	---	---	---
Total other financing sources (uses)										
and other changes in fund balance	<u>\$ 12,104,700</u>	<u>\$ 36,987,208</u>	<u>\$ 4,332,856</u>	<u>\$ 6,208,684</u>	<u>\$ (241,310)</u>	<u>\$ 4,177,906</u>	<u>\$ (2,572,192)</u>	<u>\$ 12,453,842</u>	<u>\$ 24,995,000</u>	<u>\$ 34,446,696</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

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				
2011	\$ 4,248,742,200	\$ 4,299,841,843	\$ 140,072,010	\$ 141,756,657	\$ 4,388,814,210	\$ 5.20	\$ 4,441,598,500	0.9881
2010	4,224,701,290	4,291,691,236	143,615,590	145,892,864	4,368,316,880	5.17	4,437,584,100	0.9844
2009	4,169,912,100	4,438,094,157	142,107,780	151,247,243	4,312,019,880	5.22	4,589,341,400	0.9396
2008	4,119,463,500	4,486,663,248	136,375,450	148,531,652	4,255,838,950	5.17	4,635,194,900	0.9182
2007	4,035,948,800	4,381,105,713	118,740,890	128,895,687	4,154,689,690	5.08	4,510,001,400	0.9212
2006	3,968,013,000	4,115,002,545	120,980,500	125,462,055	4,088,993,500	5.11	4,240,464,600	0.9643
2005	3,858,494,200	3,819,932,659	112,686,624	111,560,441	3,971,180,824	5.09	3,931,493,100	1.0101
2004	3,117,805,500	3,455,036,776	117,026,932	129,684,919	3,234,832,432	6.12	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	6.00	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	6.08	3,114,612,106	1.0055

Assessed Valuations by District - 2011

Menomonee Falls School District	\$ 3,436,868,220
Hamilton Sussex School District	<u>951,945,990</u>
Total assessed value	<u>\$ 4,388,814,210</u>

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

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Value and Construction Data
Last Ten Years

Year	(1) Assessed Property Value				(2) Residential Construction		(2) Nonresidential Construction	
	Residential	Commercial & Manufacturing	Agricultural, Swamp & Other	Total	Number of Permits	Value	Number of Permits	Value
2011	\$ 2,954,622,400	\$ 1,277,237,400	\$ 16,882,400	\$ 4,248,742,200	573	\$ 18,709,627	147	\$ 47,333,453
2010	2,945,222,500	1,262,085,590	17,393,200	4,224,701,290	617	23,057,560	128	36,981,941
2009	2,935,215,100	1,216,139,000	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

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

Source: Village Financial Services Department taxation records

Note: The Village completed revaluations of assessed values in 2005. The increase in assessed values to approximately 100% of market value 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 2011 and 2002

Name	Nature of Business	2011			2002		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 93,195,820	2.12%	1	\$ 60,127,300	1.92%	1
Woodland Prime LLC	Property management	41,161,100	0.94%	2	---	---	
Harley Davidson	Manufacturer of motor cycles	31,796,600	0.72%	3	25,580,500	0.82%	3
Woodmans Food Market	Food store	23,407,230	0.53%	4	---	---	
NHMC Land LLC	Real estate	21,913,400	0.50%	5	---	---	
Waste Management	Solid waste management	19,370,110	0.44%	6	15,588,300	0.50%	6
Centerpoint Properties Trust	Property development	19,297,300	0.44%	7	---	---	
Wells Fargo Financial	Finance	18,570,070	0.42%	8	---	---	
Burke Business Park	Property development	17,049,400	0.39%	9	---	---	
Falls Medical Building Inc	Medical	15,632,400	0.36%	10	---	---	
Strong Capital Management	Investment services	---	---		47,529,700	1.52%	2
Lamplight Farms, Inc.	Candles and lighting	---	---		16,768,700	0.54%	4
Wacker Corporation	Compaction machines and pumps	---	---		16,346,400	0.52%	5
Pick 'N Save Foods	Food store	---	---		15,509,300	0.50%	7
Duni Corporation	Manufacturer of paper products	---	---		15,375,500	0.49%	8
Gillville LLC	Real estate	---	---		12,482,100	0.40%	9
Jerome Bence Trust	Property development	---	---		12,276,600	0.39%	10
Total, ten largest taxpayers		<u>301,393,430</u>	<u>6.86%</u>		<u>237,584,400</u>	<u>7.60%</u>	
Total, other taxpayers		<u>4,087,420,780</u>	<u>93.14%</u>		<u>2,894,302,593</u>	<u>92.41%</u>	
Total assessed valuations		<u><u>\$ 4,388,814,210</u></u>	<u><u>100.00%</u></u>		<u><u>\$ 3,131,886,993</u></u>	<u><u>100.00%</u></u>	

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

Levy Year	Taxes Levied	Collected Within the Year Levied for		Subsequent Collections	Totals Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010 for 2011	\$ 25,923,450	\$ 6,726,761	25.95%	\$ ---	\$ 6,726,761	25.95%
2009 for 2010	25,669,521	16,367,919	63.76%	9,246,230	25,614,149	99.78%
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%

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		Per Capita
	General Obligation Bonds & Notes	Bond/Note Anticipation Notes	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	General Obligation Notes	Utility Mortgage Revenue BANS		Personal Income	Property Value	
2011	\$ 80,917,900	\$ 1,280,000	\$ ---	\$ 4,085,000	\$ 2,242,935	\$ 5,537,100	\$ ---	\$ 94,062,935	4.97%	2.12%	\$ 2,637
2010	75,321,315	1,280,000	---	6,270,000	2,478,293	3,633,685	---	88,983,293	4.92%	2.01%	2,572
2009	51,934,731	1,250,000	---	7,595,000	2,706,889	2,495,269	---	65,981,889	3.65%	1.44%	1,907
2008	53,957,147	3,100,000	---	14,130,000	2,931,618	1,702,853	---	75,821,618	4.09%	1.64%	2,191
2007	54,246,553	6,650,000	---	16,745,000	2,798,440	1,038,447	---	81,478,440	4.49%	1.81%	2,365
2006	60,073,382	6,650,000	592,187	19,320,000	1,482,270	1,149,941	---	89,267,780	5.10%	2.11%	2,620
2005	65,753,385	6,640,000	646,294	21,790,000	1,627,617	840,000	---	97,297,296	6.13%	2.47%	2,867
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

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 Obligation Debt to Equalized Valuation and Debt Per Capita
Last Ten Years

Year	Gross General Obligation Debt	Designated Funds for Debt Service	Net General Outstanding Debt	Ratio of Net General Obligation Debt to Equalized Value	Net General Obligation Debt Per Capita
2011	\$ 86,455,000	\$ 35,973	\$ 86,419,027	1.95%	\$ 2,422
2010	78,955,000	187,212	78,767,788	1.78%	2,277
2009	54,430,000	2,779	54,427,221	1.19%	1,573
2008	55,660,000	5,853	55,654,147	1.20%	1,609
2007	55,285,000	4,223	55,280,777	1.23%	1,605
2006	61,223,323	5,796	61,217,527	1.44%	1,797
2005	66,593,385	6,372	66,587,013	1.69%	1,962
2004	70,955,983	14,684	70,941,299	1.98%	2,108
2003	66,580,951	8,219	66,572,732	1.96%	1,988
2002	64,969,020	13,159	64,955,861	2.09%	1,955

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

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (A)</u>	<u>Operating Income</u>	<u>Debt Service Requirements</u>			<u>Coverage (C)</u>
				<u>Principal (B)</u>	<u>Interest</u>	<u>Total</u>	
2011	\$ 8,709,658	\$ 8,001,934	\$ 707,724	\$ 1,160,358	\$ 119,046	\$ 1,279,404	0.5532
2010	9,134,505	7,716,467	1,418,038	328,596	126,091	454,687	3.1187
2009	9,379,933	7,603,234	1,776,699	1,724,729	287,903	2,012,632	0.8828
2008	9,892,073	7,428,640	2,463,433	1,589,526	335,864	1,925,390	1.2794
2007	10,170,201	6,637,927	3,532,274	1,716,602	345,641	2,062,243	1.7128
2006	9,991,739	6,412,705	3,579,034	1,545,347	384,969	1,930,316	1.8541
2005	10,229,412	7,023,067	3,206,345	2,120,786	545,953	2,666,739	1.2023
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

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 \$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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Water Utility Revenue Bond Coverage
Last Ten Years

Year	Operating	Operating	Operating	Debt Service Requirements			Coverage (C)
	Revenue (A)(D)	Expenses (B)	Income	Principal (E)	Interest	Total	
2011	\$ 6,783,135	\$ 3,628,490	\$ 3,154,645	\$ 1,260,000	\$ 243,350	\$ 1,503,350	2.0984
2010	6,342,076	3,386,391	2,955,685	1,225,000	297,375	1,522,375	1.9415
2009	6,396,980	3,349,804	3,047,176	1,175,000	347,250	1,522,250	2.0018
2008	6,686,233	3,348,158	3,338,075	1,165,000	394,737	1,559,737	2.1402
2007	7,025,431	3,104,293	3,921,138	1,150,000	439,913	1,589,913	2.4663
2006	7,009,043	3,058,580	3,950,463	1,070,000	489,325	1,559,325	2.5334
2005	7,117,399	2,852,459	4,264,940	1,025,000	495,176	1,520,176	2.8056
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

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) 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, 2011

Equalized value of real and personal property	\$ <u>4,441,598,500</u>
Debt limit, five percent of equalized valuation	\$ 222,079,925
Total obligation bonds and notes applicable to debt limit at December 31, 2011	<u>(86,455,000) *</u>
Remaining legal debt margin	\$ <u>135,624,925</u>
* Includes:	
Sewer Utility portion of G.O. notes	\$ 557,630
Water Utility portion of G.O. notes	1,940,000
Storm Water Utility portion of G.O. notes	3,039,470
Excludes:	
Note Anticipation Notes	1,280,000
Water Revenue Bonds and Revenue BANs	4,085,000
Wisconsin Clean Water Fund Loans	2,242,935

Historical Data					
Year		Debt Limit	Debt Subject to Limit	Legal Debt Margin	Percentage of Legal Debt Limit
2011	\$	222,079,925	\$ 86,455,000	\$ 135,624,925	38.93%
2010		221,879,205	78,955,000	142,924,205	35.58%
2009		229,467,070	54,430,000	175,037,070	23.72%
2008		231,759,745	55,660,000	176,099,745	24.02%
2007		225,500,070	55,285,000	170,215,070	24.52%
2006		212,023,230	61,223,323	150,799,907	28.88%
2005		196,574,655	66,593,385	129,981,270	33.88%
2004		179,236,085	70,955,983	108,280,102	39.59%
2003		169,418,937	66,580,951	102,837,986	39.30%
2002		155,730,605	64,969,020	90,761,585	41.72%

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, 2011

	Total Direct Debt		Applicable to Village
		Percent	Amount
Direct debt	\$ 94,062,935	100.00%	\$ 94,062,935
Overlapping Debt:			
Menomonee Falls School District	32,365,000	97.49%	31,552,639
Hamilton School District	12,000,000	32.43%	3,891,600
Waukesha County	71,660,000	8.56%	6,134,096
Waukesha County Technical College	<u>30,940,000</u>	8.36%	<u>2,586,584</u>
Total overlapping debt	<u>146,965,000</u>		<u>44,164,919</u>
Total net direct and overlapping debt	<u>\$ 241,027,935</u>		<u>\$ 138,227,854</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.

See independent auditor's report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rates (2)</u>			<u>Per-Capita Income (3)</u>		<u>Total Income Village of Menomonee Falls (4)</u>
		<u>Village of Menomonee Falls</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	
2011	35,675	6.2 %	6.5 %	7.5 %	\$ 53,034	\$ 37,670	\$ 1,891,987,950
2010	34,600	6.6	7.0	7.4	52,276	36,815	1,808,749,600
2009	34,600	7.3	7.5	8.5	52,290	36,822	1,809,234,000
2008	34,600	3.8	3.9	4.8	53,636	37,770	1,855,805,600
2007	34,450	4.0	4.0	4.9	52,713	36,990	1,815,962,850
2006	34,070	3.8	3.6	4.9	51,351	35,644	1,749,528,570
2005	33,939	3.8	3.8	4.8	46,735	33,673	1,586,139,165
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

(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 2011 and 2002

Employer	2011		2002	
	Employees	Percentage of All Employed in Village	Employees	Percentage of All Employed in Village
Kohls Corporation	4,000	22.19%	2,700	15.18%
Community Memorial Hospital	1,399	7.76%	1,168	6.57%
Harley Davidson	950	5.27%	936	5.26%
Arandell-Schmidt	750	4.16%	706	3.97%
FIS Management Services LLC (formerly Metvante)	700	3.88%	---	0.00%
Menomonee Falls School District	650	3.61%	983	5.53%
Wells Fargo (formerly Strong Capital Management)	648	3.60%	1,506	8.47%
Bradley Corporation	348	1.93%	302	1.70%
Wacker Neuson Corporation	335	1.86%	700	3.93%
Alto-Schaam	300	1.66%	340	1.91%
Linden Grove	258	1.43%	---	0.00%
Village of Menomonee Falls	223	1.24%	298	1.67%
Bank One	---	0.00%	770	4.33%
Citation Custom Products	---	0.00%	543	3.05%
All other employers	7,463	41.41%	6,837	38.43%
Total Employment	18,024	100.00%	17,789	100.00%

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

Function	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government and administration	34	33	34	36	41	44	47	48	48	47
Public Safety	101	100	104	105	104	105	103	103	103	106
Public Works	26	26	30	32	34	35	34	34	37	40
Culture and recreation	26	27	25	29	30	30	30	27	25	26
Conservation and Development	14	14	18	17	22	24	24	24	23	25
Sanitary Sewer	4	4	6	5	4	4	4	4	4	4
Water Utility	17	17	17	15	16	16	16	16	16	14
Storm Water Utility	1	1	1	1	1	1	1	1	1	---
Totals	<u>223</u>	<u>222</u>	<u>235</u>	<u>240</u>	<u>252</u>	<u>259</u>	<u>259</u>	<u>257</u>	<u>257</u>	<u>262</u>

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government:										
Number of employees	34	33	34	36	41	44	47	48	48	47
Registered voters	24,539	25,180	24,697	24,697	23,670	23,176	23,380	23,322	20,793	18,819
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	67	69	70	70	69	69	70	70	70	73
Crimes	470	433	403	550	691	703	545	587	585	596
Number of violations/enforcement	19,221	21,797	22,039	18,189	17,047	16,715	15,967	16,397	15,123	16,586
Accidents	780	510	557	877	928	832	899	881	931	893
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of employees	22	21	21	22	22	22	20	20	20	18
Number of fires	74	59	72	76	73	73	51	46	75	67
Rescue and EMS	2,035	1,864	1,814	1,905	1,761	1,669	1,559	1,524	1,466	1,362
Hazardous conditions	90	96	103	100	96	92	91	87	77	109
Dispatch:										
Number of employees	12	13	13	13	13	13	13	13	13	13
Number of event calls	41,928	43,027	65,562	65,562	65,562	61,134	77,444	81,418	81,455	84,281
Public Works:										
Number of employees	26	26	30	32	34	35	34	34	37	40
Miles of streets and roads-Village owned	207	207	207	207	207	206	205	202	200	205
Miles - All roads, State, County, Village	233	233	249	249	248	247	246	244	241	237

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)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Culture and recreation:										
Library:										
Number of employees	21	21	16	16	18	18	18	15	15	15
Volumes	141,577	124,337	123,099	138,427	146,998	132,092	125,966	122,395	114,017	105,195
Circulation	351,023	371,600	381,864	364,541	369,263	390,962	385,650	383,038	372,037	313,729
Parks:										
Number of employees	5	6	4	8	9	10	10	10	10	10
Number of parks	11	11	8	8	8	8	7	7	7	6
Acres of parkland - Village owned	1,525	1,525	1,508	1,508	1,506	1,458	1,016	1,016	1,016	900
Acres of parkland - County owned	621	621	544	544	544	544	546	546	546	550
Conservation and Development:										
Number of employees	14	14	18	17	22	24	24	23	21	25
Number of permits issued	720	745	516	636	791	692	825	830	800	865
Permit value	66,043,080	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
Water Utility:										
Number of employees	17	17	17	15	16	16	16	16	16	14
Number of customers	11,853	11,802	11,755	11,707	11,641	11,559	11,400	11,215	10,944	10,722
Gallons pumped annually (in thousands)	1,206,533	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
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	2,777	2,780	2,773	2,692	2,675	2,639	2,598	2,551	2,488	2,387
Miles of mains	218	218	220	216	215	212	208	205	201	194
Sewer Utility:										
Number of employees	4	4	6	5	4	4	4	4	4	4
Number of customers	11,407	11,571	10,853	10,824	10,771	10,671	10,537	10,415	10,211	10,079
Gallons pumped annually (in thousands)	843,689	824,790	853,332	888,214	903,862	896,011	963,149	969,846	951,101	957,097
Number of lift stations	10	10	8	8	8	7	6	6	4	4
Miles of main	213	212	212	208	208	205	202	199	194	190
Storm Water Utility:										
Number of employees	1	1	1	1	1	1	1	1	1	---
Number of retention basins	10	10	10	10	10	10	10	10	10	9
Miles of storm main	142	141	140	126	126	117	115	112	107	104

Source: Village departments

See independent auditor's report.