

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

**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2013**

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

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

**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2013**

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**Waukesha County, Wisconsin**

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# **INTRODUCTION**



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

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June 27, 2014

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, 2013 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, 2013. The auditor's opinion is located at the front of the financial section of this report.

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

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

The financial section of this report includes Management's Discussion and Analysis (MD&A), an overview of the basic financial statements. The Village's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement 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 35,710 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

## **VILLAGE PROFILE (continued)**

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

The Village provides typical municipal services including: police, fire, emergency dispatch and ambulance services; public works activities such as highway and street maintenance, refuse and recycling collection; recreational activities such as parks, public library and historical center; community development activities including planning and zoning enforcement, economic development, and 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.

## **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 businesses, the Village is preparing for a more robust economic future.

Overall housing starts in 2013 increased with 6 more homes constructed than the previous year and the Village accounted for over 9% of all the new home construction in Waukesha County (59 of the 688). Menomonee Falls ranked third in new home starts in Waukesha County and had the second highest average value when considering the communities with more than 40 new home starts. The high value and consistent volume of new construction verifies that demand for residential property in the Village is increasing as the economy improves.

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 additional debt in 2013 for TID #8, which is the location of the Village's largest and most prominent redevelopment. The 92,000 square foot facility for Froedtert & Medical College of Wisconsin and Wisconsin Athletic Club has been completed and opened. The development was a 2014 winner of a Milwaukee Business Journal 2014 Real Estate Award. The conceptual land use plan for the remaining development includes a mix of large and smaller scale commercial buildings and over 300 market rate apartments with underground parking. While much work remains, the new medical and health club facility, installation of Falls Parkway, and upgrades to the pedestrian bridge, have begun to significantly change the image of Menomonee Falls along the STH 41/45 corridor.

In 2013 the Village's equalized value decreased 2% and is a direct reflection of the continuing economic problems in the country. The number of total permits issued in 2013 was nearly an 18% increase over 2012, which is driven by the continued increase in new housing starts and growth in commercial activity. The Village's 5.5% unemployment rate is well below that of the State of Wisconsin's 6.7%. We expect these percentages to improve in the future as projects are completed. Additionally, the Village's manufacturing assessed real estate value in 2013 ranked third in the State. With over \$323 million in manufacturing assessed value, Menomonee Falls only trails Milwaukee and Green Bay. From a growth perspective, the Village features the third highest rate of industrial assessed value growth over the previous year (5.22%) 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 of around 3 months of operating expenditures. As of December 31, 2013, the unassigned General Fund balance approximated 3.3 months of 2014 budgeted expenditures, providing a reasonable 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, 2012. 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.

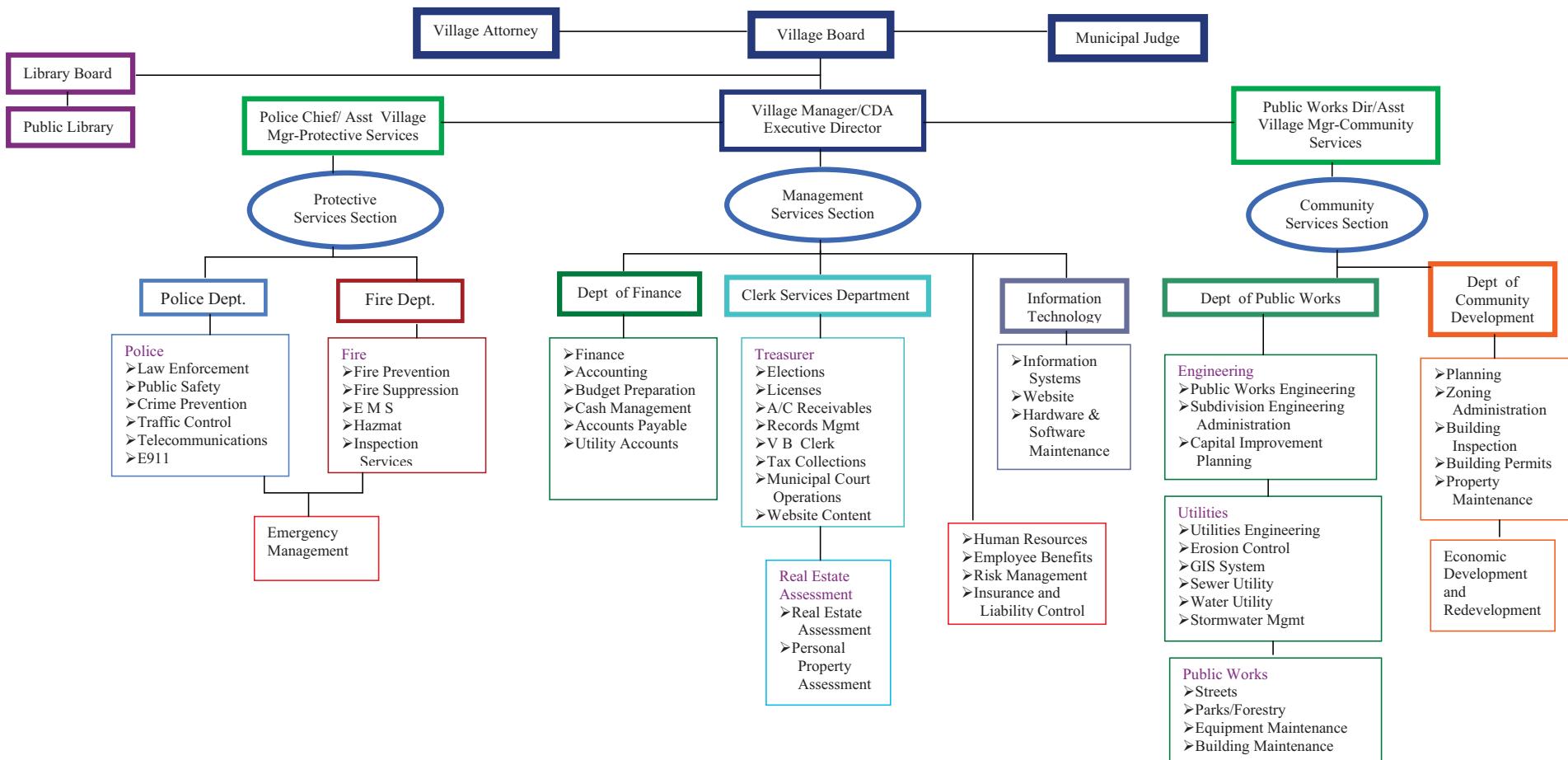
Respectfully submitted,



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, 2013**

**Elected Officials:**

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

**Certified Public Accountants:**

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

**Bond Counsel:**

Quarles & Brady, Milwaukee, Wisconsin

**Financial Advisor:**

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



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Menomonee Falls  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

A handwritten signature in black ink that reads "Jeffrey R. Einer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Einer" on the bottom line.

Executive Director/CEO

## **FINANCIAL SECTION**

Steven R. Volz  
Thomas G. Wieland  
David A. Grotkin  
Joel A. Joyce



Brian J. Mechenich  
Carrie A. Gindt  
Patrick G. Hoffert  
Jason J. Wrasse

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin, as of and for the year ended December 31, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

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 2013 combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, The Village of Menomonee Falls' basic financial statements for the year ended December 31, 2012, which are not presented with the accompanying financial statements. In our report dated July 12, 2013, 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 2012 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, 2012, 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

## Change in Accounting Principles

As discussed in the Notes to the financial statements, in 2013 the Village adopted new accounting guidance, GASB Statement 65, *Items Previously Reported as Assets and Liabilities* and GASB Statement 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Our opinion is not modified with respect to this matter.

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

June 27, 2014  
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, 2013. This discussion is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan.

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

### **Using This Annual Report**

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

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

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

These two statements report the Village's net position and changes in them. Net position is the difference between what the citizens own and what the citizens owe in liabilities at one moment in time. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors play a significant role in determining the Village's overall position, such as changes in property tax base and the condition of the Village's capital assets (roads, buildings, water and sewer lines, etc.)

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

- Governmental activities include most of the Village's basic services, including police, fire, street maintenance, parks, library, and general administration. These services are supported primarily by property taxes, 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.

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

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

### **Governmental Funds**

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

### **Proprietary Funds**

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

### **Fiduciary Funds**

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

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information can be found on page 77 of this report. Combining and individual fund statements and schedules begin on page 78 of this report.

## Government-wide Financial Analysis

### Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Menomonee Falls, total net position was \$245 million as of December 31, 2013. The largest portion of the Village's net position (88%) reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. An additional portion of the Village's net position, 5%, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis.

#### Condensed Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Capital assets	\$ 156.0	\$ 155.0	\$ 131.0	\$ 135.5	\$ 287.0	\$ 290.5
Other assets	80.2	84.3	22.9	22.3	103.1	106.6
<b>Total assets</b>	<b>236.2</b>	<b>239.3</b>	<b>153.9</b>	<b>157.8</b>	<b>390.1</b>	<b>397.1</b>
<b>Deferred outflows of resources:</b>	.1	-	.2	-	.3	-
<b>Liabilities:</b>						
Long-term liabilities	68.0	80.2	11.5	10.4	79.5	90.6
Other liabilities	32.0	55.7	2.6	3.7	34.6	59.4
<b>Total liabilities</b>	<b>100.0</b>	<b>135.9</b>	<b>14.1</b>	<b>14.1</b>	<b>114.1</b>	<b>150.0</b>
<b>Deferred inflows of resources:</b>	29.9	-	1.3	-	31.2	-
<b>Net Position:</b>						
Invested in capital assets, net of related debt	95.0	84.8	120.6	126.6	215.6	211.4
Restricted	8.2	15.2	4.8	4.8	13.0	20.0
Unrestricted	3.2	3.4	13.3	12.3	16.5	15.7
<b>Total net position</b>	<b>\$ 106.4</b>	<b>\$ 103.4</b>	<b>\$ 138.7</b>	<b>\$ 143.7</b>	<b>\$ 245.1</b>	<b>\$ 247.1</b>

### Changes in Net Position

Net position of the Village as a whole decreased by \$2 million or 0.8%.

During 2013 the net position of governmental activities increased 2.8% to \$106.4 million. Restricted assets include \$5.0 million for capital projects including TIDs, \$1.2 million for library operations and maintenance, and \$2.0 million for special revenue fund purposes. The unrestricted net position of governmental activities amounts to \$3.2 million.

Net position of business activities totaled \$138.8 million as of December 31, 2013. Business-type net position totaling \$4.8 million are restricted for capital projects, operations and maintenance, and depreciation. The Village may use the unrestricted net position totaling \$13.3 million 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 Position**  
(in millions of dollars)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 6.7	\$ 8.8	\$ 14.9	\$ 15.7	\$ 21.6	\$ 24.5
Operating grants and contributions	2.3	2.6	-	-	2.3	2.6
Capital grants and contributions	1.0	1.7	1.7	1.1	2.7	2.8
<b>General revenues:</b>						
Property taxes	26.4	26.1	1.2	1.2	27.6	27.3
Unrestricted grants and contributions	1.1	1.1	-	-	1.1	1.1
Investment earnings	0.1	0.1	-	-	0.1	0.1
Other revenues	1.9	(4.0)	0.1	0.1	2.0	(3.9)
<b>Total revenues</b>	<b>39.5</b>	<b>36.4</b>	<b>17.9</b>	<b>18.1</b>	<b>57.4</b>	<b>54.5</b>
<b>Expenses:</b>						
General government	4.6	4.9	-	-	4.6	4.9
Public safety	14.1	14.0	-	-	14.1	14.0
Public works	9.2	8.5	-	-	9.2	8.5
Culture and recreation	3.2	3.1	-	-	3.2	3.1
Conservation and development	2.1	5.3	-	-	2.1	5.3
Interest on long-term debt	2.5	3.0	-	-	2.5	3.0
Sewer Utility	-	-	10.1	10.2	10.1	10.2
Water Utility	-	-	6.8	6.7	6.8	6.7
Storm Water Utility	-	-	1.3	1.4	1.3	1.4
<b>Total expenses</b>	<b>35.7</b>	<b>38.8</b>	<b>18.2</b>	<b>18.3</b>	<b>53.9</b>	<b>57.1</b>
<b>Increase (decrease) in net position</b>	<b>3.8</b>	<b>(2.4)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>3.5</b>	<b>(2.6)</b>
Net position, beginning of year	103.4	105.8	143.7	143.9	247.1	249.7
Prior period adjustment	(0.9)	-	(4.7)	-	(5.6)	-
<b>Net position, end of year</b>	<b>\$ 106.3</b>	<b>\$ 103.4</b>	<b>\$ 138.7</b>	<b>\$ 143.7</b>	<b>\$ 245.0</b>	<b>\$ 247.1</b>

Governmental activities decreased net position by \$3.8 million. Significant changes in revenues and expenses were as follows:

**Revenues:**

Charges for services totaled \$6.7 million, a decrease of \$2.1 million from 2012. Nearly all of this change is due to a decrease in landfill tipping fees. In 2012, landfill tipping fees were unexpectedly strong due to the landfill's acceptance of material from some large-volume soil and material removal projects, one of which was the TID #8 cleanup.

Capital grants and contributions totaled \$1.0 million, a decrease of \$0.7 million from 2012. The majority of this is due to a decrease in special assessment receipts in 2013.

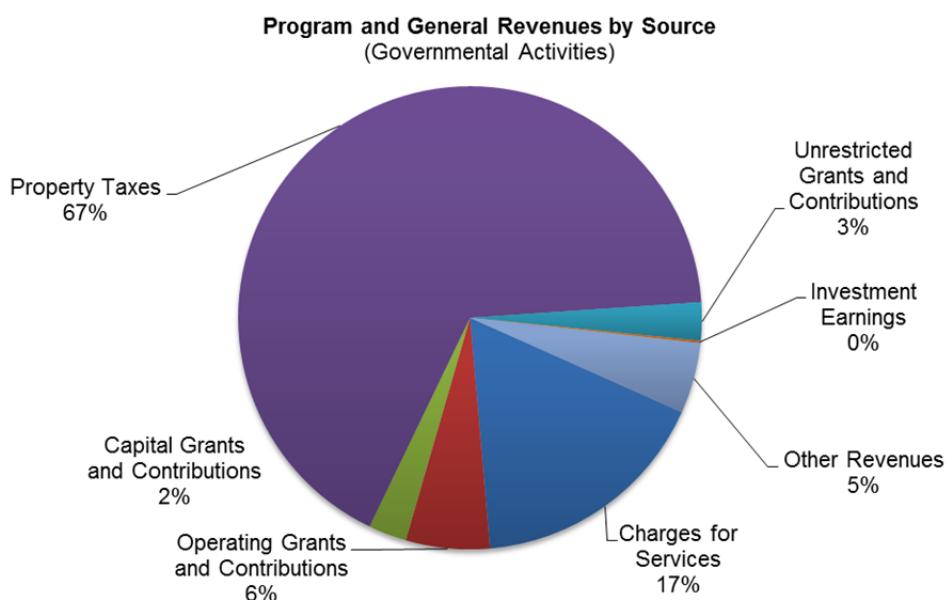
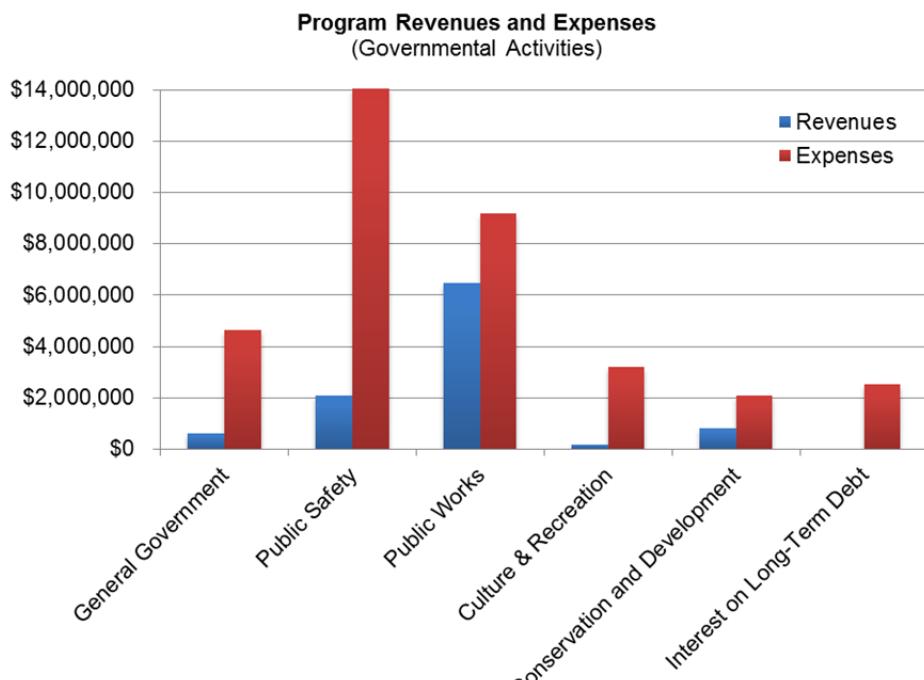
Other revenues totaled \$1.9 million, an increase of \$5.8 million from 2012. This positive number is partly represented by the \$2 million developer incentive returned from Kohl's Corp. Additionally in 2012 there was a large conveyance of land in TID #8 to developers. The conveyance of land was reported as part of loss on disposal of capital assets.

## Expenses:

Governmental expenses totaled \$35.7 million, a decrease of \$3.3 million from 2012. The decrease is due to overall lower spending in the TID funds compared to 2012. In 2012, significant funds were spent on development projects in TID #10. One of the projects included the \$2 million grant to Kohl's Corp., which was returned.

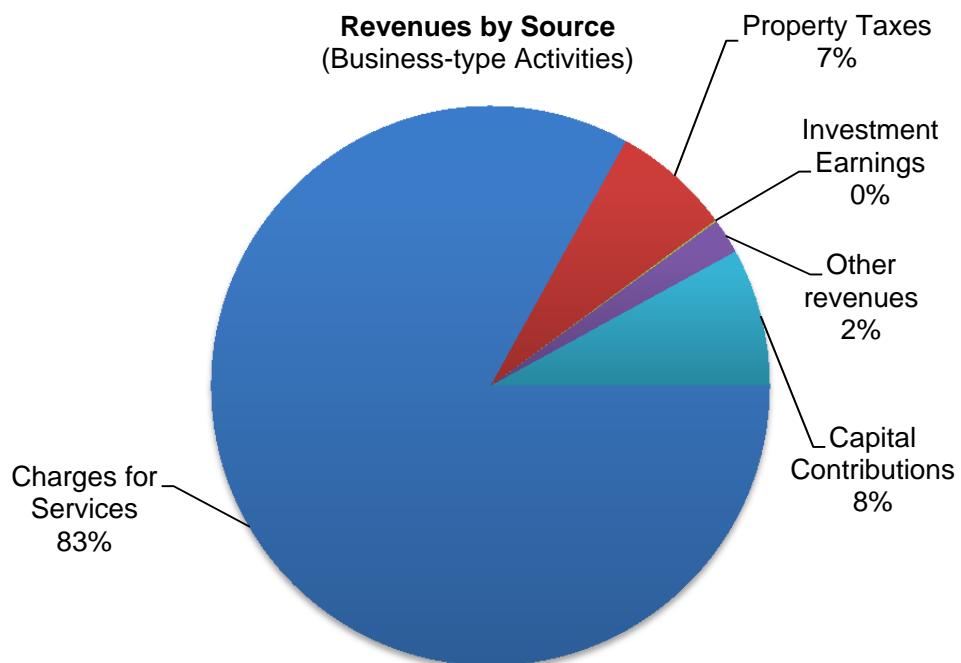
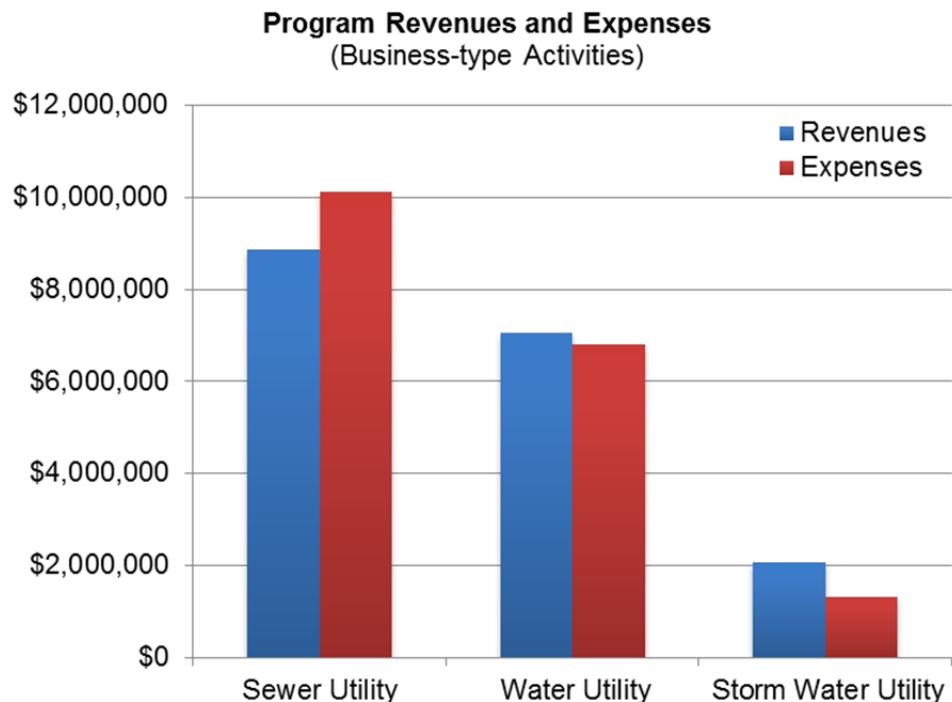
The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2013 on road construction and repairs. Funding for the construction and repairs came from the tax levy as well as the Municipal Facilities & Equipment Fund.

Governmental expenses included \$3.5 million in depreciation expense.



## Business-Type Activities

Business-type activities, which include the operations of the sewer, water and storm water utilities, accounted for a decrease of \$0.2 million in the Village's net position. Total expenses exceeded charges for services by \$3.3 million. The deficit was mostly offset by a tax levy of \$1.2 million and capital grants and contributions totaling \$1.8 million.



## **Sewer Utility**

The Sewer Utility reported a net operating loss of \$1.8 million for 2013, a \$0.4 million increase from the \$1.4 million loss reported in 2012. The Utility had an overall decrease in net position totaling \$1.2 million, a \$0.4 million decrease over the net decrease in 2012 of \$0.8 million.

Charges for services decreased \$0.3 million or -3.5% which is due to a decrease in water consumption. Investment earnings continue to be minimal due to the economic recession. The Sewer Utility capitalized \$0.3 million of improvements during 2013 of which \$0.1 million were contributed by developers. The majority of the utility financed improvements are related to the Section 31 sanitary sewer and pump station project.

Operating expenses totaled \$10.0 million, which is similar to 2012 expense. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2013, the Village paid MMSD \$1.7 million for user charges and \$5.3 million for capital charges. Total payments to MMSD increased \$0.1 million a 1.5% increase from 2012.

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

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Charges for services	\$ 8.2	\$ 8.5	\$ (0.3)
Operating expenses	10.0	10.0	-
<b>Operating income</b>	<u>(1.8)</u>	<u>(1.5)</u>	<u>(0.3)</u>
Non-operating income	0.4	0.4	-
Capital contributions	0.1	0.2	(0.1)
<b>Net increase (decrease) in net position</b>	<b>(1.3)</b>	<b>(0.9)</b>	<b>(0.4)</b>
Net position, beginning of year	61.2	66.7	(5.5)
Prior period adjustment	-	(4.6)	4.6
<b>Net position, end of year</b>	<b>\$ 59.9</b>	<b>\$ 61.2</b>	<b>\$ (1.3)</b>

## **Water Utility**

The Water Utility reported net operating income of \$0.1 million for 2013, a decrease from the \$0.7 million reported in 2012. Operating revenues of the Water Utility totaled \$6.6 million for 2013, a 6.4% decrease over the \$7.1 million reported in 2012. The charges for services in 2012 were higher due to the drought conditions we had during the summer, as people were watering their lawns more often. Operating expenses totaled \$6.5 million, an increase of \$0.1 million (1.5%). Real estate taxes paid to the Village in 2013 were \$0.1 million or 7.9% higher than in 2012. Overall 2013 net income totaled \$0.3 million, a decrease of \$0.8 million over the \$1.1 million reported in 2012. Note that capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2013 were \$ 0.4 million less than in 2012 which is a contributing factor in this year's decrease in net position.

The Water Utility capitalized \$1.6 million of improvements during 2013, of which \$0.2 million were contributions from developers. The majority of the capitalized improvements were related to the continued replacement of old utility infrastructure.

The Village purchases water from Milwaukee Water Works and supplements with water from Village deep wells. The Village paid \$1.4 million to Milwaukee Water Works in 2013, a 10.5% decrease from 2012. This decrease is attributable to a decrease in consumption.

## Water Utility (continued)

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

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Charges for services	\$ 6.6	\$ 7.1	\$ (0.5)
Operating expenses	6.5	6.4	0.1
<b>Operating income</b>	<u>0.1</u>	<u>0.7</u>	<u>(0.6)</u>
Non-operating income	(0.1)	(0.2)	0.1
Capital contributions	0.2	0.5	(0.3)
<b>Net increase (decrease) in net position</b>	<u>0.2</u>	<u>1.0</u>	<u>(0.8)</u>
Net position, beginning of year	<u>56.3</u>	<u>55.3</u>	<u>1.0</u>
<b>Net position, end of year</b>	<u><u>\$ 56.5</u></u>	<u><u>\$ 56.3</u></u>	<u><u>\$ 0.2</u></u>

## Storm Water Utility

The Storm Water Utility reported a net operating loss of \$0.2 million for 2013 which is similar to the \$0.3 million loss reported in 2012. The 2013 net loss (before capital contributions) totaled \$0.3 million, also similar to 2012. The overall increase in net position for 2013 is \$0.7 million, \$1.1 million more than the \$0.2 million loss reported in 2012. This change is nearly all attributable to one-time capital contributions received in 2013, but none in 2012. 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 \$1.9 million of improvements during 2013, of which \$0.5 million was contributed from developers and \$0.6 million was contributed from TIDs. Some of the larger amounts are attributable to continued addition of utility infrastructure as well as improvement to the Lepper Dam.

The Storm Water Utility is funded primarily through property taxes.

Operating revenues of the Storm Water Utility totaled \$1.0 million for 2013, a slight decrease from 2012. Operating expenses totaled \$1.1 million, a slight decrease from 2012.

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

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Property taxes and charges for services	\$ 0.9	\$ 0.9	\$ -
Operating expenses	1.1	1.3	(0.2)
<b>Operating income</b>	<u>(0.2)</u>	<u>(0.4)</u>	<u>0.2</u>
Non-operating income	(0.1)	(0.1)	-
Capital contributions	1.1	-	1.1
<b>Net increase (decrease) in net position</b>	<u>0.8</u>	<u>(0.5)</u>	<u>1.3</u>
Net position, beginning of year	<u>21.4</u>	<u>21.9</u>	<u>(0.5)</u>
<b>Net position, end of year</b>	<u><u>\$ 22.2</u></u>	<u><u>\$ 21.4</u></u>	<u><u>\$ 0.8</u></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, 2013, Village governmental funds reported a combined fund balance of \$42.4 million, \$5.2 million less than last year's total of \$47.6 million. The decrease includes \$8.4 million in refunding bond proceeds being paid to the escrow agent. This decrease of \$8.4 million was partially offset by the \$2.0 million developer incentive returned from Kohl's Corp.

#### **General Fund**

The fund balance of the General Fund amounted to \$9.5 million, slightly above the prior year balance of \$9.3 million. The total General Fund balance equates to 3.3 months of 2014 budgeted expenditures.

Revenues for the General Fund are primarily property taxes. Earnings on investments continue to be insignificant to overall operations due to the current economic situation.

General Fund expenditures were \$1.5 million less than budgeted. Some of the larger savings include:

- Police officer position that went unfilled;
- Health insurance cost savings in public safety due to change in plans;
- In-house Assistant Village Attorney in 2013 vs. contracted prosecutor in 2012.

#### **Debt Service Fund**

The Debt Service Fund balance decreased \$8.7 million to \$0.0 million. \$8.4 million of this decrease is due to refunding bond proceeds being paid to the escrow agent. Annual debt service requirements were met primarily by property taxes levied of \$2.3 million and transfers from other governmental funds of \$6.9 million.

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

As of December 31, 2013, approximately \$14.1 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.

In late 2011 the hotel went into receivership and the Village is still involved in legal proceedings on the property. Under the court appointed receiver, any revenues generated by the hotel are to be controlled by the receiver so that the receiver can pay the expenses, including principal and interest, related to the property. Subsequent to the execution of a court order appointing receiver, the Village advanced \$358,595 to the hotel developer to pay certain operating costs of the hotel. The purpose of this advance was to protect the Village's position in the hotel's assets. The entire advance was repaid in May 2014.

On August 27, 2013 the court entered judgment against the hotel developer. The judgment has not been satisfied by the developer, and remains unpaid. The Village holds a first mortgage on the property. Village management expects to sell the hotel in 2014. 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.

## Proprietary Funds

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

### Capital Assets

As of December 31, 2013, the Village had \$287.0 million invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located in Note 3 E.

	<u>Capital Assets</u> (in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Non-depreciable assets:</b>						
Land	\$ 91.6	\$ 90.8	\$ 0.6	\$ 0.6	\$ 92.2	\$ 91.4
Construction in progress	4.1	3.1	2.1	5.7	6.2	8.8
<b>Total non-depreciable assets</b>	<b>95.7</b>	<b>93.9</b>	<b>2.7</b>	<b>6.3</b>	<b>98.4</b>	<b>100.2</b>
<b>Depreciable assets:</b>						
Land improvements	4.5	4.0	1.0	1.0	5.5	5.0
Buildings and improvements	40.3	40.2	9.3	7.9	49.6	48.1
Equipment and furnishings	17.7	17.8	9.2	9.3	26.9	27.1
Infrastructure	43.2	41.7	167.0	168.3	210.2	210.0
<b>Total depreciable assets</b>	<b>105.7</b>	<b>103.7</b>	<b>186.5</b>	<b>186.5</b>	<b>292.2</b>	<b>290.2</b>
<b>Less accumulated depreciation</b>	<b>45.4</b>	<b>42.6</b>	<b>58.2</b>	<b>57.4</b>	<b>103.6</b>	<b>100.0</b>
<b>Net depreciable assets</b>	<b>60.3</b>	<b>61.1</b>	<b>128.3</b>	<b>129.1</b>	<b>188.6</b>	<b>190.2</b>
<b>Total capital assets</b>	<b>\$ 156.0</b>	<b>\$ 155.0</b>	<b>\$ 131.0</b>	<b>\$ 135.4</b>	<b>\$ 287.0</b>	<b>\$ 290.4</b>

The Village's 2013 capital budget anticipated a spending level of \$5.1 million for capital projects. The Village borrowed approximately \$2.4 million to fund these expenditures and designated \$4.0 million from the Municipal Facilities and Equipment Fund. Cash on hand in other funds was also earmarked to make up the balance of the budget.

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

Road construction (including developer contributions) \$ 3.1 million

There are no individually significant changes in capital assets of business type activities in 2013. Overall changes are the result of numerous utility infrastructure projects.

## Long-term Debt

As of December 31, 2013, long-term debt outstanding totaled \$100.4 million compared to \$107.6 million at December 31, 2012, a net decrease of \$7.2 million. The following debt issuances occurred in 2013:

GO Debt	Refinancing of 2010 bonds	\$ 1,280,000
GO Debt	General Capital Projects	2,370,000
GO Debt	Refinancing of Water Utility Revenue Bonds	1,930,000
GO Debt	TID #8 Taxable GO Notes	7,175,000
GO Debt	Refinancing of 2011 bonds	5,500,000
		\$ <u>18,255,000</u>

Principal paid on outstanding debt totaled \$25.4 million, of which \$9.7 million was for refinancing, and \$15.7 million was paid toward principal reduction.

Information related to the 2013 Capital Budget and related borrowing is summarized as follows:

Water Utility projects	\$ 1,120,000
Storm Utility projects	<u>1,250,000</u>
Total debt issuance	\$ <u>2,370,000</u>

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General obligation bonds/notes	\$ 88.3	\$ 94.7	\$ 10.3	\$ 6.9	\$ 98.6	\$ 101.6
Mortgage revenue bonds	-	-	1.8	4.7	1.8	4.7
Bond/note anticipation notes	-	1.3	-	-	-	1.3
	<u>\$ 88.3</u>	<u>\$ 96.0</u>	<u>\$ 12.1</u>	<u>\$ 11.6</u>	<u>\$ 100.4</u>	<u>\$ 107.6</u>

The Village's general obligation bond rating is Aa2 by Moody's. The outstanding Sewer Utility mortgage revenue bonds are actually clean water fund loans and are therefore not rated by Moody's.

State Statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized value. The current debt limit for the Village of Menomonee Falls is \$212.3 million. As of December 31, 2013 the Village had \$98.6 million in outstanding general obligation debt, or 46.5% of the limit.

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

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

Property taxes and state revenues make up almost 90% of the General Fund's budget. The 2014 General Fund operating budget increased 1% from 2013 which coincided with the 1% increase in property taxes. The increase in taxes was a result of new construction. The Village expects a slight increase in shared revenues and transportation aid.

The total assessed value for the Village increased \$98.8 million or 2.2%. Total assessed values for 2013 and 2012 were \$4.5 billion and \$4.4 billion respectively. The ratio of assessed values to equalized values was 106.4% as of January 1, 2013.

## **The Village as Trustee**

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

## **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 Position**  
**December 31, 2013**

	<b>Primary Government</b>		
	<b>Business-type</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Activities</b>	
<b>Assets:</b>			
Cash and equivalents	\$ 37,509,633	\$ 10,300,145	\$ 47,809,778
Investments	524,947	---	524,947
Taxes receivable	18,439,075	1,231,250	19,670,325
Special charges on the tax roll	1,323,399	558,193	1,881,592
Intergovernmental aid receivable	1,071,955	---	1,071,955
Accounts receivable	3,523,375	2,773,619	6,296,994
Internal balances	893,514	(893,514)	---
Inventories	189,463	114,145	303,608
Prepaid items	279,045	1,839	280,884
Notes receivable	14,514,483	---	14,514,483
Special assessments	1,445,795	295,816	1,741,611
Restricted assets:			
Cash and equivalents	---	4,913,190	4,913,190
Advances to enterprise funds	506,559	(506,559)	---
Prepaid capacity charges	---	4,125,739	4,125,739
Capital assets:			
Land and construction in progress	95,694,484	2,697,347	98,391,831
Other capital assets net of accumulated depreciation	60,282,803	128,331,208	188,614,011
<b>Total assets</b>	<b>236,198,530</b>	<b>153,942,418</b>	<b>390,140,948</b>
<b>Deferred Outflows of Resources:</b>			
Unamortized losses on debt refunding	161,119	203,777	364,896
<b>Liabilities:</b>			
Accounts payable and accrued expenses	5,188,228	997,676	6,185,904
Incurred but not reported claims	46,048	---	46,048
Deposits	1,383,053	50,000	1,433,053
Unearned revenue	88,205	162,832	251,037
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	108,043	108,043
Accrued interest	---	7,708	7,708
Compensated absences - vacation due within one year	1,005,356	115,612	1,120,968
Compensated absences - sick leave due within one year	119,979	38,843	158,822
Compensated absences - sick leave more than one year	2,874,985	362,504	3,237,489
OPEB obligation	1,045,908	219,561	1,265,469
Bonds and notes - due within one year	24,206,416	1,127,605	25,334,021
Bonds and notes - due in more than one year	64,087,652	10,861,402	74,949,054
<b>Total liabilities</b>	<b>100,045,830</b>	<b>14,051,786</b>	<b>114,097,616</b>
<b>Deferred Inflows of Resources:</b>			
Deferred revenue - subsequent year's taxes	28,258,077	1,231,250	29,489,327
Unamortized premium on debt	1,667,023	111,933	1,778,956
<b>Total deferred inflows of resources</b>	<b>29,925,100</b>	<b>1,343,183</b>	<b>31,268,283</b>
<b>Net Position:</b>			
Net investment in capital assets	95,031,864	120,631,586	215,663,450
Restricted for:			
Capital projects	4,966,470	3,686,884	8,653,354
Library operations and maintenance	1,184,613	---	1,184,613
Other	2,003,127	1,110,555	3,113,682
Unrestricted	3,202,645	13,322,201	16,524,846
<b>Total net position</b>	<b>\$ 106,388,719</b>	<b>\$ 138,751,226</b>	<b>\$ 245,139,945</b>

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

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

**Statement of Activities**  
Year Ended December 31, 2013

					Net Revenue (Expense) and Changes in Net Position		
	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 4,625,565	\$ 580,904	---	\$ ---	\$ (4,044,661)	\$ ---	\$ (4,044,661)
Public safety	14,060,147	1,641,121	440,209	---	(11,978,817)	---	(11,978,817)
Public works	9,161,630	3,644,103	1,774,408	1,048,838	(2,694,281)	---	(2,694,281)
Culture and recreation	3,202,857	122,973	28,177	---	(3,051,707)	---	(3,051,707)
Conservation and development	2,075,907	707,409	75,972	---	(1,292,526)	---	(1,292,526)
Interest on long-term debt	2,525,635	---	---	---	(2,525,635)	---	(2,525,635)
<b>Total governmental activities</b>	<b>35,651,741</b>	<b>6,696,510</b>	<b>2,318,766</b>	<b>1,048,838</b>	<b>(25,587,627)</b>	<b>---</b>	<b>(25,587,627)</b>
<b>Business-type Activities:</b>							
Sewer Utility	10,109,008	8,229,711	---	308,582	---	(1,570,715)	(1,570,715)
Water Utility	6,784,586	6,641,814	---	367,561	---	224,789	224,789
Storm Water Utility	1,289,972	27,926	---	1,079,191	---	(182,855)	(182,855)
<b>Total business-like activities</b>	<b>18,183,566</b>	<b>14,899,451</b>	<b>---</b>	<b>1,755,334</b>	<b>---</b>	<b>(1,528,781)</b>	<b>(1,528,781)</b>
<b>Total primary government</b>	<b>\$ 53,835,307</b>	<b>\$ 21,595,961</b>	<b>\$ 2,318,766</b>	<b>\$ 2,804,172</b>	<b>(25,587,627)</b>	<b>(1,528,781)</b>	<b>(27,116,408)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes levied for general purposes				18,528,093	---		18,528,093
Property taxes levied for utility purposes				---	1,231,250		1,231,250
Property taxes levied for debt service				2,336,230	---		2,336,230
Property taxes levied for TID districts				4,116,213	---		4,116,213
Payments in lieu of taxes - Water Utility				1,393,941	---		1,393,941
Grants and contributions not restricted to specific programs				1,050,489	---		1,050,489
Investment earnings				65,991	14,561		80,552
Interest on advances to utilities				19,171	---		19,171
Gain (loss) on retirement of capital assets				(192,379)	5,178		(187,201)
Developer incentives returned				2,000,000	---		2,000,000
Other revenues				118,125	33,453		151,578
<b>Total general revenues</b>	<b></b>	<b></b>	<b></b>	<b>29,435,874</b>	<b>1,284,442</b>	<b></b>	<b>30,720,316</b>
<b>Change in net position</b>	<b></b>	<b></b>	<b></b>	<b>3,848,247</b>	<b>(244,339)</b>	<b></b>	<b>3,603,908</b>
<b>Net position, beginning of year</b>							
Prior period adjustment				103,464,235	143,688,283		247,152,518
				(923,763)	(4,692,718)		(5,616,481)
<b>Net position, beginning of year - as restated</b>							
<b>Net position, end of year</b>	<b>\$ 106,388,719</b>	<b>\$ 138,751,226</b>	<b>\$ 138,995,565</b>	<b>\$ 102,540,472</b>	<b>\$ 245,139,945</b>	<b>\$ 241,536,037</b>	

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

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

**Balance Sheet - Governmental Funds**  
**December 31, 2013**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>T.I.D. #6 Main Street</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Cash and equivalents	\$ 17,030,199	\$ ---	\$ 2,274,901	\$ 17,394,754	\$ 36,699,854
Certificate of deposit	524,947	---	---	---	524,947
Accounts receivable:					
Taxes	9,271,963	2,341,779	164,564	6,660,769	18,439,075
Special charges on the tax roll	3,120	---	---	1,320,279	1,323,399
Intergovernmental aid	358,353	---	6,743	706,859	1,071,955
Special assessments	---	---	---	1,445,795	1,445,795
Accounts	917,795	---	358,595	167,451	1,443,841
Notes	---	---	14,129,157	385,326	14,514,483
Other	---	---	---	2,044,161	2,044,161
Due from other funds	806,539	---	---	812,733	1,619,272
Prepaid items	198,876	---	---	---	198,876
Inventory of supplies, at cost	189,463	---	---	---	189,463
Advance to other governmental funds	1,718,902	---	---	801,668	2,520,570
Long-term advances to utilities	67,933	---	---	438,626	506,559
<b>Total assets</b>	<b>31,088,090</b>	<b>2,341,779</b>	<b>16,933,960</b>	<b>32,178,421</b>	<b>82,542,250</b>
<b>Liabilities:</b>					
Accounts payable and other accrued liabilities	3,084,001	---	---	1,544,276	4,628,277
Accrued compensated absences	941,579	---	---	63,777	1,005,356
Deposits	97,476	---	1,206,845	78,732	1,383,053
Unearned revenue	288,763	---	---	---	288,763
Due to other funds	---	---	37,682	618,877	656,559
Long-term advances from other governmental funds	---	---	1,372,209	1,148,361	2,520,570
<b>Total liabilities</b>	<b>4,411,819</b>	<b>---</b>	<b>2,616,736</b>	<b>3,454,023</b>	<b>10,482,578</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable special assessments	---	---	---	992,713	992,713
Deferred revenue - subsequent year's taxes	17,145,687	2,341,779	171,307	8,599,304	28,258,077
Unavailable revenue - notes receivable	---	---	---	385,326	385,326
<b>Total deferred inflows of resources</b>	<b>17,145,687</b>	<b>2,341,779</b>	<b>171,307</b>	<b>9,977,343</b>	<b>29,636,116</b>
<b>Fund Balances:</b>					
Nonspendable	2,189,844	---	14,129,157	1,240,294	17,559,295
Restricted	---	---	16,760	10,562,863	10,579,623
Committed	---	---	---	4,114,678	4,114,678
Assigned	---	---	---	3,215,701	3,215,701
Unassigned	7,340,740	---	---	(386,481)	6,954,259
<b>Total fund balances</b>	<b>\$ 9,530,584</b>	<b>\$ ---</b>	<b>\$ 14,145,917</b>	<b>\$ 18,747,055</b>	<b>\$ 42,423,556</b>

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

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

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**December 31, 2013**

Total fund balance of governmental funds	\$ 42,423,556
<b>Amounts reported for governmental activities in the government-wide statement of net assets are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	
Land and construction in progress	95,694,484
Other capital assets net of accumulated depreciation	60,282,803
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Special assessments receivable	992,713
Police fines receivable	200,558
Notes receivable	385,326
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds, but amortized over the life of the debt issue on the statement of activities.	
Net unamortized losses on debt refunding	161,119
Net unamortized premiums on debt	(1,667,023)
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	(88,294,068)
Compensated absences payable - sick pay	(2,994,964)
OPEB obligation	(1,045,908)
Accrued interest payable on long-term bonds and notes	(559,951)
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.	
	810,074
<b>Net position of governmental activities</b>	<b>\$ 106,388,719</b>

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, 2013**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>T.I.D. #6 Main Street</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Revenues:</b>					
Property taxes	\$ 16,612,057	\$ 2,336,230	\$ 48,524	\$ 5,804,225	\$ 24,801,036
Other taxes	179,500	---	---	---	179,500
Payments in lieu of taxes - Water Utility	1,393,941	---	---	---	1,393,941
Charges for services:					
Licenses and permits	1,187,601	---	---	---	1,187,601
Fines and forfeitures	724,411	---	---	20,574	744,985
Program revenues	---	---	---	1,474,779	1,474,779
Tipping fees	---	---	---	2,342,917	2,342,917
Other charges for services	979,017	---	---	500	979,517
Operating grants and contributions:					
Intergovernmental	2,732,566	---	1,081	485,556	3,219,203
Donations	---	---	---	6,856	6,856
Capital grants and contributions:					
Special assessments and interest	---	---	---	95,737	95,737
Contributions from developers	---	---	---	595,078	595,078
Investment earnings	26,211	---	3,203	18,901	48,315
Interest on advances to governmental funds	191,968	---	---	26,827	218,795
Interest on advances to utilities	8,746	---	---	10,425	19,171
Developer incentives returned	---	---	---	2,000,000	2,000,000
Other revenues	115,140	---	---	33,403	148,543
<b>Total governmental revenues</b>	<b>24,151,158</b>	<b>2,336,230</b>	<b>52,808</b>	<b>12,915,778</b>	<b>39,455,974</b>
<b>Expenditures:</b>					
Current:					
General government	3,397,323	---	319,510	237,900	3,954,733
Public safety	13,303,200	---	---	99,894	13,403,094
Public works	3,673,607	---	---	3,658,190	7,331,797
Culture and recreation	850,139	---	---	1,815,968	2,666,107
Conservation and development	752,286	---	---	1,287,300	2,039,586
Interest on advances from governmental funds	---	---	77,971	140,824	218,795
Bond expenses	---	101,998	1,200	97,073	200,271
Capital outlay	135,032	---	---	3,985,966	4,120,998
Debt Service:					
Principal on long-term debt	---	6,670,417	---	---	6,670,417
Interest and fiscal charges on long-term debt	---	2,956,176	---	---	2,956,176
<b>Total expenditures</b>	<b>22,111,587</b>	<b>9,728,591</b>	<b>398,681</b>	<b>11,323,115</b>	<b>43,561,974</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>2,039,571</b>	<b>(7,392,361)</b>	<b>(345,873)</b>	<b>1,592,663</b>	<b>(4,106,000)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from sales of capital assets	---	---	---	41,906	41,906
Transfers in	312,529	6,947,366	---	8,087,900	15,347,795
Transfers out	(2,087,100)	(4,518)	(787,178)	(12,468,999)	(15,347,795)
Refunding bonds and notes issued	---	6,780,000	---	---	6,780,000
Principal payments on refunded debt	---	(6,780,000)	---	---	(6,780,000)
Payment to refunding bond escrow agent	---	(8,374,270)	---	---	(8,374,270)
Bonds and notes issued	---	---	---	7,175,000	7,175,000
Debt issuance premiums	---	105,298	---	---	105,298
<b>Total other financing sources (uses)</b>	<b>(1,774,571)</b>	<b>(1,326,124)</b>	<b>(787,178)</b>	<b>2,835,807</b>	<b>(1,052,066)</b>
<b>Net change in fund balances</b>	<b>265,000</b>	<b>(8,718,485)</b>	<b>(1,133,051)</b>	<b>4,428,470</b>	<b>(5,158,066)</b>
Fund balance, beginning of year	\$ 9,265,584	\$ 8,718,485	\$ 15,278,968	\$ 14,318,585	\$ 47,581,622
<b>Fund balance, end of year</b>	<b>\$ 9,530,584</b>	<b>\$ ---</b>	<b>\$ 14,145,917</b>	<b>\$ 18,747,055</b>	<b>\$ 42,423,556</b>

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

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

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2013**

Net change in fund balances of governmental funds	\$ (5,158,066)
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
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	4,120,998
Depreciation expense in government-wide financial statements	(3,508,974)
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.	586,111
In the statement of activities, the net gain or loss on the sale or retirement of capital assets is reported. However, in the governmental funds, only the proceeds from the sale of capital assets provides a current financial resource to be reported. Therefore, the change in fund balance differs from the change in net position by the cost of the assets sold or retired net of the accumulated depreciation on those assets.	
	(234,285)
Governmental funds report proceeds from the issuance of long-term debt and capital leases as other financing sources, but issuing debt and capital leases increases long-term liabilities in the statement of net position. Repayments of long-term debt and capital lease principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net position.	
Proceeds from the issuance of debt in governmental fund financial statements	(13,955,000)
Principal payments on debt in governmental fund financial statements	21,650,416
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, 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	(105,298)
Losses on refundings of debt in governmental fund financial statements	174,271
Amortization of these amounts included in interest expense in the statement of activities	487,870
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.	
	142,942
The Risk Management Fund, an internal service fund, is used to allocate the cost of insurance to individual funds. The change in net position of this fund is reported under governmental activities statement of activities.	
	(26,881)
Certain revenues which do not provide current financial resources are unearned in the governmental funds, but are reported in the statement of activities.	
Decrease in pledges receivable	(10,619)
Increase in special assessments receivable	76,927
Decrease in police fines receivable	(41,002)
Decrease in notes receivable	(56,865)
Decrease in intergovernmental aid	(151,200)
Certain expenses do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are accrued in the government-wide statement of net position and reported as expenses in the statement of activities.	
Increase in accrued compensated absences - sick pay	(48,193)
Increase in OPEB obligation	<u>(94,905)</u>
<b>Change in net position of governmental activities</b>	<b>\$ <u>3,848,247</u></b>

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, 2013**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Property taxes	\$ 16,611,093	\$ 16,611,093	\$ 16,612,057	\$ 964
Other taxes	144,000	144,000	179,500	35,500
Payments in lieu of taxes - Water Utility	1,240,000	1,240,000	1,393,941	153,941
Licenses and permits	1,066,200	1,066,200	1,187,601	121,401
Fines and forfeitures	616,000	616,000	724,411	108,411
Intergovernmental	2,735,956	2,735,956	2,732,566	(3,390)
Charges for services	942,516	942,516	979,017	36,501
Investment earnings	40,000	40,000	26,211	(13,789)
Interest on advances to other governmental funds	36,000	36,000	191,968	155,968
Interest on advances to utilities	9,500	9,500	8,746	(754)
Other	87,505	87,505	115,140	27,635
<b>Total revenues</b>	<b>23,528,770</b>	<b>23,528,770</b>	<b>24,151,158</b>	<b>622,388</b>
<b>Expenditures:</b>				
General government	3,853,187	3,853,187	3,475,169	378,018
Public safety	13,790,978	13,790,978	13,360,386	430,592
Public Works	3,709,529	3,999,529	3,673,607	325,922
Culture and recreation	877,700	877,700	850,139	27,561
Conservation and development	1,040,290	1,040,290	752,286	288,004
<b>Total expenditures</b>	<b>23,271,684</b>	<b>23,561,684</b>	<b>22,111,587</b>	<b>1,450,097</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>257,086</b>	<b>(32,914)</b>	<b>2,039,571</b>	<b>2,072,485</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	18,011	308,011	312,529	4,518
Transfers out	(275,097)	(275,097)	(2,087,100)	(1,812,003)
<b>Net other financing sources (uses)</b>	<b>(257,086)</b>	<b>32,914</b>	<b>(1,774,571)</b>	<b>(1,807,485)</b>
<b>Net change in fund balance</b>	<b>---</b>	<b>---</b>	<b>265,000</b>	<b>265,000</b>
<b>Fund Balance:</b>				
Beginning of year	\$ 9,265,584	\$ 9,265,584	\$ 9,265,584	---
<b>End of year</b>	<b>\$ 9,265,584</b>	<b>\$ 9,265,584</b>	<b>\$ 9,530,584</b>	<b>\$ 265,000</b>

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

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

**Statement of Net Position - Proprietary Funds**  
**December 31, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities</b>	
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>		<b>Internal Service Fund</b>	
<b>Assets:</b>						
Cash and equivalents	\$ 4,805,875	\$ 3,255,460	\$ 2,238,810	\$ 10,300,145	\$ 809,779	
Cash and equivalents - restricted (current)	115,751	---	---	115,751	---	
Receivables:						
Taxes	300,000	---	931,250	1,231,250	---	
Special charges on the tax roll	372,877	185,316	---	558,193	---	
Utility customers	1,712,101	1,042,031	---	2,754,132	---	
Special assessments	194,599	101,217	---	295,816	---	
Other	15,148	3,260	1,079	19,487	35,373	
Prepaid items	---	1,839	---	1,839	80,169	
Inventory	14,726	93,428	5,991	114,145	---	
Cash and equivalents - restricted (noncurrent)	3,774,684	1,022,755	---	4,797,439	---	
Advances to governmental funds	---	---	---	---	---	
Prepaid capacity charge	4,125,739	---	---	4,125,739	---	
Capital assets:						
Land and construction in progress	122,163	1,837,544	737,640	2,697,347	---	
Other capital assets, net of depreciation	48,345,064	55,873,780	24,112,364	128,331,208	---	
<b>Total assets</b>	<b>63,898,727</b>	<b>63,416,630</b>	<b>28,027,134</b>	<b>155,342,491</b>	<b>925,321</b>	
<b>Deferred Outflows of Resources:</b>						
Unamortized loss on debt refunding	---	203,777	---	203,777	---	
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	565,245	340,089	21,400	926,734	---	
Deposits	---	---	50,000	50,000	---	
Incurred but not reported insurance claims	---	---	---	---	46,048	
Compensated absences - vacation due within one year	35,572	70,575	9,465	115,612	---	
Compensated absences - sick due within one year	11,844	25,432	1,567	38,843	---	
Unearned revenue	28,000	134,832	---	162,832	---	
Current portion of general obligation notes	71,090	590,000	412,494	1,073,584	---	
Current portion of revenue bonds	54,021	---	---	54,021	---	
Accrued interest	1,185	41,169	28,588	70,942	---	
Current portion of advance	84,286	---	67,933	152,219	---	
Due to other funds	252,107	401,489	239,918	893,514	69,199	
Liabilities payable from restricted assets:						
Current portion of general obligation notes	---	---	---	---	---	
Current portion of revenue bonds	108,043	---	---	108,043	---	
Accrued interest	7,708	---	---	7,708	---	
Long-term liabilities:						
Compensated absences - sick pay	106,994	219,077	36,433	362,504	---	
OPEB obligation	19,949	185,965	13,647	219,561	---	
Advances from other funds	354,340	---	---	354,340	---	
General obligation notes	344,360	4,980,000	3,947,988	9,272,348	---	
Revenue bonds	1,589,054	---	---	1,589,054	---	
<b>Total liabilities</b>	<b>3,633,798</b>	<b>6,988,628</b>	<b>4,829,433</b>	<b>15,451,859</b>	<b>115,247</b>	
<b>Deferred Inflows of Resources:</b>						
Deferred revenue - subsequent year's taxes	300,000	---	931,250	1,231,250	---	
Unamortized premium on debt	---	60,571	51,362	111,933	---	
<b>Total deferred inflows of resources</b>	<b>300,000</b>	<b>60,571</b>	<b>982,612</b>	<b>1,343,183</b>	<b>---</b>	
<b>Net Position:</b>						
Net investment in capital assets	48,051,777	52,080,752	20,499,057	120,631,586	---	
Restricted for:						
Operations and maintenance	837,386	---	---	837,386	---	
Depreciation	273,170	---	---	273,170	---	
Capital projects	2,664,128	1,022,755	---	3,686,883	---	
Unrestricted	8,138,468	3,467,701	1,716,032	13,322,201	810,074	
<b>Total net position</b>	<b>\$ 59,964,929</b>	<b>\$ 56,571,208</b>	<b>\$ 22,215,089</b>	<b>\$ 138,751,226</b>	<b>\$ 810,074</b>	

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

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

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds**  
**Year Ended December 31, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>	
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Operating Revenues:</b>					
Charges for services	\$ 8,229,711	\$ 6,641,814	\$ 27,926	\$ 14,899,451	\$ ---
General property taxes	---	---	931,250	931,250	---
<b>Total operating revenues</b>	<b>8,229,711</b>	<b>6,641,814</b>	<b>959,176</b>	<b>15,830,701</b>	<b>---</b>
<b>Operating Expenses:</b>					
Operation and maintenance	7,786,655	2,497,351	338,625	10,622,631	45,334
Administrative expense	879,225	979,888	240,007	2,099,120	---
Depreciation expense	1,314,033	1,560,395	559,125	3,433,553	---
Taxes paid to Village	---	1,393,941	---	1,393,941	---
Social Security tax	36,685	65,628	12,083	114,396	---
Regulatory commission remainder assessments	---	7,120	---	7,120	---
<b>Total operating expenses</b>	<b>10,016,598</b>	<b>6,504,323</b>	<b>1,149,840</b>	<b>17,670,761</b>	<b>45,334</b>
<b>Operating income (loss)</b>	<b>(1,786,887)</b>	<b>137,491</b>	<b>(190,664)</b>	<b>(1,840,060)</b>	<b>(45,334)</b>
<b>Nonoperating Revenues (Expenses):</b>					
General property taxes	300,000	---	---	300,000	---
Investment earnings	6,972	5,070	2,519	14,561	18,453
Sale of materials	1,263	12,907	45	14,215	---
Miscellaneous revenues	18,038	---	1,200	19,238	---
Gain (loss) on retirement of property and plant	---	9,270	(4,092)	5,178	---
Impact fees	164,719	160,390	---	325,109	---
Rent	(18,000)	---	---	(18,000)	---
Fiscal charges on debt	(80)	(68,420)	(21,237)	(89,737)	---
Amortization of premiums, discounts and losses on refundings	---	(45,071)	4,191	(40,880)	---
Interest on long-term debt	(63,905)	(166,772)	(114,340)	(345,017)	---
Interest on advances from governmental funds	(10,425)	---	(8,746)	(19,171)	---
<b>Net nonoperating revenues (expenses)</b>	<b>398,582</b>	<b>(92,626)</b>	<b>(140,460)</b>	<b>165,496</b>	<b>18,453</b>
<b>Net income (loss) before capital contributions</b>	<b>(1,388,305)</b>	<b>44,865</b>	<b>(331,124)</b>	<b>(1,674,564)</b>	<b>(26,881)</b>
Capital Contributions	143,863	207,171	1,079,191	1,430,225	---
<b>Increase (decrease) in net position</b>	<b>(1,244,442)</b>	<b>252,036</b>	<b>748,067</b>	<b>(244,339)</b>	<b>(26,881)</b>
<b>Net Position:</b>					
Balance, beginning of year	65,846,025	56,366,557	21,475,701	143,688,283	836,955
Prior period adjustment	(4,636,654)	(47,385)	(8,679)	(4,692,718)	---
Balance, beginning of year as adjusted	<b>61,209,371</b>	<b>56,319,172</b>	<b>21,467,022</b>	<b>138,995,565</b>	<b>836,955</b>
<b>Balance, end of year</b>	<b>\$ 59,964,929</b>	<b>\$ 56,571,208</b>	<b>\$ 22,215,089</b>	<b>\$ 138,751,226</b>	<b>\$ 810,074</b>

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

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

**Statement of Cash Flows - Proprietary Funds**  
Year Ended December 31, 2013

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers	\$ 8,301,757	\$ 4,959,699	\$ 29,074	\$ 13,290,530	\$ ---
Payments to suppliers	(7,167,960)	(2,087,530)	(100,266)	(9,355,756)	(131,594)
Payments to and on behalf of employees	(791,449)	(1,130,307)	(481,794)	(2,403,550)	---
Internal activity - receipts from other funds	---	1,823,667	14,367	1,838,034	92,596
Internal activity - payments to other funds	(251,526)	(1,894,133)	---	(2,145,659)	---
Other receipts	1,301	12,907	932,495	946,703	4,091
Other payments	---	---	---	---	(25,723)
<b>Net cash provided (used) by operating activities</b>	<b>92,123</b>	<b>1,684,303</b>	<b>393,876</b>	<b>2,170,302</b>	<b>(60,630)</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Principal payments on advances	---	---	(77,829)	(77,829)	---
<b>Net cash used by noncapital financing activities</b>	<b>---</b>	<b>---</b>	<b>(77,829)</b>	<b>(77,829)</b>	<b>---</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from sale of property and plant	---	9,270	---	9,270	---
Additions to property and plant	(126,789)	(1,378,354)	(873,482)	(2,378,625)	---
Fair value of debt issued	---	3,050,000	1,250,000	4,300,000	---
Debt issuance premiums	---	27,812	31,039	58,851	---
Loss on defeasance of debt	---	(139,216)	---	(139,216)	---
Principal payments on debt	(320,585)	(3,080,000)	(388,494)	(3,789,079)	---
Interest on debt	(65,331)	(154,395)	(104,445)	(324,171)	---
Fiscal charges on debt	(80)	(68,420)	(21,237)	(89,737)	---
Advances from municipality	(82,633)	---	---	(82,633)	---
Interest on advances	(10,425)	---	(8,746)	(19,171)	---
General property taxes	300,000	---	---	300,000	---
Impact fees	164,719	160,390	---	325,109	---
<b>Net cash used by capital and related financing activities</b>	<b>(141,124)</b>	<b>(1,572,913)</b>	<b>(115,365)</b>	<b>(1,829,402)</b>	<b>---</b>
<b>Cash Flows From Investing Activities:</b>					
Investment earnings	6,972	5,070	2,519	14,561	18,453
<b>Net cash provided by investing activities</b>	<b>6,972</b>	<b>5,070</b>	<b>2,519</b>	<b>14,561</b>	<b>18,453</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>(42,029)</b>	<b>116,460</b>	<b>203,201</b>	<b>277,632</b>	<b>(42,177)</b>
Cash and equivalents, beginning of year	8,738,339	4,161,755	2,035,609	14,935,703	851,956
<b>Cash and equivalents, end of year</b>	<b>\$ 8,696,310</b>	<b>\$ 4,278,215</b>	<b>\$ 2,238,810</b>	<b>\$ 15,213,335</b>	<b>\$ 809,779</b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>					
Cash and cash equivalents - unrestricted	\$ 4,805,875	\$ 3,255,460	\$ 2,238,810	\$ 10,300,145	\$ 809,779
Cash and cash equivalents - restricted	3,890,435	1,022,755	---	4,913,190	---
<b>Total cash and equivalents</b>	<b>\$ 8,696,310</b>	<b>\$ 4,278,215</b>	<b>\$ 2,238,810</b>	<b>\$ 15,213,335</b>	<b>\$ 809,779</b>

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2013**  
**(Continued)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Storm Water Utility</b>		<b>Internal Service Fund</b>		
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
<b>Operating income (loss)</b>							
Operating income (loss)	\$ (1,786,887)	\$ 137,491	\$ (190,664)	\$ (1,840,060)	\$ (45,334)		
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation	1,314,033	1,560,395	559,125	3,433,553		---	
Depreciation charged to other accounts	---	144,919	---	144,919		---	
Amortization of prepaid capacity	252,152	---	---	252,152		---	
Proceeds from sales of materials	1,263	12,907	45	14,215		---	
Miscellaneous revenues	38	---	1,200	1,238		---	
Abandonment of CIP	---	---	15,830	15,830		---	
<b>Changes in assets and liabilities related to operations:</b>							
Receivables	73,682	47,483	1,148	122,313		4,988	
Inventory	1,932	66	6,846	8,844		---	
Prepaid items	---	(45)	---	(45)		(80,169)	
Due to other funds	(99,699)	(500,192)	14,367	(585,524)		92,596	
Accounts payable and accrued liabilities	331,022	249,436	(17,997)	562,461		(2,000)	
Compensated absences	4,027	(123)	1,813	5,717		---	
OPEB obligation	7,560	25,874	2,163	35,597		---	
Incurred but not reported claims	---	---	---	---		(30,711)	
Unearned revenue	(7,000)	6,092	---	(908)		---	
<b>Net cash provided (used) by operating activities</b>	<b>\$ 92,123</b>	<b>\$ 1,684,303</b>	<b>\$ 393,876</b>	<b>\$ 2,170,302</b>	<b>\$ (60,630)</b>		
<b>Noncash Capital Activities:</b>							
Utility plant contributions	\$ 143,863	\$ 207,171	\$ 1,079,191	\$ 1,430,225	\$	---	
Amortization of debt issuance premiums, discounts and losses on refundings	---	45,071	(4,191)	40,880		---	
Gain on sale of utility plant	---	9,270	---	9,270		---	
Loss on sale of utility plant	---	---	4,092	4,092		---	

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

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

**Statement of Net Position - Fiduciary Funds**  
**December 31, 2013**

	<u>Taxing Jurisdictions</u>	<u>Community Development Authority</u>	<u>Total Fiduciary Funds</u>
<b>Assets:</b>			
Cash and equivalents	\$ 16,256,783	\$ 174,521	\$ 16,431,304
Taxes receivable	45,932,406	---	45,932,406
Notes receivable	---	337,216	337,216
<b>Total assets</b>	<b>\$ 62,189,189</b>	<b>\$ 511,737</b>	<b>\$ 62,700,926</b>
 <b>Liabilities:</b>			
Accounts payable	\$ ---	\$ 1,081	\$ 1,081
Due to other taxing units	62,189,189	---	62,189,189
Due to Community Development Authority	---	510,656	510,656
<b>Total liabilities</b>	<b>\$ 62,189,189</b>	<b>\$ 511,737</b>	<b>\$ 62,700,926</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

# **INDEX TO NOTES TO FINANCIAL STATEMENTS**

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

**Notes to Financial Statements**  
December 31, 2013

**1. Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

The Village of Menomonee Falls is a municipal corporation governed by a seven-member Board of Trustees and an appointed Village Manager. All significant operations of the Village over which it has oversight responsibility have been included in the accompanying financial statements. The decision to include a potential component unit in the Village's reporting entity is based on the criteria set forth in GASB, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

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

Water Utility  
Sewer Utility  
Storm Water Utility

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Government-Wide Financial Statements***

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

The statement of net position presents the governmental and business-type activities assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position on a full accrual basis, which recognizes all long-term assets and long-term liabilities. The Village's net position is reported in three classifications: net investment in capital assets, which consists of the difference between capital assets net of accumulated depreciation less outstanding debt used to acquire those assets; restricted net position, which represents assets required by outside parties or legislation to be spent in a specific manner; and unrestricted net position, net position not included in the other two classifications.

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

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

**Notes to Financial Statements**  
December 31, 2013

**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.

***Major Proprietary Funds***

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

***Non-major Governmental Funds***

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

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

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

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

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

**Notes to Financial Statements**  
December 31, 2013

**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. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not included in the preparation of the government-wide statements. The Village's agency funds consist of the following:
  - Taxing Jurisdiction Fund – accounts for assets collected for other taxing jurisdictions
  - Community Development Authority – accounts for assets held by the Village for the Community Development Authority, which promotes urban renewal and community and economic development within the Village

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

***Measurement Focus***

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

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

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, liabilities, and deferred inflows/outflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, liabilities, and deferred inflows/outflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

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

**Notes to Financial Statements**  
December 31, 2013

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

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets 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.

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

**Notes to Financial Statements**  
December 31, 2013

**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, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

***Cash and Investments***

For the purpose of the statement of net position, and for the purpose of the statement of cash flows – Proprietary Funds “cash and cash equivalents”: 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 inflows. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other taxing units on the statement of net position – Fiduciary (Agency) Fund. Taxes are levied in December on the assessed value as of the prior January 1.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

**Property Tax Calendar – 2013 Tax Roll:**

Levy date	December 2013
Lien date	September 1, 2014
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes due in full	January 31, 2014
Tax Settlement with other governmental units:	
First settlement	January 15, 2014
Second settlement	February 20, 2014
Final settlement	August 20, 2014
Tax sale by County - 2013 delinquent real estate taxes	October 2017

***Interfund Receivables and Payables***

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds” on the fund financial statements and reflected as “internal balances” on the government-wide financial statements. Long-term interfund loans are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

***Inventories and Prepaid Items***

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

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

***Restricted Assets***

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

***Prepaid Capital Charges***

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

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Capital Assets***

The accounting treatment related to capital assets depends on whether the assets are used in governmental operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

***Government-Wide Statements***

Capital assets are defined by the Village as assets with an original cost of more than \$5,000 for general capital assets and more than \$50,000 for infrastructure assets and having an estimated useful life of four or more years. All capital assets are valued at historical cost, or estimated historical cost if actual costs are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

***Fund Financial Statements***

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

**Updated Water Utility Depreciation Rates**

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

***Compensated Absences***

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

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Compensated Absences (continued)***

***Accumulated Vacation Pay***

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

***Accumulated Sick Pay***

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

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

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

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

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

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt and premiums on issuance are reported as other financing sources. Discounts on issuance are reported as other financing uses. Payments of principal and interest, losses on debt refundings, as well as costs of issuance are reported as expenditures. The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2013 was \$45,177,566.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Equity Classifications***

***Government-Wide Statements***

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

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

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

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

Beginning in 2013, Village Management has elected not to report the Community Development Authority (CDA) as a discretely presented component unit. Management determined that the CDA did not meet the above criteria for being reported as a component unit of the primary government. Since the Village accounts for the assets of the CDA in a purely custodial capacity, the CDA is reported as an agency fund for the year ended December 31, 2013.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Equity Classifications***

***Fund Statements***

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

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

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

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

**Notes to Financial Statements**  
December 31, 2013

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

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

**Deferred Outflows of Resources**

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

**Deferred Inflows of Resources**

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to liabilities, the statement of net position, balance sheet governmental funds, and the statement of net position proprietary funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category. Taxes levied in one year are not available until the next year and, as a result, are reflected in the financial statements as a deferred inflow of resources. These taxes are deferred in the year levied and recognized as revenue in the following year. Unavailable special assessments are recorded when assessed and are reflected in the fund financial statements as a deferred inflow of resources. The unamortized premium on debt issuance is reported as a deferred inflow of resources in the statements of net position. Unamortized premium on debt issuance results from the difference between the par-value or face-value of a bond and the price above this face value, at which the bond has been issued. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**Notes to Financial Statements**  
December 31, 2013

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

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

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

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

The Village does not record encumbrances.

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

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

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

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

**Notes to Financial Statements**  
December 31, 2013

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

**C. Debt Restrictions**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. As of December 31, 2013, the Village was obligated for a total of \$98,640,000 in general obligation debt, or 46.47% of the total debt limit.

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

**A. Cash and Investments**

As of December 31, 2013, the Village held the following cash and investments.

	<b>Custodial Balance</b>	<b>Carrying Amount</b>
<b>Primary Government:</b>		
<b>Cash and Equivalents:</b>		
Demand deposits	\$ 21,092,692	\$ 20,820,025
State of Wisconsin Local Government Investment Pool	48,332,836	48,332,836
Petty cash	---	1,411
<b>Total cash and equivalents</b>	<b>69,425,528</b>	<b>69,154,272</b>
Investments – certificates of deposit	524,947	524,947
<b>Total cash and investments</b>	<b>\$ 69,950,475</b>	<b>\$ 69,679,219</b>

**Reconciliation to Financial Statements:**

**Cash and equivalents:**

Per statement of net position:

Cash and equivalents	\$ 47,809,778
Restricted assets – cash and equivalents	4,913,190
Per statement of net position – Fiduciary Fund	16,431,304
<b>Total cash and equivalents</b>	<b>69,154,272</b>
Investments per statement of net position	524,947
<b>Total cash and investments</b>	<b>\$ 69,679,219</b>

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

**Custodial Credit Risk - Cash and Investments**

Demand deposits held by the Village at December 31, 2013 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, 2013, the Village's demand deposits were exposed to custodial credit risk in that \$20,548,965 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, 2013

**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 \$274,947 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental entities.

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

The LGIP does not have a credit quality rating. It is part of the State of Wisconsin Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, 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, 2013 the Village's investments were comprised of investments in the LGIP. The weighted average maturity is 34 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, 2013

**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**

	<b>Gross Receivable</b>	<b>Allowance Doubtful Accounts</b>	<b>Net Receivable</b>	<b>Expected After December 31, 2014</b>
Taxes	\$ 18,461,716	\$ 22,641	\$ 18,439,075	\$ ---
Special charges on tax roll	1,323,399	---	1,323,399	---
Intergovernmental aid	1,071,955	---	1,071,955	---
Accounts	3,819,345	295,970	3,523,375	790,000
Notes	14,514,483	---	14,514,483	10,390,000
Special assessments	1,445,795	---	1,445,795	1,300,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$294,354 and for ambulance billings of \$1,616.

As of December 31, 2013, approximately \$14.1 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.

In late 2011, the hotel went into receivership and the Village is still involved in legal proceedings on the property. Under the court appointed receiver, any revenues generated by the hotel are to be controlled by the receiver so that the receiver can pay the expenses, including principal and interest, related to the property. Subsequent to the execution of a court order appointing receiver, the Village advanced \$358,595 to the hotel developer to pay certain operating costs of the hotel. The purpose of this advance was to protect the Village's position in the hotel's assets. This advance was repaid by the hotel developer on May 30, 2014.

On August 27, 2013 the court entered judgment against the hotel developer. The judgment has not been satisfied by the developer, and remains unpaid. The Village holds a first mortgage on the property. Village management expects to sell the hotel in 2014 to the highest bidder. 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.

**Business-type Activities**

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>	<b>Expected After December 31, 2014</b>
Taxes	\$ 1,231,250	\$ ---	\$ 1,231,250	\$ ---
Special charges on tax roll	558,193	---	558,193	---
Accounts	2,797,676	24,057	2,773,619	---

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

**Notes to Financial Statements**  
December 31, 2013

**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, 2014</u>
Taxes	\$ 45,932,406		\$ ---		\$ 45,932,406		\$ ---

**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	TID #6	\$ 37,682
General Fund	Sewer Utility	174,484
General Fund	Water Utility	286,316
General Fund	Storm Water Utility	238,858
General Fund	Risk Management Fund	69,199
Other governmental funds	Sewer Utility	77,623
Other governmental funds	Water Utility	115,173
Other governmental funds	Storm Water Utility	1,060
Other governmental funds	Other governmental funds	618,877

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

**Notes to Financial Statements**  
December 31, 2013

**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 #9 for planning related expenditures, with interest charged at 6% on the outstanding balance.

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 2013 was .10%.

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:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	TID #6	\$ 1,372,209
General Fund	TID #7	226,595
General Fund	Other governmental funds	346,693
General Fund	Storm Water Utility	67,933
Other governmental funds	Other governmental funds	801,668
Other governmental funds	Sewer Utility	438,626

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Transfers***

Transfers between governmental funds are summarized as follows:

<b>Transfers in</b>	<b>Transfers out</b>	<b>Amount</b>
Debt Service Fund	Other governmental funds	\$ 6,160,188
Debt Service Fund	TID #6	787,178
General Fund	Other governmental funds	308,011
Other governmental funds	General Fund	2,087,100
Other governmental funds	Other governmental funds	6,000,800
General Fund	Debt Service Fund	4,518

These transfers were made for the following purposes:

- Transfers to the General Fund from other governmental funds consisted of a \$290,000 transfer from the Municipal Facilities and Equipment Fund as well as an \$18,011 transfer from the General Capital Projects Fund to fund 2013 street and alley repairs.
- Transfers to the Debt Service Fund from TID #6 and other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to the other governmental funds from the General Fund were made in the amounts of \$418,624 to provide funding for capital projects, \$456,471 to subsidize solid waste collection expenditures, and \$1,212,005 to provide funding for the Special Assessments Fund.
- Transfers between other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.
- Transfers from the Debt Service Fund to the General Fund consisted of a \$4,518 transfer of excess property tax revenue originally allocated to the General Fund.

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

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

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

**Notes to Financial Statements**  
December 31, 2013

**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:

<b>Restricted cash and equivalents:</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>
Interceptor sewer reserve	\$ 1,308,555	\$ ---	\$ 1,308,555
Impact fee reserve	1,355,574	1,022,755	2,378,329
Special redemption reserve	115,751	---	115,751
Operation and maintenance reserve	837,386	---	837,386
Depreciation reserve	273,169	---	273,169
<b>Total</b>	<b>\$ 3,890,435</b>	<b>\$ 1,022,755</b>	<b>\$ 4,913,190</b>

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

**Notes to Financial Statements**  
December 31, 2013

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

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2013 is summarized as follows:

***Governmental Activities***

	<b>Balance</b>				<b>Balance</b>
	<b>January</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>December</b>
	<b>1, 2013</b>				<b>31, 2013</b>
<b>Nondepreciable capital</b>					
Land	\$ 90,758,960	\$ 415,230	\$ 417,530	\$ ---	\$ 91,591,720
Construction in progress	3,100,805	1,675,764	(439,520)	(234,285)	4,102,764
<b>Total nondepreciable capital assets</b>	<b>93,859,765</b>	<b>2,090,994</b>	<b>(21,990)</b>	<b>(234,285)</b>	<b>95,694,484</b>
<b>Depreciable capital assets:</b>					
Land improvements	4,051,739	416,117	21,990	---	4,489,846
Buildings and improvements	40,209,515	99,586	---	---	40,309,101
Equipment and furnishings	17,781,363	506,032	---	(586,730)	17,700,665
Infrastructure	41,646,376	1,594,380	---	(78,100)	43,162,656
<b>Total depreciable capital assets</b>	<b>103,688,993</b>	<b>2,616,115</b>	<b>21,990</b>	<b>(664,830)</b>	<b>105,662,268</b>
<b>Less accumulated depreciation:</b>					
Land improvements	1,747,883	215,950	---	---	1,963,833
Buildings and improvements	10,875,252	979,414	---	---	11,854,666
Equipment and furnishings	13,899,428	735,176	---	(586,730)	14,047,874
Infrastructure	16,012,758	1,578,434	---	(78,100)	17,513,092
<b>Total accumulated depreciation</b>	<b>42,535,321</b>	<b>3,508,974</b>	<b>---</b>	<b>(664,830)</b>	<b>45,379,465</b>
<b>Net depreciable capital assets</b>	<b>61,153,672</b>	<b>(892,859)</b>	<b>21,990</b>	<b>---</b>	<b>60,282,803</b>
<b>Net total capital assets</b>	<b>\$ 155,013,437</b>	<b>\$ 1,198,135</b>	<b>\$ ---</b>	<b>\$ (234,285)</b>	<b>\$ 155,977,287</b>
<b>Depreciation was charged to governmental functions as follows:</b>					
General government				\$ 577,355	
Public safety				540,769	
Public works				1,903,125	
Culture and recreation				487,725	
Conservation and				---	
<b>Total depreciation</b>				<b>\$ 3,508,974</b>	

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

**Notes to Financial Statements**  
December 31, 2013

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

**E. Capital Assets (continued)**

*Business-type Activities*

	<b>Balance January 1, 2013</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Balance December 31, 2013</b>
<b>Nondepreciable capital assets:</b>					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	5,693,911	1,882,678	(5,471,964)	(15,831)	2,088,794
<b>Total nondepreciable capital assets</b>	<b>6,302,464</b>	<b>1,882,678</b>	<b>(5,471,964)</b>	<b>(15,831)</b>	<b>2,697,347</b>
<b>Depreciable capital assets:</b>					
Land improvements	1,041,812	---	---	---	1,041,812
Buildings and improvements	7,933,632	---	1,414,862	---	9,348,494
Equipment and furnishings	9,293,700	366,679	---	(431,223)	9,229,156
Infrastructure	168,311,215	1,552,812	4,057,102	(6,923,275)	166,997,854
<b>Total depreciable capital assets</b>	<b>186,580,359</b>	<b>1,919,491</b>	<b>5,471,964</b>	<b>(7,354,498)</b>	<b>186,617,316</b>
<b>Less accumulated depreciation</b>					
Land improvements	389,590	21,869	---	---	411,459
Buildings and improvements	3,725,501	373,439	---	---	4,098,940
Equipment and furnishings	5,742,057	490,084	---	(431,223)	5,800,918
Infrastructure	47,564,240	2,693,080	---	(2,282,529)	47,974,791
<b>Total accumulated depreciation</b>	<b>57,421,388</b>	<b>3,578,472</b>	<b>---</b>	<b>(2,713,752)</b>	<b>58,286,108</b>
<b>Net depreciable capital assets</b>	<b>129,158,971</b>	<b>(1,658,981)</b>	<b>5,471,964</b>	<b>(4,640,746)</b>	<b>128,331,208</b>
<b>Net total capital assets</b>	<b>\$ 135,461,435</b>	<b>\$ 223,697</b>	<b>\$ ---</b>	<b>\$ (4,656,577)</b>	<b>\$ 131,028,555</b>

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

Sewer Utility	\$ 1,314,033
Water Utility	1,705,314
Storm Water Utility	559,125
<b>Total depreciation</b>	<b>\$ 3,578,472</b>

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, 2013

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

**F. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 94,709,484	\$ 13,955,000	\$ (20,370,416)	\$ 88,294,068	\$ 24,206,416
Note anticipation note	1,280,000	---	(1,280,000)	---	---
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>2,946,771</u>	<u>434,340</u>	<u>(386,147)</u>	<u>2,994,964</u>	<u>119,979</u>
<b>Total governmental long-term obligations</b>	<u>\$ 98,936,255</u>	<u>\$ 14,389,340</u>	<u>\$ (22,036,563)</u>	<u>\$ 91,289,032</u>	<u>\$ 24,326,395</u>
<b>Business-type Activities:</b>					
<b>Long-term debt:</b>					
Revenue bonds	\$ 4,735,613	\$ ---	\$ (2,984,495)	\$ 1,751,118	\$ 162,064
General obligation debt	6,850,516	4,300,000	(804,584)	10,345,932	1,073,584
<b>Total long-term debt</b>	<u>11,586,129</u>	<u>4,300,000</u>	<u>(3,789,079)</u>	<u>12,097,050</u>	<u>1,235,648</u>
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>392,669</u>	<u>48,016</u>	<u>(39,338)</u>	<u>401,347</u>	<u>38,843</u>
<b>Total business-type long-term obligations</b>	<u>\$ 11,978,798</u>	<u>\$ 4,348,016</u>	<u>\$ (3,828,417)</u>	<u>\$ 12,498,397</u>	<u>\$ 1,274,491</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	\$ 2,946,771	\$ 392,669	\$ 3,339,440
Sick leave benefit earned - current year	434,340	48,016	482,356
Sick leave used – current year	(278,580)	(39,338)	(317,918)
Sick leave paid upon retirement	(107,567)	---	(107,567)
Balance, end of year	<u>\$ 2,994,964</u>	<u>\$ 401,347</u>	<u>\$ 3,396,311</u>

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***General Obligation Debt***

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

	<b>Date of Issue</b>	<b>Maturity Date</b>	<b>Average Coupon Rate</b>	<b>Original Indebtedness</b>	<b>Balance 12/31/13</b>
Bonds:	05/15/04	05/01/18	4.92%	\$ 7,225,000	\$ 4,675,000
	06/17/13	06/01/23	2.28%	1,930,000	1,930,000
Notes:	09/01/04	09/01/14	3.60%	3,360,000	250,000
	07/01/05	06/01/15	3.87%	3,780,000	1,100,000
	09/01/06	06/01/16	4.21%	2,660,000	1,050,000
	06/01/07	06/01/17	4.32%	1,750,000	1,075,000
	07/01/08	12/01/18	4.10%	3,800,000	2,425,000
	06/01/09	05/01/19	3.35%	3,320,000	2,500,000
	02/01/10	09/01/14	2.15%	2,800,000	575,000
	06/01/10	06/01/20	3.16%	3,955,000	3,300,000
	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	8,850,000
	06/06/11	06/01/21	2.80%	6,830,000	6,075,000
	10/18/11	10/01/19	2.03%	1,800,000	1,000,000
	07/02/12	06/01/22	2.90%	4,610,000	4,385,000
	07/02/12	03/01/21	3.42%	6,400,000	5,800,000
	07/02/12	03/01/22	3.34%	7,950,000	7,800,000
	09/28/12	09/01/19	2.43%	1,850,000	1,850,000
	09/28/12	09/01/15	3.00%	10,025,000	10,025,000
	02/28/13	10/01/16	1.75%	1,280,000	1,280,000
	06/17/13	06/01/23	2.99%	2,370,000	2,370,000
	06/17/13	12/01/16	1.15%	7,175,000	7,175,000
	09/30/13	10/01/16	2.00%	5,500,000	5,500,000
<b>Total general obligation debt</b>					<b>\$ 98,640,000</b>
Governmental activity debt					\$ 88,294,068
Business-type activity debt					<u>10,345,932</u>
<b>Total general obligation debt</b>					<b>\$ 98,640,000</b>

During the year ended December 31, 2013, the Village paid off one general obligation bond and one general obligation note through current refundings. The refinanced principal of the refundings issued totaled \$13,700,000. As a result of the current refundings, the Village decreased its future debt service requirements by \$330,655.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

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

During the year ended December 31, 2013, the Village defeased general obligation bonds by placing funds in escrow sufficient to meet the future debt service requirements as they mature. The principal of the defeased bonds totaled \$8,200,000. As of December 31, 2013, the balance of the defeased bonds currently outstanding is \$8,200,000. The Village added \$174,271 to the amount received by the issuing of new bonds.

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, 2013, the Village has used 46.47% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2013:

Equalized Value January 1, 2013	\$ <u>4,245,013,600</u>
Debt limit (5% of equalized value)	\$ <u>212,250,680</u>
<b>General Obligation Debt by Funding Source:</b>	
Tax levy	\$ 13,894,300
Tipping fees	13,600,000
Special assessments	959,768
TID increments	59,840,000
Utility user fees	10,345,932
<b>Total General Obligation debt</b>	<u>\$ 98,640,000</u>
Ratio of applicable general obligation debt to debt limit	<u>46.47 %</u>

***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 12/31/13</u>
<b>Governmental Activities:</b>					
Note Anticipation Notes	10/05/10	03/01/13	1.50%	\$ 1,280,000	\$ <u>---</u>

During the year ended December 31, 2013, the Village paid off the above Note Anticipation Note through a current refunding. The refinanced principal of the refunding issued totaled \$1,280,000. As a result of the current refunding, the Village increased its future debt service requirements by \$70,853.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Revenue Bonds***

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

Details of revenue bonds outstanding are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
<b>Business-type Activities:</b>					
Clean Water Fund Loans:					
Sewer Utility	02/19/01	05/01/20	2.97%	217,231	\$ 94,592
	12/17/01	05/01/16	3.21%	791,035	189,483
	08/22/07	05/01/27	2.55%	1,887,778	1,467,043
<b>Total business-type</b>					
				\$	<u>1,751,118</u>

During the year ended December 31, 2013, the Village paid off two water revenue bonds through current refundings. The refinanced principal of the refundings issued totaled \$2,735,000. As a result of the current refundings, the Village decreased its future debt service requirements by \$69,558.

***Subsequent Debt Issuances***

In March 2014, the Village Board approved the issuance and sale of \$3,825,000 general obligation refunding bonds. The debt was issued on April 01, 2014. The proceeds from the issuance will be used to refinance the remaining debt service requirements on the 2004 general obligation refunding bonds. The loan has a maturity life of 2.58 years, with an average interest rate of 1.96%.

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Debt Maturities***

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

**Governmental Activities:**

<b>Year</b>	<b>General Obligation Debt</b>		<b>Anticipation Notes</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2014	\$ 24,206,416	\$ 2,771,559	\$ ---	\$ ---	\$ 26,977,975
2015	16,231,416	1,673,682	---	---	17,905,098
2016	20,261,416	1,206,474	---	---	21,467,890
2017	6,582,910	819,603	---	---	7,402,513
2018	6,797,910	633,518	---	---	7,431,428
2019-2023	14,164,000	819,314	---	---	14,983,314
2024-2028	---	---	---	---	---
2029-2033	---	---	---	---	---
<b>Totals</b>	<b>\$ 88,244,068</b>	<b>\$ 7,924,150</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 96,168,218</b>

**Business-type Activities:**

<b>Year</b>	<b>General Obligation Debt</b>		<b>Revenue Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2014	\$ 1,073,584	\$ 314,969	\$ 162,064	\$ 43,958	\$ 1,594,575
2015	1,108,584	242,762	166,647	39,309	1,557,302
2016	1,053,584	215,283	171,361	34,527	1,474,755
2017	1,077,090	188,315	108,957	30,687	1,405,049
2018	1,112,090	161,148	111,790	27,818	1,412,846
2019-2023	4,921,000	389,528	557,222	95,425	5,963,175
2024-2028	---	---	473,077	24,477	497,554
2029-2033	---	---	---	---	---
<b>Totals</b>	<b>\$ 10,345,932</b>	<b>\$ 1,512,005</b>	<b>\$ 1,751,118</b>	<b>\$ 296,201</b>	<b>\$ 13,905,256</b>

**Total Primary Government:**

<b>Year</b>	<b>Anticipation Notes and Revenue Bonds</b>				<b>Total</b>
	<b>General Obligation Debt</b>		<b>Revenue Bonds</b>		
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>		
2014	\$ 25,280,000	\$ 3,086,528	\$ 162,064	\$ 43,958	\$ 28,572,550
2015	17,340,000	1,916,444	166,647	39,309	19,462,400
2016	21,315,000	1,421,757	171,361	34,527	22,942,645
2017	7,660,000	1,007,918	108,957	30,687	8,807,562
2018	7,910,000	794,666	111,790	27,818	8,844,274
2019-2023	19,085,000	1,208,842	557,222	95,425	20,946,489
2024-2028	---	---	473,077	24,477	497,554
2029-2033	---	---	---	---	---
<b>Totals</b>	<b>\$ 98,590,000</b>	<b>\$ 9,436,155</b>	<b>\$ 1,751,118</b>	<b>\$ 296,201</b>	<b>\$ 110,073,474</b>

The debt maturity schedules include the revised payment schedules related to the 2014 debt proceeds used to refinance the 2004 general obligation refunding bonds. As a result, principal on governmental activities general obligation debt in the above schedule of debt maturities is \$50,000 less than the amount outstanding on 12/31/13.

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

**Notes to Financial Statements**  
December 31, 2013

**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, 2013 is summarized as follows:

	<b>Balance January 1, 2013</b>		<b>Amortization Expense (Benefit)</b>	<b>Balance December 31, 2013</b>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities	<u>\$ 2,062,746</u>	<u>\$ (68,973)</u>	<u>\$ (487,869)</u>	<u>\$ 1,505,904</u>

***Business-type Activities:***

Storm Water Utility	\$ (24,514)	\$ (31,039)	\$ 4,191	\$ (51,362)
Water Utility	76,873	210,899	(144,566)	143,206
<b>Total business-type activities</b>	<b><u>\$ 52,359</u></b>	<b><u>\$ 179,860</u></b>	<b><u>\$ (140,375)</u></b>	<b><u>\$ 91,844</u></b>

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

**Notes to Financial Statements**  
December 31, 2013

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

**G. Net Position and Fund Balances**

***Government-wide Financial Statement Net Position***

***Governmental Activities***

Governmental net position consists of the following:

**Net Investment in Capital Assets:**

Land and construction in progress	\$ 95,694,484
Other capital assets net of accumulated depreciation	60,282,803
Less related long-term debt	<u>(60,945,423)</u>
<b>Total net investment in capital assets</b>	<b>\$ 95,031,864</b>

**Restricted for:**

Capital Projects:

Park development and land acquisition	744,549
Library facilities	180,332
Tax Incremental District projects	<u>4,041,589</u>
<b>Total restricted for capital projects</b>	<b>4,966,470</b>

Library operations and maintenance

1,184,613

Other:

Community development	1,129,677
Public safety programs	673,049
Library compensated absences	195,050
Parks operations	<u>5,351</u>
<b>Total restricted for other</b>	<b>2,003,127</b>

Unrestricted

<b>Total governmental net position</b>	<b><u>\$ 106,388,719</u></b>
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**VILLAGE OF MENOMONEE FALLS**  
Waukesha County, Wisconsin

**Notes to Financial Statements**  
December 31, 2013

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

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

***Government-wide Financial Statement Net Position (continued)***

***Business-type Activities***

Business-type net position consist of the following:

**Net Investment in Capital Assets:**

Land and construction in progress	\$ 2,697,347
Other capital assets net of accumulated depreciation	128,331,208
Less related long-term debt	<u>(10,396,969)</u>
<b>Total net investment in capital assets</b>	<b>\$ 120,631,586</b>

**Restricted for:**

Capital Projects:

Interceptor sewer improvements	1,308,555
Other sewer infrastructure improvements	1,355,574
Other water infrastructure improvements	<u>1,022,755</u>
<b>Total restricted for capital projects</b>	<b>3,686,884</b>

Other:

Operation and maintenance – sewer	837,386
Depreciation fund – sewer	<u>273,169</u>
<b>Total restricted for other</b>	<b>1,110,555</b>

Unrestricted

<b>Total business-type net position</b>	<b><u>13,322,201</u></b>
	<b>\$ <u>138,751,226</u></b>

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

**Notes to Financial Statements**  
December 31, 2013

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

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

***Fund Financial Statements***

Governmental fund balances consist of the following:

**General Fund:**

Nonspendable:

Prepaid items	\$ 198,876
Advances to other funds	1,786,835
Delinquent personal property taxes receivable	14,670
Inventory of supplies	<u>189,463</u>
<b>Total nonspendable</b>	<b>\$ 2,189,844</b>
Unassigned	<u>7,340,740</u>
<b>Total General Fund</b>	<b>\$ 9,530,584</b>

**T.I.D. #6 Main Street:**

Nonspendable for long-term loans receivable	\$ 14,129,157
Restricted for TIF District Improvements and Debt Service	16,760
<b>Total T.I.D. #6 Main Street</b>	<b>\$ 14,145,917</b>

**Non-major Funds:**

Nonspendable:

Advances to other funds	\$ 1,240,294
<b>Total nonspendable</b>	<b>\$ 1,240,294</b>

Restricted:

Revolving loans for community development	\$ 725,933
Public safety programs	673,049
Park development and land acquisition	744,549
Parks operations	5,351
Library facilities	180,332
Library operations and maintenance	1,184,613
TIF District Improvements and Debt Service	<u>7,049,036</u>
<b>Total restricted</b>	<b>10,562,863</b>

Committed:

Community grants	9,933
Cable TV programs	62,583
Capital projects	<u>4,042,162</u>
<b>Total committed</b>	<b>4,114,678</b>

Assigned:

Special revenue projects	12,214
Capital projects	<u>3,203,487</u>
<b>Total assigned</b>	<b>3,215,701</b>
Unassigned	<u>(386,481)</u>
<b>Total non-major funds</b>	<b>\$ 18,747,055</b>

## VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

### Notes to Financial Statements

December 31, 2013

#### 4. Other Notes

##### A. Employee Pension Plan

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

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contributions unless provided by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for employees covered by the WRS for the year ended December 31, 2013 was \$12,305,949; the employer's total payroll was \$13,071,477. The total required contribution for the year ended December 31, 2013 was \$1,814,319, which consisted of \$995,973, or 8.1% of payroll from the employer and \$818,346, or 6.7% of payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$1,670,698 and \$1,688,202, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

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

**Notes to Financial Statements**  
December 31, 2013

**4. Other Notes (continued)**

**B. Other Post-Employment Benefits**

**Plan Description**

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

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

**Funding Policy**

The Village funds these costs on a pay-as-you-go basis. Currently, the only Village contribution towards the costs of this obligation is the current period's implied subsidy, or the difference between the retiree contribution and the actual age-adjusted cost of retiree premiums paid by the Village. Employees participating in the OPEB benefit consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

Retirees	23
Active	177
Number of participating employees	<u>200</u>

**Annual OPEB Cost and Net OPEB Obligation**

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

**Annual OPEB Cost and Net OPEB Obligation (continued)**

Annual required contribution	\$ 529,050
Interest on net OPEB obligation	36,887
Adjustment to annual required contribution	<u>(120,615)</u>
<b>Annual OPEB cost (expense)</b>	<b>445,322</b>
Contributions made	<u>(314,820)</u>
<b>Increase in net OPEB obligation</b>	<b>130,502</b>
Net OPEB obligation – beginning of year	<u>1,134,967</u>
<b>Net OPEB obligation – end of year</b>	<b><u>1,265,469</u></b>

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

**Notes to Financial Statements**  
December 31, 2013

**4. Other Notes (continued)**

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

**Trend Information**

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

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

**Funding Status and Funding Progress**

As of December 31, 2011, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability ("UAAL") of \$4,745,889. The covered payroll (annual payroll of active employees covered by the plan) was \$11,523,749 and the ratio of the UAAL to covered payroll was 41.2%.

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

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

**Notes to Financial Statements**  
December 31, 2013

**4. Other Notes (continued)**

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

**Actuarial Methods and Assumptions**

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

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

Actuarial valuation date	12/31/2011
Actuarial cost method	Unit Credit
Amortization method	30 year level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	3.25%
Medical care trend*	8.5% reduced by decrements down to 4.6%

\* Implicit in these rates is an assumed rate of inflation of 2.75%

**C. Risk Management**

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

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

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

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

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

**Notes to Financial Statements**  
December 31, 2013

predictions through retrospective assessments.

**4. Other Notes (continued)**

**C. Risk Management (continued)**

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

The Village's Risk Management Fund was established in 1991 as an Internal Service Fund to account for and finance the Village's uninsured risk of loss. At December 31, 2013, this fund had net position totaling \$810,074 which is available to pay future claims. Additionally, a liability of \$46,048 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:

<b>Fiscal Year</b>	<b>Balance January 1,</b>	<b>Claims and Changes In Estimates</b>	<b>Claim Payments</b>	<b>Balance December 31,</b>
2013	\$ 76,759	\$ 1,281	\$ (31,992)	\$ 46,048
2012	88,241	6,646	(18,128)	76,759

Payments to WMIC for current year insurance coverage are reflected in the statement of revenues, expenses and changes in net position – Proprietary Funds. The Village's share of assets, liabilities and fund equity was approximately 2% as of December 31, 2013. 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, 2013 is available from the CVMIC offices. As of December 31, 2013, the CVMIC had assets of \$48,233,345 and a policyholders' surplus of \$28,984,833.

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

**Notes to Financial Statements**  
December 31, 2013

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 10,079,425	\$ 12,749,160	\$ 10,079,425	\$ 13,151,599	\$ 575,000

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 56,085,164	\$ 23,006,648	\$ 56,085,164	\$ 21,154,364	\$ ---

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

**Notes to Financial Statements**  
December 31, 2013

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 20,527,977	\$ 9,960,240	\$ 20,527,977	\$ 16,404,243	\$ 7,375,000

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 26,760,500	\$ 428,977	\$ 26,760,500	\$ 6,088,060	\$ 21,177,209

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 11,096,724	\$ 1,362,799	\$ 11,096,724	\$ 1,584,659	\$ 226,595

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

**Notes to Financial Statements**  
December 31, 2013

**4. Other Notes (continued)**

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

**T.I.D. #8 – Falls Parkway**

On July 8, 2008, the Village created Tax Incremental District #8 (“TID #8”). TID #8 has a statutory life of 27 years which will expire July 8, 2035. On December 17, 2009, the project plan was amended by the addition of certain provisions and to provide transfers in from TID #4. The last date to incur project costs is July 8, 2030. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 58,945,750	\$ 5,152,011	\$ 58,945,750	\$ 21,078,703	\$ 17,185,000

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 23,481,963	\$ 390,762	\$ 23,481,963	\$ 790,880	\$ 410,098

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 40,307,876	\$ 2,034,311	\$ 40,307,876	\$ 13,342,843	\$ 14,125,000

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

**Notes to Financial Statements**  
December 31, 2013

**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, 2013:

<b>Project Plan Estimated Revenues</b>	<b>Cumulative Revenues to 12/31/13</b>	<b>Project Plan Estimated Expenditures</b>	<b>Cumulative Expenditures to 12/31/13</b>	<b>Outstanding debt as of 12/31/13</b>
\$ 4,501,500	\$ 61,228	\$ 4,501,500	\$ 600,731	\$ 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, 2013

**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 \$120,000 per month.

The Village has issued municipal revenue obligations ("MRO") from TID #5, TID #7, TID #10 and TID #11 as part of development agreements. The principal amount of the MRO's are \$3,100,000, \$5,100,000, \$2,500,000 and \$500,000, and are payable solely from tax increments collected by the TID #5, TID #7, TID #10 and TID #11, respectively. The payment schedules vary. The TID #7 MRO carries an 8.5% interest rate, while all of the others maintain a 0% interest rate. The obligation does not constitute a charge upon any funds of the Village. The increments collected by the Districts are pledged in their entirety. If the tax increments collected by the Districts during the life of the Districts are insufficient to pay the principal and interest on the MRO's, the obligations terminate with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligations are not reported as a liability in the accompanying financial statements. The balance of the maximum potential commitments at December 31, 2013 was approximately \$12,267,944.

**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 \$30,048 for the year ended December 31, 2013. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2014	\$ 32,780
2015	32,780
2016	32,780
2017	32,780
2018	32,780
2019 – 2020	<u>46,438</u>
 <b>Total</b>	 <u>\$ 210,338</u>

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

**Notes to Financial Statements**  
December 31, 2013

**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 \$33,292 for the year ended December 31, 2013. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2014	\$ 9,676
2015	<u>9,966</u>
<b>Total</b>	<b>\$ 19,642</b>

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Payments received on these leases totaled \$192,254 for the year ended December 31, 2013. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2014	\$ 208,002
2015	218,404
2016	108,568
2017	<u>83,048</u>
<b>Total</b>	<b>\$ 618,022</b>

**J. Deficit Fund Balances**

As of December 31, 2013, the following non-major individual funds had deficit fund balances:

<b>Fund</b>	<b>Deficit</b>
<b>Capital Projects Funds:</b>	
T.I.D. #7	\$ 221,860
T.I.D. #9	150,118
T.I.D. #11	14,503

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

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

**Notes to Financial Statements**  
December 31, 2013

**4. Other Notes (continued)**

**K. Accounting Pronouncements**

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

**L. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (June 27, 2014). Other than the debt transactions disclosed in note 3.F., there is one subsequent event which requires disclosure, which is as follows:

In August, 2013 the Village granted an industrial treatment company (company) a zoning occupancy permit to begin renovating a former concrete block manufacturing plant. Subsequent to year end, the Plan Commission of the Village conducted a review of the company's plans and proposed use and operations for the site. The Plan Commission of the Village voted and determined that the company's use was "objectionable" in accordance with the Village's zoning regulations. The company filed notice of claim with the Village, asserting the company is seeking damages. As of June 27, 2014, the matter is in the early stages of litigation and settlement negotiations. Management asserts that it is too early to determine whether a loss to the Village is probable, reasonably possible or remote.

**M. Prior-Period Adjustments**

The Government Accounting Standards Board (GASB) issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65 debt issuance costs are no longer recorded as an asset and amortized over the life of the related debt issue. Debt issuance costs are now expensed in the current period. As a result, an adjustment of \$42,479 was made to decrease the December 31, 2011 net position of the Sewer Utility and to decrease assets by eliminating deferred loan costs. In addition, an adjustment of \$8,679 was made to decrease the December 31, 2012 net position of the Storm Water Utility and to decrease assets by eliminating deferred loan costs. Lastly, an adjustment of \$923,763 was made to decrease the December 31, 2012 net position of the Government Activities on the statement of activities and to decrease assets by eliminating deferred loan costs.

Certain adjustments have been made to the December 31, 2011 net position of the sewer utility. Accordingly, an adjustment was made during the year ended December 31, 2013 to decrease the net capital assets as of December 31, 2011 and to decrease the 2012 depreciation expense of the Sewer Utility. The purpose of the entry was to dispose of all Sewer laterals constructed and installed by the Village in previous years. Policies of the Public Service Commission of Wisconsin state that the property owner or customer owns and maintains the service lateral all the way from the dwelling to the sewer utility's main within the street. As a result, an adjustment of \$4,733,022 was made to decrease the December 31, 2011 net position of the sewer utility and to decrease net capital assets.

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

**Required Supplementary Information**

**Schedule of Funding Progress of Net OPEB Obligation**  
**December 31, 2013**

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

Notes:

1. The data presented in this schedule was taken from the report issued by the actuary, except the covered payroll data which was supplied by the Village.

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, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets:</b>		
Cash and equivalents	\$ 17,030,199	\$ 11,676,554
Certificate of deposit	524,947	514,590
Accounts receivable:		
Taxes	9,271,963	10,552,494
Special charges on the tax roll	3,120	908
Intergovernmental aid	358,353	396,232
Accounts	917,795	830,309
Due from other funds	806,539	-
Prepaid items	198,876	527,216
Inventory	189,463	188,319
Advance to other governmental funds	1,718,902	4,945,801
Advances to utilities	<u>67,933</u>	<u>145,762</u>
<b>Total assets</b>	<b>31,088,090</b>	<b>29,778,185</b>
<b>Liabilities:</b>		
Accounts payable and other accrued liabilities	3,084,001	2,177,012
Compensated absences	941,579	927,137
Deposits	97,476	119,235
Unearned revenue	288,763	331,560
Due to other funds	<u>---</u>	<u>40,311</u>
<b>Total liabilities</b>	<b>4,411,819</b>	<b>3,595,255</b>
<b>Deferred Inflows of Resources:</b>		
Deferred revenue - subsequent year's taxes	<u>17,145,687</u>	<u>16,917,346</u>
<b>Fund Balances:</b>		
Nonspendable	2,189,844	2,498,367
Restricted	<u>---</u>	<u>91,526</u>
Unassigned	<u>7,340,740</u>	<u>6,675,691</u>
<b>Total fund balances</b>	<b><u>\$ 9,530,584</u></b>	<b><u>\$ 9,265,584</u></b>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>	<b>Change</b>
<b>Revenues:</b>			
Property taxes	\$ 16,612,057	\$ 16,341,595	\$ 270,462
Other taxes	179,500	150,679	28,821
Payments in lieu of taxes - Water Utility	1,393,941	1,292,036	101,905
Licenses and permits	1,187,601	1,141,357	46,244
Fines and forfeitures	724,411	631,119	93,292
Intergovernmental	2,732,566	2,737,111	(4,545)
Charges for services	979,017	936,982	42,035
Investment earnings	26,211	37,821	(11,610)
Interest on advances to governmental funds	191,968	189,950	2,018
Interest on advances to utilities	8,746	13,187	(4,441)
Other	115,140	104,639	10,501
<b>Total revenues</b>	<b>24,151,158</b>	<b>23,576,476</b>	<b>574,682</b>
<b>Expenditures:</b>			
<b>General Government:</b>			
Village board	46,323	45,643	680
Village manager	73,042	59,158	13,884
Clerk services	605,581	704,843	(99,262)
Human resources	92,581	86,932	5,649
Assessment of property	261,629	286,854	(25,225)
Building maintenance	441,891	467,747	(25,856)
Insurance and benefits	84,543	121,031	(36,488)
Judicial	175,304	173,791	1,513
Legal services	414,991	348,599	66,392
Financial services	293,958	278,254	15,704
Communications and information services	907,480	933,630	(26,150)
Capital outlay	77,846	18,760	59,086
<b>Total general government</b>	<b>3,475,169</b>	<b>3,525,242</b>	<b>(50,073)</b>
<b>Public Safety:</b>			
Police	7,785,369	7,974,581	(189,212)
Emergency dispatch	892,877	820,220	72,657
Fire	2,895,905	2,707,650	188,255
Fire protection services	1,659,499	1,658,233	1,266
Weed control	34,468	33,919	549
Emergency government	4,964	2,599	2,365
Other protection services	30,118	24,980	5,138
Capital outlay	57,186	89,121	(31,935)
<b>Total public safety</b>	<b>13,360,386</b>	<b>13,311,303</b>	<b>49,083</b>

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2013 and 2012**  
**(Continued)**

	<b>2013</b>	<b>2012</b>	<b>Change</b>
<b>Public Works:</b>			
Street and alley repair	\$ 3,175,329	\$ 2,988,051	\$ 187,278
Equipment maintenance	407,019	389,603	17,416
Municipal garages	91,259	74,656	16,603
<b>Total public works</b>	<u>3,673,607</u>	<u>3,452,310</u>	<u>221,297</u>
<b>Culture and Recreation:</b>			
Historical society and museum	27,158	23,961	3,197
Parks operations	719,317	602,185	117,132
Parks projects	22,326	38,482	(16,156)
Community quality of life	81,338	87,928	(6,590)
<b>Total culture and recreation</b>	<u>850,139</u>	<u>752,556</u>	<u>97,583</u>
<b>Conservation and Development:</b>			
Community development	46,814	47,229	(415)
Building inspection	421,126	407,289	13,837
Engineering	22,923	96,300	(73,377)
Planning	261,423	269,209	(7,786)
<b>Total conservation and development</b>	<u>752,286</u>	<u>820,027</u>	<u>(67,741)</u>
<b>Total general fund expenditures</b>	<u>22,111,587</u>	<u>21,861,438</u>	<u>250,149</u>
<b>Excess of revenues over expenditures</b>	<b>2,039,571</b>	<b>1,715,038</b>	<b>324,533</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	312,529	541,285	(228,756)
Transfers out	(2,087,100)	(2,237,509)	150,409
<b>Net other financing uses</b>	<u>(1,774,571)</u>	<u>(1,696,224)</u>	<u>(78,347)</u>
<b>Net change in fund balance</b>	<b>265,000</b>	<b>18,814</b>	<b>246,186</b>
<b>Fund Balance:</b>			
Beginning of year	\$ 9,265,584	\$ 9,246,770	\$ 18,814
<b>End of year</b>	<u>\$ 9,530,584</u>	<u>\$ 9,265,584</u>	<u>\$ 265,000</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, 2013**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Property taxes	\$ 2,336,230	\$ 2,336,230	\$ 2,336,230
<b>Expenditures:</b>			
Principal	13,450,417	13,450,417	6,670,417
Interest and fiscal charges	2,923,110	2,923,110	2,956,176
Debt issuance costs	---	---	101,998
<b>Total expenditures</b>	<u>16,373,527</u>	<u>16,373,527</u>	<u>9,728,591</u>
<b>Deficit of revenues under expenditures</b>	<u>(14,037,297)</u>	<u>(14,037,297)</u>	<u>(7,392,361)</u>
<b>Other Financing Sources:</b>			
Transfers in	13,690,917	13,690,917	6,947,366
Transfers out	---	---	(4,518)
Refunding bonds and notes issued	6,780,000	6,780,000	6,780,000
Principal payments on refunded debt	(6,780,000)	(6,780,000)	(6,780,000)
Payment to refunding bond escrow agent	---	---	(8,374,270)
Bond premiums	---	---	105,298
<b>Net other financing sources (uses)</b>	<u>13,690,917</u>	<u>13,690,917</u>	<u>(1,326,124)</u>
<b>Net change in fund balance</b>	<u>(346,380)</u>	<u>(346,380)</u>	<u>(8,718,485)</u>
<b>Fund Balance:</b>			
Beginning of year	\$ 8,718,485	\$ 8,718,485	\$ 8,718,485
<b>End of year</b>	<u>\$ 8,372,105</u>	<u>\$ 8,372,105</u>	<u>\$ ---</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, 2013**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets:</b>			
Cash and equivalents	\$ 3,911,775	\$ 13,482,979	\$ 17,394,754
Accounts receivable:			
Taxes	1,747,518	4,913,251	6,660,769
Special charges on tax roll	1,231,276	89,003	1,320,279
Intergovernmental aid	---	706,859	706,859
Special assessments	---	1,445,795	1,445,795
Accounts	1,109	166,342	167,451
Notes	385,326	---	385,326
Other	---	2,044,161	2,044,161
Due from other funds	39,336	773,397	812,733
Advance to other governmental funds	---	801,668	801,668
Long-term advances to utilities	---	438,626	438,626
<b>Total assets</b>	<b>7,316,340</b>	<b>24,862,081</b>	<b>32,178,421</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	73,838	1,470,438	1,544,276
Accrued compensated absences	63,777	---	63,777
Deposits	---	78,732	78,732
Due to other funds	197,230	421,647	618,877
Long-term advances from other governmental funds	---	1,148,361	1,148,361
<b>Total liabilities</b>	<b>334,845</b>	<b>3,119,178</b>	<b>3,454,023</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable special assessments	---	992,713	992,713
Deferred revenue - subsequent year's taxes	2,979,194	5,620,110	8,599,304
Unavailable revenue - notes receivable	385,326	---	385,326
<b>Total deferred inflows of resources</b>	<b>3,364,520</b>	<b>6,612,823</b>	<b>9,977,343</b>
<b>Fund Balances:</b>			
Nonspendable	---	1,240,294	1,240,294
Restricted	3,532,245	7,030,618	10,562,863
Committed	72,516	4,042,162	4,114,678
Assigned	12,214	3,203,487	3,215,701
Unassigned	---	(386,481)	(386,481)
<b>Total fund balances</b>	<b>\$ 3,616,975</b>	<b>\$ 15,130,080</b>	<b>\$ 18,747,055</b>

See independent auditor's report.

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Non-major Governmental Funds:**  
**Year Ended December 31, 2013**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
<b>Revenues:</b>			
Property taxes	\$ 1,736,536	\$ 4,067,689	\$ 5,804,225
Charges for services:			
Fines and forfeitures	20,574	---	20,574
Program revenues	1,474,779	---	1,474,779
Tipping fees	---	2,342,917	2,342,917
Other charges for services	---	500	500
Operating grants and contributions:			
Intergovernmental	143,397	342,159	485,556
Donations	6,856	---	6,856
Capital grants and contributions:			
Special assessments and interest	---	95,737	95,737
Contributions from developers	305,015	290,063	595,078
Investment earnings	3,235	15,666	18,901
Interest earned on advances to governmental funds	---	26,827	26,827
Interest earned on advances to utilities	---	10,425	10,425
Developer incentives returned	---	2,000,000	2,000,000
Other revenues	12,390	21,013	33,403
<b>Total governmental revenues</b>	<b>3,702,782</b>	<b>9,212,996</b>	<b>12,915,778</b>
<b>Expenditures:</b>			
Current:			
General government	---	237,900	237,900
Public safety	99,894	---	99,894
Public works	1,792,366	1,865,824	3,658,190
Culture and recreation	1,791,861	24,107	1,815,968
Conservation and development	45,549	1,241,751	1,287,300
Interest on advances to governmental funds	---	140,824	140,824
Bond expenses	---	97,073	97,073
Capital outlay	54,578	3,931,388	3,985,966
<b>Total expenditures</b>	<b>3,784,248</b>	<b>7,538,867</b>	<b>11,323,115</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(81,466)</b>	<b>1,674,129</b>	<b>1,592,663</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from sales of capital assets	---	41,906	41,906
Transfers in	458,995	7,628,905	8,087,900
Transfers out	(86,000)	(12,382,999)	(12,468,999)
Bonds and notes issued	---	7,175,000	7,175,000
<b>Total other financing sources (uses)</b>	<b>372,995</b>	<b>2,462,812</b>	<b>2,835,807</b>
<b>Net change in fund balances</b>	<b>291,529</b>	<b>4,136,941</b>	<b>4,428,470</b>
Fund balance, beginning of year	\$ 3,325,446	\$ 10,993,139	\$ 14,318,585
<b>Fund balance, end of year</b>	<b>\$ 3,616,975</b>	<b>\$ 15,130,080</b>	<b>\$ 18,747,055</b>

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 Board and administered by the Southeastern Wisconsin Regional Planning Commission.

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

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

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

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

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

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

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

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

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

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

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

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

**Combining Balance Sheet - Non-Major Special Revenue Funds**  
December 31, 2013

<b>Non-major Special Revenue Funds</b>															<b>Total Non-major Special Revenue Funds</b>
	<b>Revolving Loan Fund</b>	<b>Police Department</b>	<b>Fire Department</b>	<b>Park Department</b>	<b>Community Development</b>	<b>Library</b>	<b>Community Grant</b>	<b>Teen Court</b>	<b>Cable TV</b>	<b>Unallocated</b>	<b>Solid Waste Collection</b>	<b>Library Operations and Maintenance</b>	<b>TID #9 EDMF</b>		
<b>Assets:</b>															
Cash and equivalents	\$ 726,538	\$ 91,489	\$ ---	\$ ---	\$ 653,613	\$ 180,728	\$ ---	\$ ---	\$ ---	\$ 745,420	\$ 146,487	\$ 1,349,082	\$ 18,418	\$ 3,911,775	
Receivables:															
Taxes	---	---	---	---	---	---	---	---	---	---	---	1,747,518	---	1,747,518	
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	1,231,276	---	---	1,231,276	
Accounts	---	---	---	---	---	---	---	---	---	---	1,109	---	---	1,109	
Notes	315,561	---	---	---	---	---	---	---	---	---	---	---	69,765	385,326	
Due from other funds	---	---	---	---	---	---	---	---	---	39,336	---	---	---	39,336	
Due from (to) unallocated	(605)	102,280	467,758	5,351	90,936	(396)	9,933	11,597	62,583	(749,437)	---	---	---	---	---
<b>Total assets</b>	<b>1,041,494</b>	<b>193,769</b>	<b>467,758</b>	<b>5,351</b>	<b>744,549</b>	<b>180,332</b>	<b>9,933</b>	<b>11,597</b>	<b>62,583</b>	<b>35,319</b>	<b>1,378,872</b>	<b>3,096,600</b>	<b>88,183</b>	<b>7,316,340</b>	
<b>Liabilities:</b>															
Accounts payable and other accrued liabilities	---	---	---	---	---	---	---	75	---	23,105	---	50,658	---	73,838	
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	---	63,777	---	63,777	
Due to other funds	---	---	---	---	---	---	---	---	---	147,196	---	50,034	---	197,230	
<b>Total liabilities</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>75</b>	<b>---</b>	<b>23,105</b>	<b>147,196</b>	<b>164,469</b>	<b>---</b>	<b>334,845</b>	
<b>Deferred Inflows of Resources:</b>															
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	---	1,231,676	1,747,518	---	2,979,194	
Unavailable revenue - notes receivable	315,561	---	---	---	---	---	---	---	---	---	---	---	69,765	385,326	
<b>Total deferred inflows of resources</b>	<b>315,561</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,231,676</b>	<b>1,747,518</b>	<b>69,765</b>	<b>3,364,520</b>	
<b>Fund Balances:</b>															
Restricted	725,933	193,769	467,758	5,351	744,549	180,332	---	11,522	---	---	---	1,184,613	18,418	3,532,245	
Committed	---	---	---	---	---	---	9,933	---	62,583	---	---	---	---	72,516	
Assigned	---	---	---	---	---	---	---	---	---	12,214	---	---	---	12,214	
<b>Total fund balances</b>	<b>\$ 725,933</b>	<b>\$ 193,769</b>	<b>\$ 467,758</b>	<b>\$ 5,351</b>	<b>\$ 744,549</b>	<b>\$ 180,332</b>	<b>\$ 9,933</b>	<b>\$ 11,522</b>	<b>\$ 62,583</b>	<b>\$ 12,214</b>	<b>\$ 1,184,613</b>	<b>\$ 18,418</b>	<b>\$ 3,616,975</b>		

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, 2013

<b>Non-major Special Revenue Funds</b>															<b>Total Non-major Special Revenue Funds</b>
<b>Revolving Loan Fund</b>	<b>Police Department</b>	<b>Fire Department</b>	<b>Park Department</b>	<b>Community Development</b>	<b>Library</b>	<b>Community Grant</b>	<b>Teen Court</b>	<b>Cable TV</b>	<b>Unallocated</b>	<b>Solid Waste Collection</b>	<b>Library Operations and Maintenance</b>	<b>TID #9 EDMF</b>			
<b>Revenues:</b>															
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,736,536	\$ ---	\$ ---	\$ 1,736,536
Public charges for services:															
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	---	20,574	---	20,574	
Program revenue	28,883	77,082	15,449	---	---	---	1,009	90,000	---	1,253,319	---	9,037	1,474,779		
Operating grants and contributions:															
Intergovernmental	---	19,436	6,900	---	400	---	---	---	---	80,052	36,609	---	143,397		
Donations	---	4,195	874	---	1,481	---	---	---	---	---	306	---	6,856		
Capital grants and contributions:															
Platting fees	---	---	---	2,030	---	---	---	---	---	---	---	---	2,030		
Impact fees	---	---	229,109	73,876	---	---	---	---	---	---	---	---	302,985		
Investment earnings	44	116	---	---	608	9	---	---	630	---	1,828	---	3,235		
Other revenues	---	---	---	---	10	---	---	90,000	630	1,333,371	1,808,233	12,380	---	12,390	
<b>Total revenues</b>	<b>28,927</b>	<b>100,829</b>	<b>252,332</b>	<b>---</b>	<b>76,514</b>	<b>1,900</b>	<b>1,009</b>	<b>90,000</b>	<b>630</b>	<b>1,333,371</b>	<b>1,808,233</b>	<b>9,037</b>	<b>3,702,782</b>		
<b>Expenditures:</b>															
Current:															
Public safety	---	85,518	12,479	---	---	---	1,897	---	---	---	---	---	---	99,894	
Public works	---	---	---	---	---	---	---	---	---	1,792,366	---	---	1,792,366		
Culture, recreation and education	---	---	---	---	1,835	---	---	90,000	---	---	1,700,026	---	1,791,861		
Conservation and development	606	---	---	---	---	---	---	---	---	---	---	44,943	45,549		
Capital outlay	---	15,196	---	---	---	---	---	---	---	---	39,382	---	54,578		
<b>Total expenditures</b>	<b>606</b>	<b>100,714</b>	<b>12,479</b>	<b>---</b>	<b>1,835</b>	<b>---</b>	<b>1,897</b>	<b>90,000</b>	<b>---</b>	<b>1,792,366</b>	<b>1,739,408</b>	<b>44,943</b>	<b>3,784,248</b>		
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>28,321</b>	<b>115</b>	<b>239,853</b>	<b>---</b>	<b>76,514</b>	<b>65</b>	<b>---</b>	<b>(888)</b>	<b>---</b>	<b>630</b>	<b>(458,995)</b>	<b>68,825</b>	<b>(35,906)</b>	<b>(81,466)</b>	
<b>Other Financing Sources (Uses):</b>															
Transfers in	---	---	---	---	---	---	---	---	---	458,995	---	---	458,995		
Transfers out	---	---	(86,000)	---	---	---	---	---	---	---	---	---	(86,000)		
<b>Total other financing sources (uses)</b>	<b>---</b>	<b>---</b>	<b>(86,000)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>458,995</b>	<b>---</b>	<b>---</b>	<b>372,995</b>		
<b>Net change in fund balances</b>	<b>28,321</b>	<b>115</b>	<b>153,853</b>	<b>---</b>	<b>76,514</b>	<b>65</b>	<b>---</b>	<b>(888)</b>	<b>---</b>	<b>630</b>	<b>---</b>	<b>68,825</b>	<b>(35,906)</b>	<b>291,529</b>	
<b>Fund Balance - beginning of year</b>	<b>697,612</b>	<b>193,654</b>	<b>313,905</b>	<b>5,351</b>	<b>668,035</b>	<b>180,267</b>	<b>9,933</b>	<b>12,410</b>	<b>62,583</b>	<b>11,584</b>	<b>---</b>	<b>1,115,788</b>	<b>54,324</b>	<b>3,325,446</b>	
<b>Fund Balance - end of year</b>	<b>\$ 725,933</b>	<b>\$ 193,769</b>	<b>\$ 467,758</b>	<b>\$ 5,351</b>	<b>\$ 744,549</b>	<b>\$ 180,332</b>	<b>\$ 9,933</b>	<b>\$ 11,522</b>	<b>\$ 62,583</b>	<b>\$ 12,214</b>	<b>\$ ---</b>	<b>\$ 1,184,613</b>	<b>\$ 18,418</b>	<b>\$ 3,616,975</b>	

See independent auditor's report.

## NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

**Tax Incremental Financing District #11** - To account for the financing and construction of 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, 2013

<b>Non-major Capital Projects Funds</b>													<b>Total Non-major Capital Projects Funds</b>
	<b>Capital Projects</b>	<b>Municipal Facilities and Equipment Fund</b>	<b>T.I.D. #2 Village Centre</b>	<b>T.I.D. #4 Heritage Reserve</b>	<b>T.I.D. #5 Westbrook Corporate Park</b>	<b>T.I.D. #7 First Park</b>	<b>T.I.D. #8 Falls Parkway</b>	<b>T.I.D. #9 Appleton Ave. Corridor</b>	<b>T.I.D. #10</b>	<b>T.I.D. #11</b>	<b>Special Assessments</b>		
<b>Assets:</b>													
Cash and equivalents	\$ 4,569,188	\$ 3,122,977	\$ 172,561	\$ 1,924,054	\$ 950,889	\$ 4,735	\$ 1,743,117	\$ 17,118	\$ 850,238	\$ (14,503)	\$ 142,605	\$ 13,482,979	
Receivables:													
Taxes	---	---	599,729	1,899,528	1,669,905	385,716	48,839	---	225,356	84,178	---	4,913,251	
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	89,003	89,003	
Intergovernmental aid	---	---	346	421,403	136,416	318	73	14,447	56,368	77,488	---	706,859	
Special assessments	---	---	---	---	---	---	---	---	---	---	1,445,795	1,445,795	
Accounts	---	166,342	---	---	---	---	---	---	---	---	---	166,342	
Other	44,161	---	---	---	---	---	---	---	2,000,000	---	---	2,044,161	
Due from other funds	---	---	---	---	---	---	---	---	---	---	773,397	773,397	
Advances to other capital project funds	---	801,668	---	---	---	---	---	---	---	---	---	801,668	
Advance to utilities	---	438,626	---	---	---	---	---	---	---	---	---	438,626	
<b>Total assets</b>	<b>4,613,349</b>	<b>4,529,613</b>	<b>772,636</b>	<b>4,244,985</b>	<b>2,757,210</b>	<b>390,769</b>	<b>1,792,029</b>	<b>31,565</b>	<b>3,131,962</b>	<b>147,163</b>	<b>2,450,800</b>	<b>24,862,081</b>	
<b>Liabilities:</b>													
Accounts payable and other accrued liabilities	266,165	13,740	---	---	---	---	441,635	---	---	---	748,898	1,470,438	
Deposits	77,560	1,172	---	---	---	---	---	---	---	---	---	78,732	
Due to other funds	174,983	70,920	---	71,770	19,892	---	43,174	7,138	33,770	---	---	421,647	
Advances from other capital projects funds	761,668	---	---	---	---	---	40,000	---	---	---	---	801,668	
Advances from municipality	---	---	---	---	---	226,595	---	120,098	---	---	---	346,693	
<b>Total liabilities</b>	<b>1,280,376</b>	<b>85,832</b>	<b>---</b>	<b>71,770</b>	<b>19,892</b>	<b>226,595</b>	<b>484,809</b>	<b>167,236</b>	<b>33,770</b>	<b>---</b>	<b>748,898</b>	<b>3,119,178</b>	
<b>Deferred Inflows of Resources:</b>													
Unavailable special assessments	---	---	---	---	---	---	---	---	---	---	992,713	992,713	
Deferred revenue - subsequent year's taxes	---	---	600,075	2,320,931	1,806,321	386,034	48,912	14,447	281,724	161,666	---	5,620,110	
<b>Total deferred inflows of resources</b>	<b>---</b>	<b>---</b>	<b>600,075</b>	<b>2,320,931</b>	<b>1,806,321</b>	<b>386,034</b>	<b>48,912</b>	<b>14,447</b>	<b>281,724</b>	<b>161,666</b>	<b>992,713</b>	<b>6,612,823</b>	
<b>Fund Balances:</b>													
Nonspendable	---	1,240,294	---	---	---	---	---	---	---	---	---	1,240,294	
Restricted	---	---	172,561	1,852,284	930,997	---	1,258,308	---	2,816,468	---	---	7,030,618	
Committed	3,332,973	---	---	---	---	---	---	---	---	---	---	709,189	4,042,162
Assigned	---	3,203,487	---	---	---	---	---	---	---	---	---	3,203,487	
Unassigned	---	---	---	---	---	(221,860)	---	(150,118)	---	(14,503)	---	(386,481)	
<b>Total fund balances</b>	<b>\$ 3,332,973</b>	<b>\$ 4,443,781</b>	<b>\$ 172,561</b>	<b>\$ 1,852,284</b>	<b>\$ 930,997</b>	<b>\$ (221,860)</b>	<b>\$ 1,258,308</b>	<b>\$ (150,118)</b>	<b>\$ 2,816,468</b>	<b>\$ (14,503)</b>	<b>\$ 709,189</b>	<b>\$ 15,130,080</b>	

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, 2013

	<b>Non-major Capital Projects Funds</b>												<b>Total Non-major Capital Projects Funds</b>
	<b>Capital Projects</b>	<b>Municipal Facilities and Equipment Fund</b>	<b>T.I.D. #2 Village Centre</b>	<b>T.I.D. #4 Heritage Reserve</b>	<b>T.I.D. #5 Westbrook Corporate Park</b>	<b>T.I.D. #7 First Park</b>	<b>T.I.D. #8 Falls Parkway</b>	<b>T.I.D. #9 Appleton Ave. Corridor</b>	<b>T.I.D. #10</b>	<b>T.I.D. #11</b>	<b>Special Assessments</b>		
<b>Revenues:</b>													
Tax increment	\$ ---	\$ ---	\$ 423,799	\$ 1,708,371	\$ 1,491,076	\$ 326,962	\$ ---	\$ 56,385	\$ ---	\$ 61,096	\$ ---	\$ ---	\$ 4,067,689
Public charges for services:													
Program revenues	500	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	500
Tipping fees	---	\$ 2,342,917	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,342,917
Operating grants and contributions:													
Intergovernmental	---	\$ ---	\$ 289	\$ 95,120	\$ 102,637	\$ 482	\$ 100,012	\$ 14,401	\$ 29,218	\$ ---	\$ ---	\$ ---	\$ 342,159
Capital grants and contributions:													
Special assessments and interest	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 95,737	\$ 95,737	
Contributions from developers	290,063	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 290,063
Investment earnings	2,676	\$ 4,812	\$ 467	\$ 2,971	\$ 1,720	\$ 158	\$ 1,768	\$ 65	\$ 887	\$ 18	\$ 124	\$ 15,666	
Interest on advances to governmental funds	25,971	\$ 856	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 26,827	
Interest on advances to utilities	---	\$ 10,425	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 10,425	
Developer incentives returned	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,000,000	\$ ---	\$ ---	\$ 2,000,000	
Other revenue	---	\$ 4,453	\$ ---	\$ 16,560	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 21,013	
<b>Total revenues</b>	<b>319,210</b>	<b>2,363,463</b>	<b>424,555</b>	<b>1,823,022</b>	<b>1,595,433</b>	<b>327,602</b>	<b>101,780</b>	<b>70,851</b>	<b>2,030,105</b>	<b>61,114</b>	<b>95,861</b>	<b>9,212,996</b>	
<b>Expenditures:</b>													
Current:													
General government	17,700	\$ 800	\$ 850	\$ 6,901	\$ 11,711	\$ 7,908	\$ 124,815	\$ 36,541	\$ 23,460	\$ 7,214	\$ ---	\$ 237,900	
Public works	706,963	\$ ---	\$ 654	\$ 17,401	\$ ---	\$ 1,078,517	\$ 1,240	\$ 61,049	\$ ---	\$ ---	\$ 1,865,824		
Culture, recreation and education	24,107	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 24,107		
Conservation and development	---	\$ ---	\$ ---	\$ 278,103	\$ 317,267	\$ 608,797	\$ ---	\$ 1,424	\$ 36,160	\$ ---	\$ 1,241,751		
Interest on advances from governmental funds	856	\$ ---	\$ ---	\$ 25,971	\$ 12,826	\$ 94,373	\$ 6,798	\$ ---	\$ ---	\$ ---	\$ 140,824		
Interest and fiscal charges	---	\$ 880	\$ ---	\$ 1,057	\$ ---	\$ 86,713	\$ 57	\$ 600	\$ 200	\$ 7,566	\$ 97,073		
Capital Outlay	1,669,512	\$ 902,097	\$ ---	\$ ---	\$ ---	\$ 1,332,237	\$ 27,542	\$ ---	\$ ---	\$ ---	\$ 3,931,388		
<b>Total expenditures</b>	<b>2,419,138</b>	<b>903,777</b>	<b>850</b>	<b>7,555</b>	<b>334,243</b>	<b>338,001</b>	<b>3,325,452</b>	<b>72,178</b>	<b>86,533</b>	<b>43,574</b>	<b>7,566</b>	<b>7,538,867</b>	
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(2,099,928)</b>	<b>1,459,686</b>	<b>423,705</b>	<b>1,815,467</b>	<b>1,261,190</b>	<b>(10,399)</b>	<b>(3,223,672)</b>	<b>(1,327)</b>	<b>1,943,572</b>	<b>17,540</b>	<b>88,295</b>	<b>1,674,129</b>	
<b>Other Financing Sources (Uses):</b>													
Proceeds from sales of capital assets	---	\$ 41,906	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 41,906	
Transfers in	4,047,500	\$ 409,624	\$ ---	\$ ---	\$ ---	\$ 1,959,776	\$ ---	\$ ---	\$ ---	\$ 1,212,005	\$ 7,628,905		
Transfers out	(18,011)	(6,272,317)	(600,156)	(1,959,776)	(1,080,091)	---	(1,888,829)	(4,256)	(105,500)	(10,500)	(443,563)	(12,382,999)	
Bonds and notes issued	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,175,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,175,000	
<b>Total other financing sources (uses)</b>	<b>4,029,489</b>	<b>(5,820,787)</b>	<b>(600,156)</b>	<b>(1,959,776)</b>	<b>(1,080,091)</b>	<b>7,245,947</b>	<b>(4,256)</b>	<b>(105,500)</b>	<b>(10,500)</b>	<b>768,442</b>	<b>2,462,812</b>		
<b>Net change in fund balances</b>	<b>1,929,561</b>	<b>(4,361,101)</b>	<b>(176,451)</b>	<b>(144,309)</b>	<b>181,099</b>	<b>(10,399)</b>	<b>4,022,275</b>	<b>(5,583)</b>	<b>1,838,072</b>	<b>7,040</b>	<b>856,737</b>	<b>4,136,941</b>	
Fund balance, beginning of year	1,403,412	8,804,882	349,012	1,996,593	749,898	(211,461)	(2,763,967)	(144,535)	978,396	(21,543)	(147,548)	10,993,139	
<b>Fund balance, end of year</b>	<b>\$ 3,332,973</b>	<b>\$ 4,443,781</b>	<b>\$ 172,561</b>	<b>\$ 1,852,284</b>	<b>\$ 930,997</b>	<b>\$ (221,860)</b>	<b>\$ 1,258,308</b>	<b>\$ (150,118)</b>	<b>\$ 2,816,468</b>	<b>\$ (14,503)</b>	<b>\$ 709,189</b>	<b>\$ 15,130,080</b>	

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

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

**Comparative Statements of Net Position - Sewer Utility**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets:</b>		
Cash and equivalents	\$ 4,805,875	\$ 4,998,410
Cash and equivalents - restricted (current)	115,751	175,269
Receivables:		
Taxes	300,000	300,000
Special charges on the tax roll	372,877	394,458
Utility customers	1,712,101	1,764,397
Special assessments	194,599	194,599
Other	15,148	14,953
Inventory	14,726	16,658
Restricted assets:		
Cash and equivalents (noncurrent)	3,774,684	3,564,660
Prepaid capacity charge	4,125,739	4,377,891
Capital assets:		
Land and construction in progress	122,163	3,711,186
Other capital assets net of depreciation	48,345,064	45,799,422
Net capital assets	<u>48,467,227</u>	<u>49,510,608</u>
<b>Total assets</b>	<u>63,898,727</u>	<u>65,311,903</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	565,245	234,223
Compensated absences - vacation due within one year	35,572	35,010
Compensated absences - sick due within one year	11,844	---
Unearned revenue	28,000	35,000
Current portion of advance	84,286	82,633
Due to other funds	252,107	351,806
Current portion of general obligation notes and BANS	71,090	71,090
Current portion of revenue bonds	54,021	83,164
Accrued interest	1,185	1,380
Liabilities payable from restricted assets:		
Current portion of revenue bonds	108,043	166,330
Accrued interest	7,708	8,939
Long-Term Liabilities:		
Compensated absences - sick pay	106,994	115,373
OPEB obligation	19,949	12,389
Advances from other funds	354,340	438,626
General obligation notes and BANS	344,360	415,450
Revenue bonds	<u>1,589,054</u>	<u>1,751,119</u>
<b>Total liabilities</b>	<u>3,633,798</u>	<u>3,802,532</u>
<b>Deferred inflows of resources:</b>		
Deferred revenue - subsequent year's taxes	<u>300,000</u>	<u>300,000</u>
<b>Net Position:</b>		
Net investment in capital assets	48,051,777	49,095,157
Restricted	3,774,684	3,564,660
Unrestricted	<u>8,138,468</u>	<u>8,549,554</u>
<b>Total net position</b>	<u>\$ 59,964,929</u>	<u>\$ 61,209,371</u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Sewer Utility**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating Revenues:</b>		
Charges for services	\$ 8,229,711	\$ 8,526,609
<b>Operating Expenses:</b>		
Operation and maintenance	7,786,655	7,795,121
Administrative expense	879,225	913,045
Depreciation expense	1,314,033	1,206,571
Social Security tax	36,685	37,526
<b>Total operating expenses</b>	<b>10,016,598</b>	<b>9,952,263</b>
<b>Operating loss</b>	<b>(1,786,887)</b>	<b>(1,425,654)</b>
<b>Nonoperating Revenues (Expenses):</b>		
General property taxes	300,000	300,000
Investment earnings	6,972	11,207
Sale of materials	1,263	6,999
Miscellaneous revenues	18,038	19,200
Impact fees	164,719	130,792
Rent	(18,000)	(19,200)
Fiscal charges on debt	(80)	(64)
Interest on long-term debt	(63,905)	(73,594)
Interest on advances	(10,425)	(12,045)
<b>Net nonoperating revenues</b>	<b>398,582</b>	<b>363,295</b>
<b>Net loss before capital contributions</b>	<b>(1,388,305)</b>	<b>(1,062,359)</b>
 Capital Contributions	 143,863	 243,151
<b>Decrease in net position</b>	<b>(1,244,442)</b>	<b>(819,208)</b>
 <b>Net Position:</b>		
Balance, beginning of year	61,209,371	66,761,601
Prior period adjustment	---	(4,733,022)
Balance, beginning of year as adjusted	61,209,371	62,028,579
 <b>Balance, end of year</b>	<b>\$ 59,964,929</b>	<b>\$ 61,209,371</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 8,301,757	\$ 8,447,246
Payments to suppliers	(7,167,960)	(7,502,843)
Payments to and on behalf of employees	(791,449)	(812,642)
Internal activity - payments to other funds	(251,526)	(709,600)
Other receipts	1,301	6,999
<b>Net cash provided (used) by operating activities</b>	<b>92,123</b>	<b>(570,840)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Additions to property and plant	(126,789)	(187,576)
Principal payments on debt	(320,585)	(313,412)
Interest on debt	(65,331)	(77,399)
Fiscal charges on debt	(80)	(64)
Advances from municipality	(82,633)	(81,013)
Interest on advances	(10,425)	(12,045)
General property taxes	300,000	300,000
Impact fees	164,719	130,792
<b>Net cash used by capital and related financing activities</b>	<b>(141,124)</b>	<b>(240,717)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	<u>6,972</u>	<u>11,207</u>
<b>Net cash provided by investing activities</b>	<b><u>6,972</u></b>	<b><u>11,207</u></b>
<b>Net decrease in cash and equivalents</b>	<b>(42,029)</b>	<b>(800,350)</b>
Cash and equivalents, beginning of year	<u>8,738,339</u>	<u>9,538,689</u>
<b>Cash and equivalents, end of year</b>	<b><u>\$ 8,696,310</u></b>	<b><u>\$ 8,738,339</u></b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 4,805,875	\$ 4,998,410
Cash and cash equivalents - restricted	3,890,435	3,739,929
<b>Total cash and equivalents</b>	<b><u>\$ 8,696,310</u></b>	<b><u>\$ 8,738,339</u></b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2013 and 2012**  
**(Continued)**

	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (1,786,887)	\$ (1,425,654)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,314,033	1,206,571
Amortization of prepaid capacity	252,152	252,152
Miscellaneous revenues	38	---
Proceeds from sales of materials	1,263	6,999
Changes in assets and liabilities related to operations:		
Receivables	73,682	(69,416)
Inventory	1,932	(2,684)
Due from other funds	(99,699)	(559,686)
Accounts payable and accrued liabilities	331,022	13,194
Unearned revenue	(7,000)	(7,000)
Compensated absences	4,027	23,405
OPEB obligation	7,560	(8,721)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 92,123</b>	<b>\$ (570,840)</b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 143,863	\$ 48,552

See independent auditor's report.

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

**Comparative Statements of Net Position - Water Utility**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets:</b>		
Cash and equivalents	\$ 3,255,460	\$ 2,218,696
Cash and equivalents - restricted (current)	---	670,457
Receivables:		
Special charges on the tax roll	185,316	191,156
Utility customers	1,042,031	1,082,620
Special Assessments	101,217	101,217
Other	3,260	4,314
Prepaid items	1,839	1,794
Inventory	93,428	93,494
Cash and equivalents - restricted (noncurrent)	1,022,755	1,272,602
Capital assets:		
Land and construction in progress	1,837,544	1,859,170
Other capital assets, net of depreciation	55,873,780	55,968,150
Net capital assets	<u>57,711,324</u>	<u>57,827,320</u>
<b>Total assets</b>	<u>63,416,630</u>	<u>63,463,670</u>
<b>Deferred outflows of resources:</b>		
Unamortized discount on debt issuance	---	115,135
Unamortized loss on debt refunding	<u>203,777</u>	---
<b>Total deferred outflows of resources</b>	<u>203,777</u>	<u>115,135</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	340,089	86,860
Compensated absences - vacation due within one year	70,575	74,876
Compensated absences - sick due within one year	25,432	---
Unearned revenue	134,832	128,740
Due to other funds	401,489	901,681
Current portion of general obligation notes and BANS	590,000	345,000
Accrued interest	41,169	18,335
Liabilities payable from restricted assets:		
Current portion of revenue bonds	---	660,000
Accrued interest	---	10,457
Long-Term Liabilities:		
Compensated absences - sick pay	219,077	240,331
OPEB obligation	185,965	160,091
General obligation notes and BANS	4,980,000	2,520,000
Revenue bonds	<u>---</u>	<u>2,075,000</u>
<b>Total liabilities</b>	<u>6,988,628</u>	<u>7,221,371</u>
<b>Deferred inflows of resources:</b>		
Unamortized premium on debt issuance	<u>60,571</u>	<u>38,262</u>
<b>Net Position:</b>		
Net investment in capital assets	52,080,752	52,849,058
Restricted	1,022,755	1,272,602
Unrestricted	<u>3,467,701</u>	<u>2,197,512</u>
<b>Total net position</b>	<u>\$ 56,571,208</u>	<u>\$ 56,319,172</u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Water Utility**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating Revenues:</b>		
Charges for services	\$ 6,641,814	\$ 7,097,796
<b>Operating Expenses:</b>		
Operation and maintenance	2,497,351	2,469,642
Administrative expense	979,888	1,048,565
Depreciation expense	1,560,395	1,520,796
Taxes paid to Village	1,393,941	1,292,036
Social Security tax	65,628	70,219
Regulatory commission remainder assessments	7,120	5,774
<b>Total operating expenses</b>	<b>6,504,323</b>	<b>6,407,032</b>
<b>Operating income</b>	<b>137,491</b>	<b>690,764</b>
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	5,070	9,518
Sale of materials	12,907	18,771
Gain (loss) on retirement of property and plant	9,270	(1,575)
Impact fees	160,390	131,763
Fiscal charges on debt	(68,420)	(1,539)
Amortization of debt issuance premiums, discounts and losses on refundings	(45,071)	(61,178)
Debt issuance costs	---	(14,272)
Interest on long-term debt	(166,772)	(249,746)
<b>Net nonoperating expenses</b>	<b>(92,626)</b>	<b>(168,258)</b>
<b>Net income before capital contributions</b>	<b>44,865</b>	<b>522,506</b>
<b>Capital Contributions</b>	<b>207,171</b>	<b>577,939</b>
<b>Increase in net position</b>	<b>252,036</b>	<b>1,100,445</b>
<b>Net position:</b>		
Balance, beginning of year	56,319,172	55,261,206
Prior period adjustment	---	(42,479)
Balance, beginning of year as adjusted	56,319,172	55,218,727
<b>Balance, end of year</b>	<b>\$ 56,571,208</b>	<b>\$ 56,319,172</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 4,959,699	\$ 5,292,714
Payments to suppliers	(2,087,530)	(2,175,058)
Payments to and on behalf of employees	(1,130,307)	(1,280,134)
Internal activity - receipts from other funds	1,823,667	1,816,800
Internal activity - payments to other funds	(1,894,133)	(1,315,629)
Other receipts	12,907	18,771
<b>Net cash provided by operating activities</b>	<b>1,684,303</b>	<b>2,357,464</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from sale of property and plant	9,270	---
Additions to property and plant	(1,378,354)	(3,000,782)
Fair value of debt issued	3,050,000	1,155,000
Debt issuance premiums	27,812	40,311
Debt issuance costs	---	(14,272)
Loss on defeasance of debt	(139,216)	---
Principal payments on debt	(3,080,000)	(1,580,000)
Interest on debt	(154,395)	(250,202)
Fiscal charges on debt	(68,420)	(1,539)
Impact fees	160,390	131,763
<b>Net cash used by capital and related financing activities</b>	<b>(1,572,913)</b>	<b>(3,519,721)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	5,070	9,518
<b>Net cash provided by investing activities</b>	<b>5,070</b>	<b>9,518</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>116,460</b>	<b>(1,152,739)</b>
Cash and equivalents, beginning of year	4,161,755	5,314,494
<b>Cash and equivalents, end of year</b>	<b>\$ 4,278,215</b>	<b>\$ 4,161,755</b>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 3,255,460	\$ 2,218,696
Cash and cash equivalents - restricted	1,022,755	1,943,059
<b>Total cash and equivalents</b>	<b>\$ 4,278,215</b>	<b>\$ 4,161,755</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2013 and 2012**  
**(Continued)**

	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 137,491	\$ 690,764
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,560,395	1,520,796
Depreciation charged to other accounts	144,919	159,500
Proceeds from sales of materials	12,907	18,771
Changes in assets and liabilities related to operations:		
Receivables	47,483	(96,979)
Prepaid items	(45)	---
Inventory	66	3,532
Due from other funds	(500,192)	(23,593)
Accounts payable and accrued liabilities	249,436	27,731
Compensated absences	(123)	1,495
OPEB obligation	25,874	29,381
Unearned revenue	6,092	26,066
<b>Net cash provided by operating activities</b>	<b>\$ 1,684,303</b>	<b>\$ 2,357,464</b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 207,171	\$ 476,722
Amortization of debt issuance premiums, discounts and losses on refundings	45,071	61,178
Gain on sale of utility plant	9,270	---
Loss on sale of utility plant	---	1,575

See independent auditor's report.

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

**Comparative Statements of Net Position - Storm Water Utility**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets:</b>		
Cash and equivalents	\$ 2,238,810	\$ 2,035,609
Receivables:		
Taxes	931,250	931,250
Other	1,079	2,227
Inventory	5,991	12,837
Capital assets:		
Land and construction in progress	737,640	732,108
Other capital assets, net of depreciation	<u>24,112,364</u>	<u>22,754,745</u>
Net capital assets	<u>24,850,004</u>	<u>23,486,853</u>
 <b>Total assets</b>	 <u>28,027,134</u>	 <u>26,468,776</u>
 <b>Liabilities:</b>		
Accounts payable and accrued liabilities	21,400	49,872
Deposits	50,000	50,000
Compensated absences - vacation due within one year	9,465	8,687
Compensated absences - sick due within one year	1,567	---
Current portion of advance	67,933	77,830
Due to other funds	239,918	225,551
Current portion of general obligation notes and BANS	412,494	388,494
Accrued interest	28,588	18,693
Long-Term Liabilities:		
Compensated absences - sick pay	36,433	36,965
OPEB obligation	13,647	11,484
Advances from other funds	---	67,932
General obligation notes and BANS	<u>3,947,988</u>	<u>3,110,482</u>
 <b>Total liabilities</b>	 <u>4,829,433</u>	 <u>4,045,990</u>
 <b>Deferred inflows of resources:</b>		
Unamortized premium on debt issuance	51,362	24,514
Deferred revenue - subsequent year's taxes	<u>931,250</u>	<u>931,250</u>
 <b>Total deferred inflows of resources</b>	 <u>982,612</u>	 <u>955,764</u>
 <b>Net Position:</b>		
Net investment in capital assets	20,499,057	19,987,877
Unrestricted	1,716,032	1,479,145
<b>Total net position</b>	<u>\$ 22,215,089</u>	<u>\$ 21,467,022</u>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Storm Water Utility**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating Revenues:</b>		
General property taxes	\$ 931,250	\$ 931,250
Charges for services	27,926	28,260
<b>Total operating revenues</b>	<u>959,176</u>	<u>959,510</u>
<b>Operating Expenses:</b>		
Operation and maintenance	338,625	467,888
Administrative expense	240,007	258,854
Depreciation expense	559,125	526,441
Social Security tax	12,083	12,910
<b>Total operating expenses</b>	<u>1,149,840</u>	<u>1,266,093</u>
<b>Operating loss</b>	<u>(190,664)</u>	<u>(306,583)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	2,519	3,784
Sale of materials	45	13,527
Miscellaneous revenues	1,200	4,688
Loss on retirement of property and plant	(4,092)	---
Fiscal charges on debt	(21,237)	(351)
Amortization of debt issuance premiums, discounts and losses on refundings	4,191	1,313
Debt issuance costs	---	(9,144)
Interest on long-term debt	(114,340)	(96,496)
Interest on advances	(8,746)	(13,187)
<b>Net nonoperating expenses</b>	<u>(140,460)</u>	<u>(95,866)</u>
<b>Net loss before capital contributions</b>	<u>(331,124)</u>	<u>(402,449)</u>
Capital Contributions	1,079,191	---
<b>Increase (decrease) in net position</b>	<u>748,067</u>	<u>(402,449)</u>
<b>Net Assets:</b>		
Balance, beginning of year	21,467,022	21,869,471
<b>Balance, end of year</b>	<u>\$ 22,215,089</u>	<u>\$ 21,467,022</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, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 29,074	\$ 28,467
Payments to suppliers	(100,266)	(151,047)
Payments to and on behalf of employees	(481,794)	(549,620)
Internal activity - receipts from other funds	14,367	18,533
Other receipts	932,495	949,465
<b>Net cash provided by operating activities</b>	<b>393,876</b>	<b>295,798</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Principal payments on advances	(77,829)	(73,424)
<b>Net cash used by noncapital financing activities</b>	<b>(77,829)</b>	<b>(73,424)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Additions to property and plant	(873,482)	(632,479)
Fair value of debt issued	1,250,000	740,000
Debt issuance discounts	31,039	25,827
Debt issuance costs	---	(9,144)
Principal payments on debt	(388,494)	(280,494)
Interest on debt	(104,445)	(101,160)
Fiscal charges on debt	(21,237)	(351)
Interest on advances	(8,746)	(13,187)
<b>Net cash used by capital and related financing activities</b>	<b>(115,365)</b>	<b>(270,988)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	2,519	3,784
<b>Net cash provided by investing activities</b>	<b>2,519</b>	<b>3,784</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>203,201</b>	<b>(44,830)</b>
Cash and equivalents, beginning of year	<u>2,035,609</u>	<u>2,080,439</u>
<b>Cash and equivalents, end of year</b>	<b>\$ 2,238,810</b>	<b>\$ 2,035,609</b>

See independent auditor's report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2013 and 2012**  
**(Continued)**

	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (190,664)	\$ (306,583)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	559,125	526,441
Proceeds from sales of materials	45	13,527
Miscellaneous revenues	1,200	4,688
Abandonment of construction in progress	15,830	---
Changes in assets and liabilities related to operations:		
Receivables	1,148	207
Inventory	6,846	12,989
Due to or from other funds	14,367	18,533
Accounts payable and accrued liabilities	(17,997)	24,177
Compensated absences	1,813	(723)
OPEB obligation	2,163	2,542
<b>Net cash provided by operating activities</b>	<b>\$ 393,876</b>	<b>\$ 295,798</b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 1,079,191	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	(4,191)	(1,313)
Loss on retirement of property and plant	4,092	---

See independent auditor's report.

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

**Comparative Statements of Net Position - Risk Management Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets:</b>		
Cash and equivalents	\$ 809,779	\$ 851,956
Receivables	35,373	40,361
Prepaid items	80,169	---
Due from other funds	---	23,397
<b>Total assets</b>	<b>925,321</b>	<b>915,714</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	---	2,000
Incurred but not reported claims	46,048	76,759
Due to other funds	69,199	---
<b>Total liabilities</b>	<b>115,247</b>	<b>78,759</b>
<b>Net Position:</b>		
Unrestricted	810,074	836,955
<b>Total net position</b>	<b>\$ 810,074</b>	<b>\$ 836,955</b>

See independent auditor's report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating Revenues:</b>		
Charges for services	\$ ---	\$ ---
Operating Expenses	<u>45,334</u>	<u>59,001</u>
<b>Operating loss</b>	<u>(45,334)</u>	<u>(59,001)</u>
<b>Nonoperating Revenues:</b>		
Investment earnings	802	1,334
Dividend on investment in CVMIC	<u>17,651</u>	<u>46,981</u>
<b>Net nonoperating revenues</b>	<u>18,453</u>	<u>48,315</u>
<b>Decrease in net assets</b>	<u>(26,881)</u>	<u>(10,686)</u>
<b>Net Position:</b>		
Balance, beginning of year	<u>836,955</u>	<u>847,641</u>
<b>Balance, end of year</b>	<u>\$ 810,074</u>	<u>\$ 836,955</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, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities:</b>		
Payments to suppliers	\$ (131,594)	\$ (64,176)
Internal activity - receipts from other funds	92,596	51,468
Other payments	(25,723)	(7,364)
Other receipts	4,091	7,175
<b>Net cash used by operating activities</b>	<b>(60,630)</b>	<b>(12,897)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	18,453	48,315
<b>Net cash provided by investing activities</b>	<b>18,453</b>	<b>48,315</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>(42,177)</b>	<b>35,418</b>
Cash and equivalents, beginning of year	851,956	816,538
<b>Cash and equivalents, end of year</b>	<b>\$ 809,779</b>	<b>\$ 851,956</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</b>		
Operating loss	\$ (45,334)	\$ (59,001)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	4,988	4,118
Prepaid items	(80,169)	---
Due to/from other funds	92,596	51,468
Accounts payable and accrued liabilities	(2,000)	2,000
Incurred but not reported claims	(30,711)	(11,482)
<b>Net cash used by operating activities</b>	<b>\$ (60,630)</b>	<b>\$ (12,897)</b>

See independent auditor's report.

## **AGENCY FUNDS**

The taxing jurisdiction fund accounts for assets held by the Village for recording assets collected for other taxing jurisdictions. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

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

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

**Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended December 31, 2013**

	<b>Balance January 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2013</b>
<b>Taxing Jurisdiction Fund</b>				
<b>Assets:</b>				
Cash and equivalents	\$ 13,513,226	\$ 64,737,279	\$ (61,993,722)	\$ 16,256,783
Taxes receivable	<u>48,480,496</u>	<u>62,189,189</u>	<u>(64,737,279)</u>	<u>45,932,406</u>
<b>Total assets</b>	<b><u>\$ 61,993,722</u></b>	<b><u>\$ 126,926,468</u></b>	<b><u>\$ (126,731,001)</u></b>	<b><u>\$ 62,189,189</u></b>
<b>Liabilities:</b>				
Due to other taxing units	<u>\$ 61,993,722</u>	<u>\$ 62,189,189</u>	<u>\$ (61,993,722)</u>	<u>\$ 62,189,189</u>
<b>Community Development Authority Fund</b>				
<b>Assets:</b>				
Cash and equivalents	\$ 167,282	\$ 50,842	\$ (43,603)	\$ 174,521
Notes receivable	<u>717,351</u>	<u>243,172</u>	<u>(623,307)</u>	<u>337,216</u>
<b>Total assets</b>	<b><u>\$ 884,633</u></b>	<b><u>\$ 294,014</u></b>	<b><u>\$ (666,910)</u></b>	<b><u>\$ 511,737</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 325	\$ 756	\$ ---	\$ 1,081
Due to Community Development Authority	<u>884,308</u>	<u>293,258</u>	<u>(666,910)</u>	<u>510,656</u>
<b>Total liabilities</b>	<b><u>\$ 884,633</u></b>	<b><u>\$ 294,014</u></b>	<b><u>\$ (666,910)</u></b>	<b><u>\$ 511,737</u></b>

See independent auditor's report.

**OTHER SUPPLEMENTARY  
INFORMATION**

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2013

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding			Balance Outstanding December 31, 2013	Interest Paid 2013	Principal Due 2014	Interest Due 2014
						January 1, 2013	New Issues	Payments				
<b>General Fund :</b>												
2003 G.O. Notes	08/01/03	3.56%	06/01	06/01 & 12/01	\$ 2,110,000	\$ 355,000	\$ ---	\$ (355,000)	\$ ---	\$ 7,100	\$ ---	\$ ---
2004 G.O. Notes	09/01/04	3.60%	09/01	03/01 & 09/01	\$ 2,431,961	\$ 297,500	\$ ---	\$ (122,500)	\$ 175,000	\$ 11,900	\$ 175,000	\$ 7,000
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	\$ 2,668,000	\$ 1,220,000	\$ ---	\$ (377,000)	\$ 843,000	\$ 41,260	\$ 372,000	\$ 26,280
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 2,045,000	\$ 1,029,000	\$ ---	\$ (163,500)	\$ 865,500	\$ 39,798	\$ 213,500	\$ 31,551
2007 G.O. Notes	06/01/07	4.32%	06/01	06/01 & 12/01	\$ 1,590,000	\$ 1,145,000	\$ ---	\$ (134,000)	\$ 1,011,000	\$ 46,619	\$ 184,000	\$ 39,861
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	\$ 2,185,000	\$ 2,029,000	\$ ---	\$ (129,000)	\$ 1,900,000	\$ 82,286	\$ 220,000	\$ 75,306
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	\$ 2,128,000	\$ 1,734,100	\$ ---	\$ (226,300)	\$ 1,507,800	\$ 54,660	\$ 251,300	\$ 47,119
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	\$ 2,385,000	\$ 2,258,000	\$ ---	\$ (101,000)	\$ 2,157,000	\$ 69,934	\$ 201,000	\$ 65,972
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	\$ 4,445,000	\$ 4,335,000	\$ ---	\$ (230,000)	\$ 4,105,000	\$ 114,315	\$ 220,000	\$ 109,815
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	\$ 1,335,000	\$ 1,335,000	\$ ---	\$ (5,000)	\$ 1,330,000	\$ 53,155	\$ 65,000	\$ 37,075
<b>Total General Fund</b>					\$ <b>15,737,600</b>	\$ <b>---</b>	\$ <b>(1,843,300)</b>	\$ <b>13,894,300</b>	\$ <b>521,027</b>	\$ <b>1,901,800</b>	\$ <b>439,979</b>	
<b>Municipal Facilities and Equipment Fund:</b>												
2003 G.O. Bonds	05/15/03	4.41%	05/01	05/01 & 11/01	\$ 12,000,000	\$ 8,925,000	\$ ---	\$ (8,925,000)	\$ ---	\$ 14,047	\$ ---	\$ ---
2008 G.O. Notes	07/01/08	3.66%	06/01	06/01 & 12/01	\$ 250,000	\$ 50,000	\$ ---	\$ (50,000)	\$ ---	\$ 1,000	\$ ---	\$ ---
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	\$ 6,400,000	\$ 6,400,000	\$ ---	\$ (600,000)	\$ 5,800,000	\$ 214,557	\$ 650,000	\$ 171,000
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	\$ 7,950,000	\$ 7,950,000	\$ ---	\$ (150,000)	\$ 7,800,000	\$ 273,346	\$ 800,000	\$ 224,000
<b>Total Municipal Facilities Fund</b>					\$ <b>23,325,000</b>	\$ <b>---</b>	\$ <b>(9,725,000)</b>	\$ <b>13,600,000</b>	\$ <b>502,950</b>	\$ <b>1,450,000</b>	\$ <b>395,000</b>	
<b>Special Assessment Fund:</b>												
2003 G.O. Notes	08/01/03	3.56%	06/01	06/01 & 12/01	\$ 1,660,000	\$ 170,000	\$ ---	\$ (170,000)	\$ ---	\$ 3,400	\$ ---	\$ ---
2004 G.O. Notes	09/01/04	3.60%	09/01	03/01 & 09/01	\$ 508,264	\$ 127,500	\$ ---	\$ (52,500)	\$ 75,000	\$ 5,100	\$ 75,000	\$ 3,000
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	\$ 272,000	\$ 85,000	\$ ---	\$ (28,000)	\$ 57,000	\$ 2,840	\$ 28,000	\$ 1,720
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 250,059	\$ 100,024	\$ ---	\$ (25,006)	\$ 75,018	\$ 3,735	\$ 25,006	\$ 2,641
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	\$ 160,000	\$ 80,000	\$ ---	\$ (16,000)	\$ 64,000	\$ 3,100	\$ 16,000	\$ 2,420
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	\$ 589,100	\$ 353,460	\$ ---	\$ (58,910)	\$ 294,550	\$ 13,475	\$ 58,910	\$ 11,118
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	\$ 177,000	\$ 123,900	\$ ---	\$ (17,700)	\$ 106,200	\$ 3,876	\$ 17,700	\$ 3,319
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	\$ 190,000	\$ 152,000	\$ ---	\$ (19,000)	\$ 133,000	\$ 4,363	\$ 19,000	\$ 3,876
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	\$ 110,000	\$ 100,000	\$ ---	\$ (10,000)	\$ 90,000	\$ 2,449	\$ 10,000	\$ 2,249
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	\$ 70,000	\$ 70,000	\$ ---	\$ (5,000)	\$ 65,000	\$ 2,484	\$ 5,000	\$ 1,688
<b>Total Special Assessment Fund</b>					\$ <b>1,361,884</b>	\$ <b>---</b>	\$ <b>(402,116)</b>	\$ <b>959,768</b>	\$ <b>44,822</b>	\$ <b>254,616</b>	\$ <b>32,031</b>	
<b>TID District #2:</b>												
2010 G.O. Notes	02/01/10	2.15%	09/01	03/01 & 09/01	\$ 2,800,000	\$ 1,150,000	\$ ---	\$ (575,000)	\$ 575,000	\$ 25,156	\$ 575,000	\$ 12,938
<b>Total TID District #2</b>					\$ <b>1,150,000</b>	\$ <b>---</b>	\$ <b>(575,000)</b>	\$ <b>575,000</b>	\$ <b>25,156</b>	\$ <b>575,000</b>	\$ <b>12,938</b>	
<b>TID District #5:</b>												
2004 G.O. Refunding Bonds	05/15/04	4.92%	05/01	05/01 & 11/01	\$ 7,225,000	\$ 5,425,000	\$ ---	\$ (750,000)	\$ 4,675,000	\$ 256,219	\$ 800,000	\$ 218,594
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 900,000	\$ 900,000	\$ ---	\$ (50,000)	\$ 850,000	\$ 32,888	\$ 50,000	\$ 22,563
2012 Ref #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	\$ 1,850,000	\$ 1,850,000	\$ ---	\$ ---	\$ 1,850,000	\$ 40,816	\$ ---	\$ 44,125
<b>Total TID District #5</b>					\$ <b>8,175,000</b>	\$ <b>---</b>	\$ <b>(800,000)</b>	\$ <b>7,375,000</b>	\$ <b>329,922</b>	\$ <b>850,000</b>	\$ <b>285,282</b>	

See independent auditor's report.

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2013

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding			Balance Outstanding December 31, 2013	Interest Paid 2013	Principal Due 2014	Interest Due 2014
						January 1, 2013	New Issues	Payments				
<b>TID District #6:</b>												
2010 G.O. Notes	05/17/10	4.25%	11/01	05/01 & 11/01	\$ 17,650,000	\$ 17,650,000	\$ ---	\$ ---	\$ 17,650,000	\$ 750,125	\$ 17,650,000	\$ 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)	---	9,600	---
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	875,000	875,000	---	---	(875,000)	---	17,500	---
2013 GO Refund 108	02/28/13	1.75%	10/01	04/01 & 10/01	1,280,000	---	1,280,000	---	1,280,000	13,253	---	22,400
2013 GO Refund 111	09/30/13	2.00%	10/01	04/01 & 10/01	875,000	---	875,000	---	875,000	---	---	17,549
<b>Total TID District #6</b>						\$ 19,805,000	\$ 2,155,000	\$ (2,155,000)	\$ 19,805,000	\$ 790,478	\$ 17,650,000	\$ 790,074
<b>TID District #8:</b>												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 9,975,000	\$ ---	\$ (1,125,000)	\$ 8,850,000	\$ 294,656	\$ 1,225,000	\$ 272,156
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	1,400,000	---	---	(400,000)	1,000,000	28,813	300,000
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	160,000	---	---	160,000	6,212	---	4,394
2013 G.O. Notes	06/17/13	1.15%	06/01	06/01 & 12/01	7,175,000	---	7,175,000	---	7,175,000	37,589	---	82,513
<b>Total TID District #8</b>						\$ 11,535,000	\$ 7,175,000	\$ (1,525,000)	\$ 17,185,000	\$ 367,270	\$ 1,525,000	\$ 379,876
<b>TID District #9:</b>												
2012 G.O. Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 250,000	\$ 250,000	\$ ---	\$ ---	\$ 250,000	\$ 9,632	\$ ---	\$ 6,813
<b>TID District #10:</b>												
2011 G.O. Kohl's Development	10/18/11	2.00%	10/01	04/01 & 10/01	\$ 4,100,000	\$ 4,100,000	\$ ---	\$ (4,100,000)	\$ ---	\$ 82,000	\$ ---	\$ ---
2012 G.O. Notes	09/28/12	3.00%	09/01	03/01 & 09/01	10,025,000	10,025,000	---	---	10,025,000	278,194	---	300,750
2013 G.O. Notes	09/30/13	2.00%	10/01	04/01 & 10/01	4,100,000	---	4,100,000	---	4,100,000	---	---	82,228
						\$ 14,125,000	\$ 4,100,000	\$ (4,100,000)	\$ 14,125,000	\$ 360,194	\$ ---	\$ 382,978
<b>TID District #11:</b>												
2011 G.O. Notes	10/18/11	2.00%	10/01	04/01 & 10/01	\$ 525,000	\$ 525,000	\$ ---	\$ (525,000)	\$ ---	\$ 10,500	\$ ---	\$ ---
2013 G.O. Notes	09/30/13	2.00%	10/01	04/01 & 10/01	525,000	---	525,000	---	525,000	---	---	10,529
						\$ 525,000	\$ 525,000	\$ (525,000)	\$ 525,000	\$ 10,500	\$ ---	\$ 10,529

See independent auditor's report.

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2013

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding			Balance Outstanding December 31, 2013	Interest Paid 2013	Principal Due 2014	Interest Due 2014
						January 1, 2013	New Issues	Payments				
<b>Water Utility :</b>												
2000 Water Revenue Bonds	07/01/00	5.57%	12/01	06/01 & 12/01	\$ 1,425,000	\$ 650,000	\$ ---	\$ (650,000)	\$ ---	\$ 23,354	\$ ---	\$ ---
2005 Water Refunding Bonds	03/15/05	4.08%	12/01	06/01 & 12/01	5,280,000	2,085,000	---	(2,085,000)	---	44,306	---	---
2005 G.O. Notes	07/01/05	3.87%	06/01	06/01 & 12/01	840,000	295,000	---	(95,000)	200,000	9,900	100,000	6,000
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	790,000	650,000	---	(75,000)	575,000	18,838	75,000	16,916
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	765,000	---	(75,000)	690,000	18,493	80,000	16,943
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	1,155,000	---	(100,000)	1,055,000	39,504	110,000	26,469
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	---	1,120,000	---	1,120,000	---	50,000	45,641
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	---	1,930,000	---	1,930,000	---	175,000	51,784
<b>Total Water Utility</b>						\$ 5,600,000	\$ 3,050,000	\$ (3,080,000)	\$ 5,570,000	\$ 154,395	\$ 590,000	\$ 163,753
<b>Sewer Utility:</b>												
1995 Clean Water Fund Loans	10/18/93	3.19%	05/01	05/01 & 11/01	\$ 1,238,571	\$ 91,886	\$ ---	\$ (91,886)	\$ ---	\$ 1,466	\$ ---	\$ ---
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	217,231	106,592	---	(12,000)	94,592	2,988	12,356	2,626
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	791,035	248,761	---	(59,278)	189,483	7,025	61,179	5,094
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	1,553,374	---	(86,331)	1,467,043	38,464	88,529	36,238
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	276,540	---	(46,090)	230,450	10,544	46,090	8,700
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	210,000	---	(25,000)	185,000	4,844	25,000	4,344
<b>Total Sewer Utility</b>						\$ 2,487,153	\$ ---	\$ (320,585)	\$ 2,166,568	\$ 65,331	\$ 233,154	\$ 57,002
<b>Storm Water Utility:</b>												
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 145,976	\$ ---	\$ (36,494)	\$ 109,482	\$ 5,451	\$ 36,494	\$ 3,855
2008 G.O. Notes	07/01/08	3.67%	06/01	06/01 & 12/01	315,000	66,000	---	(66,000)	---	1,320	---	---
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	942,000	---	(56,000)	886,000	31,201	81,000	29,025
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	490,000	---	(55,000)	435,000	14,246	55,000	12,836
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	1,115,000	---	(110,000)	1,005,000	26,925	115,000	24,675
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	740,000	---	(65,000)	675,000	25,302	70,000	16,950
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	---	1,250,000	---	1,250,000	---	55,000	50,831
<b>Total Storm Water Utility</b>						\$ 3,498,976	\$ 1,250,000	\$ (388,494)	\$ 4,360,482	\$ 104,445	\$ 412,494	\$ 138,172
<b>Total long-term obligations</b>						\$ 107,575,613	\$ 18,255,000	\$ (25,439,495)	\$ 100,391,118	\$ 3,286,122	\$ 25,442,064	\$ 3,094,427

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.

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#### **Debt Capacity**

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

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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:**

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

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481	\$ 72,568,233	\$ 69,606,209	\$ 63,706,297	\$ 56,228,372	\$ 51,422,115
Restricted	8,154,210	15,340,255	5,425,086	5,989,717	9,964,612	8,337,633	8,859,678	9,083,184	8,622,102	15,911,601
Unrestricted	3,202,645	3,353,935	6,247,496	8,956,797	5,714,651	15,515,922	16,150,668	13,930,194	16,678,531	16,012,115
<b>Total governmental activities net position</b>	<b>\$ 106,388,719</b>	<b>\$ 103,464,235</b>	<b>\$ 105,821,029</b>	<b>\$ 109,063,805</b>	<b>\$ 106,731,744</b>	<b>\$ 96,421,788</b>	<b>\$ 94,616,555</b>	<b>\$ 86,719,675</b>	<b>\$ 81,529,005</b>	<b>\$ 83,345,831</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050	\$ 121,095,716	\$ 120,252,088	\$ 119,860,623	\$ 117,788,733	\$ 116,979,203	\$ 107,939,565
Restricted	4,797,439	4,837,262	6,585,206	10,019,745	13,067,810	13,496,684	12,906,943	11,753,465	10,927,390	9,883,862
Unrestricted	13,322,201	12,262,744	11,038,425	12,191,413	8,893,049	9,917,625	8,652,115	6,657,611	2,721,065	(254,094)
<b>Total business-type activities net position</b>	<b>\$ 138,751,226</b>	<b>\$ 143,688,283</b>	<b>\$ 143,892,278</b>	<b>\$ 143,998,208</b>	<b>\$ 143,056,575</b>	<b>\$ 143,666,397</b>	<b>\$ 141,419,681</b>	<b>\$ 136,199,809</b>	<b>\$ 130,627,658</b>	<b>\$ 117,569,333</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 215,663,450	\$ 211,358,322	\$ 220,417,094	\$ 215,904,341	\$ 212,148,197	\$ 192,820,321	\$ 189,466,832	\$ 181,495,030	\$ 173,207,575	\$ 159,361,680
Restricted	12,951,649	20,177,517	12,010,292	16,009,462	23,032,422	21,834,317	21,766,621	20,836,649	19,549,492	25,795,463
Unrestricted	16,524,846	15,616,679	17,285,921	21,148,210	14,607,700	25,433,547	24,802,783	20,587,805	19,399,596	15,758,021
<b>Total primary government net position</b>	<b>\$ 245,139,945</b>	<b>\$ 247,152,518</b>	<b>\$ 249,713,307</b>	<b>\$ 253,062,013</b>	<b>\$ 249,788,319</b>	<b>\$ 240,088,185</b>	<b>\$ 236,036,236</b>	<b>\$ 222,919,484</b>	<b>\$ 212,156,663</b>	<b>\$ 200,915,164</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental activities:</b>										
Total expenses	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219	\$ 34,223,341	\$ 32,085,604	\$ 32,185,991	\$ 33,361,030	\$ 32,249,642
Total program revenues	10,064,114	13,102,142	10,498,182	10,237,660	16,953,433	10,077,758	13,845,474	9,888,737	10,875,638	13,142,066
<b>Net program expense</b>	<b>(25,587,627)</b>	<b>(25,839,029)</b>	<b>(30,478,171)</b>	<b>(24,731,956)</b>	<b>(16,009,786)</b>	<b>(24,145,583)</b>	<b>(18,240,130)</b>	<b>(22,297,254)</b>	<b>(22,485,392)</b>	<b>(19,107,576)</b>
Total general revenues and other changes in net position	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742	25,950,816	26,137,010	27,487,924	20,668,568	24,714,561
Prior period adjustment	(923,763)	---	---	---	---	---	---	---	---	---
<b>Change in net position</b>	<b>2,924,484</b>	<b>(2,356,794)</b>	<b>(3,242,776)</b>	<b>2,332,061</b>	<b>10,309,956</b>	<b>1,805,233</b>	<b>7,896,880</b>	<b>5,190,670</b>	<b>(1,816,824)</b>	<b>5,606,985</b>
<b>Business-type activities:</b>										
Total expenses	18,183,566	18,257,674	17,556,144	17,001,260	17,509,431	16,855,381	15,827,596	15,360,970	15,852,617	15,561,481
Total program revenues	16,654,785	16,736,310	16,110,592	16,642,735	15,558,718	17,340,658	18,716,083	18,761,894	21,305,600	24,101,073
<b>Net program revenue</b>	<b>(1,528,781)</b>	<b>(1,521,364)</b>	<b>(1,445,552)</b>	<b>(358,525)</b>	<b>(1,950,713)</b>	<b>485,277</b>	<b>2,888,487</b>	<b>3,400,924</b>	<b>5,452,983</b>	<b>8,539,592</b>
Total general revenues and other changes in net position	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891	1,761,439	2,331,385	2,171,227	7,605,342	1,728,796
Prior period adjustment	(4,692,718)	---	---	---	---	---	---	---	---	---
<b>Change in net position</b>	<b>(4,937,057)</b>	<b>(203,995)</b>	<b>(105,930)</b>	<b>941,633</b>	<b>(609,822)</b>	<b>2,246,716</b>	<b>5,219,872</b>	<b>5,572,151</b>	<b>13,058,325</b>	<b>10,268,388</b>
<b>Total primary government</b>										
<b>Change in net position</b>	<b>\$ (2,012,573)</b>	<b>\$ (2,560,789)</b>	<b>\$ (3,348,706)</b>	<b>\$ 3,273,694</b>	<b>\$ 9,700,134</b>	<b>\$ 4,051,949</b>	<b>\$ 13,116,752</b>	<b>\$ 10,762,821</b>	<b>\$ 11,241,501</b>	<b>\$ 15,875,373</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
General government	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070	\$ 4,041,098	\$ 4,180,139	\$ 4,571,922	\$ 4,460,518	\$ 4,393,340	\$ 3,999,447
Public Safety	14,060,147	14,059,166	14,270,726	14,200,950	13,681,300	13,273,575	12,650,734	12,231,894	11,931,738	11,220,563
Public works	9,161,630	8,508,057	8,643,954	8,700,112	8,134,046	9,956,820	7,423,111	8,030,019	9,275,810	9,080,427
Culture and recreation	3,202,857	3,082,115	3,319,499	3,328,134	3,474,168	3,204,236	3,333,357	3,231,201	3,064,723	2,923,385
Conservation and development	2,075,907	5,322,277	7,316,955	1,639,911	1,044,474	936,484	1,196,468	1,061,455	1,202,188	1,518,267
Loss on retirement of capital assets	---	---	---	---	58,698	---	---	---	---	15,616
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	2,525,635	3,040,542	2,990,375	2,843,439	2,523,047	2,636,693	2,837,633	3,099,567	3,339,639	3,491,937
<b>Total governmental activities expenses</b>	<b>35,651,741</b>	<b>38,941,171</b>	<b>40,976,353</b>	<b>34,969,616</b>	<b>32,963,219</b>	<b>34,223,341</b>	<b>32,085,604</b>	<b>32,185,991</b>	<b>33,361,030</b>	<b>32,249,642</b>
<b>Business-type Activities:</b>										
Sewer Utility	10,109,008	10,153,534	9,492,870	9,213,515	9,770,633	9,154,180	8,378,176	8,146,358	8,974,555	8,356,595
Water Utility	6,784,586	6,728,861	6,677,008	6,473,258	6,389,476	6,352,569	6,070,478	5,944,564	5,744,965	5,847,224
Storm Water Utility	1,289,972	1,375,279	1,386,266	1,314,487	1,349,322	1,348,632	1,378,942	1,270,048	1,133,097	1,357,662
<b>Total business-type activities expenses</b>	<b>18,183,566</b>	<b>18,257,674</b>	<b>17,556,144</b>	<b>17,001,260</b>	<b>17,509,431</b>	<b>16,855,381</b>	<b>15,827,596</b>	<b>15,360,970</b>	<b>15,852,617</b>	<b>15,561,481</b>
<b>Total primary government expenses</b>	<b>\$ 53,835,307</b>	<b>\$ 57,198,845</b>	<b>\$ 58,532,497</b>	<b>\$ 51,970,876</b>	<b>\$ 50,472,650</b>	<b>\$ 51,078,722</b>	<b>\$ 47,913,200</b>	<b>\$ 47,546,961</b>	<b>\$ 49,213,647</b>	<b>\$ 47,811,123</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
Charges for services	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835	\$ 6,302,663	\$ 6,467,051	\$ 6,864,218	\$ 5,634,095	\$ 5,371,437	\$ 5,145,202
Operating grants and contributions	2,318,766	2,613,573	2,441,155	2,361,517	2,680,384	2,005,597	3,818,553	2,380,174	3,310,997	3,084,221
Capital grants and contributions	1,048,838	1,714,561	773,126	1,240,308	7,970,386	1,605,110	3,162,703	1,874,468	2,193,204	4,912,643
<b>Total governmental activities program revenues</b>	<b>10,064,114</b>	<b>13,102,142</b>	<b>10,498,182</b>	<b>10,237,660</b>	<b>16,953,433</b>	<b>10,077,758</b>	<b>13,845,474</b>	<b>9,888,737</b>	<b>10,875,638</b>	<b>13,142,066</b>
<b>Business-type Activities:</b>										
Charges for services	14,899,451	15,652,665	14,897,273	14,830,582	14,977,719	15,368,939	14,878,055	14,784,488	15,288,037	13,902,473
Capital grants and contributions	1,755,334	1,083,645	1,213,319	1,812,153	580,999	1,971,719	3,838,028	3,977,406	6,017,563	10,198,600
<b>Total business-type activities program revenues</b>	<b>16,654,785</b>	<b>16,736,310</b>	<b>16,110,592</b>	<b>16,642,735</b>	<b>15,558,718</b>	<b>17,340,658</b>	<b>18,716,083</b>	<b>18,761,894</b>	<b>21,305,600</b>	<b>24,101,073</b>
<b>Total primary government program revenues</b>	<b>\$ 26,718,899</b>	<b>\$ 29,838,452</b>	<b>\$ 26,608,774</b>	<b>\$ 26,880,395</b>	<b>\$ 32,512,151</b>	<b>\$ 27,418,416</b>	<b>\$ 32,561,557</b>	<b>\$ 28,650,631</b>	<b>\$ 32,181,238</b>	<b>\$ 37,243,139</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
General government	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962	\$ 461,226	\$ 369,566	\$ 334,312	\$ 303,884	\$ 281,972	\$ 265,915
Public safety	1,641,121	1,639,585	1,513,795	1,548,880	1,439,822	1,255,531	1,283,471	1,209,748	1,193,603	1,103,786
Public works	3,644,103	5,779,785	4,479,108	3,773,328	3,793,143	3,864,882	4,262,283	3,098,379	2,845,524	2,141,312
Culture and recreation	122,973	120,513	124,526	127,391	108,368	323,646	48,565	47,860	40,775	43,473
Conservation and development	707,409	667,551	642,507	707,274	500,104	653,426	935,587	974,224	1,009,563	1,590,716
<b>Total governmental activities charges for services</b>	<b>6,696,510</b>	<b>8,774,008</b>	<b>7,283,901</b>	<b>6,635,835</b>	<b>6,302,663</b>	<b>6,467,051</b>	<b>6,864,218</b>	<b>5,634,095</b>	<b>5,371,437</b>	<b>5,145,202</b>
<b>Business-type activities:</b>										
Sewer Utility	8,229,711	8,526,609	8,287,181	8,652,539	8,789,253	9,017,943	8,630,561	8,529,972	8,827,892	7,698,166
Water Utility	6,641,814	7,097,796	6,577,855	6,144,447	6,154,632	6,310,089	6,188,814	6,198,782	6,421,058	6,204,307
Storm Water Utility	27,926	28,260	32,237	33,596	33,834	40,907	58,680	55,734	39,087	---
<b>Total business-type activities charges for services</b>	<b>14,899,451</b>	<b>15,652,665</b>	<b>14,897,273</b>	<b>14,830,582</b>	<b>14,977,719</b>	<b>15,368,939</b>	<b>14,878,055</b>	<b>14,784,488</b>	<b>15,288,037</b>	<b>13,902,473</b>
<b>Total primary government charges for services</b>	<b>\$ 21,595,961</b>	<b>\$ 24,426,673</b>	<b>\$ 22,181,174</b>	<b>\$ 21,466,417</b>	<b>\$ 21,280,382</b>	<b>\$ 21,835,990</b>	<b>\$ 21,742,273</b>	<b>\$ 20,418,583</b>	<b>\$ 20,659,474</b>	<b>\$ 19,047,675</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
Public safety	\$ 440,209	\$ 487,864	\$ 311,550	\$ 242,256	\$ 302,725	\$ 211,964	\$ 178,992	\$ 181,375	\$ 436,815	\$ 171,791
Public works	1,774,408	1,977,282	2,033,841	2,027,059	2,127,402	1,528,727	2,889,092	1,908,834	2,449,699	2,299,591
Culture and recreation	28,177	41,352	34,814	44,121	45,431	34,995	39,688	15,088	21,146	14,090
Conservation and development	75,972	107,075	60,950	48,081	204,826	229,911	710,781	274,877	403,337	598,749
<b>Total governmental activities operating grants and contributions</b>	<b>\$ 2,318,766</b>	<b>\$ 2,613,573</b>	<b>\$ 2,441,155</b>	<b>\$ 2,361,517</b>	<b>\$ 2,680,384</b>	<b>\$ 2,005,597</b>	<b>\$ 3,818,553</b>	<b>\$ 2,380,174</b>	<b>\$ 3,310,997</b>	<b>\$ 3,084,221</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
General government	\$ ---	\$ ---	\$ 5,000	\$ 14,569	\$ ---	\$ ---	\$ ---	\$ 70,510	\$ ---	\$ ---
Public safety	---	107,000	---	---	60,000	---	---	---	---	---
Public works	1,048,838	1,604,161	768,126	1,225,739	7,910,386	1,604,249	3,163,041	1,788,839	2,185,823	4,857,543
Culture and recreation	---	---	---	---	---	861	(338)	15,119	7,381	55,100
Conservation and development	---	3,400	---	---	---	---	---	---	---	---
<b>Total governmental activities capital grants and contributions</b>	<b>1,048,838</b>	<b>1,714,561</b>	<b>773,126</b>	<b>1,240,308</b>	<b>7,970,386</b>	<b>1,605,110</b>	<b>3,162,703</b>	<b>1,874,468</b>	<b>2,193,204</b>	<b>4,912,643</b>
<b>Business-type activities:</b>										
Sewer Utility	308,582	373,943	454,450	981,360	278,529	492,911	1,553,881	1,133,729	2,176,126	3,984,327
Water Utility	367,561	709,702	543,002	830,793	287,657	1,137,181	1,343,390	2,035,897	2,587,770	3,388,179
Storm Water Utility	1,079,191	---	215,867	---	14,813	341,627	940,757	807,780	1,253,667	2,826,094
<b>Total business-type activities capital grants and contributions</b>	<b>1,755,334</b>	<b>1,083,645</b>	<b>1,213,319</b>	<b>1,812,153</b>	<b>580,999</b>	<b>1,971,719</b>	<b>3,838,028</b>	<b>3,977,406</b>	<b>6,017,563</b>	<b>10,198,600</b>
<b>Total primary government capital grants and contributions</b>	<b>\$ 2,804,172</b>	<b>\$ 2,798,206</b>	<b>\$ 1,986,445</b>	<b>\$ 3,052,461</b>	<b>\$ 8,551,385</b>	<b>\$ 3,576,829</b>	<b>\$ 7,000,731</b>	<b>\$ 5,851,874</b>	<b>\$ 8,210,767</b>	<b>\$ 15,111,243</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities:</b>										
Taxes	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386	\$ 24,728,311	\$ 23,522,724	\$ 22,408,932	\$ 23,413,299	\$ 22,686,333	\$ 21,430,329
Grants and contributions not restricted to specific programs	1,050,489	1,047,409	1,230,437	1,100,295	1,263,645	1,227,423	1,492,124	1,933,923	2,084,021	2,382,329
Investments earnings	65,991	118,049	120,702	151,238	234,227	1,052,148	2,126,362	2,047,464	1,362,938	744,137
Interest on advances to utilities	19,171	25,232	22,082	38,824	31,048	34,537	39,037	39,037	36,828	35,155
Gain (loss) on retirement of capital assets	(192,379)	(4,138,753)	13,182	32,391	---	56,912	33,175	3,318	16,182	---
Residual equity transfer - TID 3	---	---	---	---	---	---	---	---	(5,625,000)	---
Debt payments received	---	213,716	---	---	---	---	---	---	---	---
Developer incentives returned	2,000,000	---	---	---	---	---	---	---	---	---
Other revenues	118,125	81,500	97,446	65,883	62,511	57,072	37,380	50,883	107,266	122,611
<b>Total governmental activities general revenues and other changes in net position</b>	<b>29,435,874</b>	<b>23,482,235</b>	<b>27,235,395</b>	<b>27,064,017</b>	<b>26,319,742</b>	<b>25,950,816</b>	<b>26,137,010</b>	<b>27,487,924</b>	<b>20,668,568</b>	<b>24,714,561</b>
<b>Business-type activities:</b>										
Taxes	1,231,250	1,231,250	1,231,250	1,212,990	1,195,085	1,177,535	1,151,745	1,127,500	1,417,165	1,391,544
Investments earnings	14,561	24,509	27,662	41,540	124,673	567,393	1,105,838	965,611	515,633	233,063
Interest on advances to governmental funds	---	---	---	---	6,388	35,394	72,379	71,337	45,470	---
Gain (loss) on retirement of capital assets	5,178	(1,575)	24,135	4,678	147	(21,138)	497	5,888	920	102,393
Residual equity transfer - TID 3	---	---	---	---	---	---	---	---	5,625,000	---
Other revenues	33,453	63,185	56,575	40,950	14,598	2,255	926	891	1,154	1,796
<b>Total business-type activities general revenues and other changes in net position</b>	<b>1,284,442</b>	<b>1,317,369</b>	<b>1,339,622</b>	<b>1,300,158</b>	<b>1,340,891</b>	<b>1,761,439</b>	<b>2,331,385</b>	<b>2,171,227</b>	<b>7,605,342</b>	<b>1,728,796</b>
<b>Total primary government general revenues and other changes in net position</b>	<b>\$ 30,720,316</b>	<b>\$ 24,799,604</b>	<b>\$ 28,575,017</b>	<b>\$ 28,364,175</b>	<b>\$ 27,660,633</b>	<b>\$ 27,712,255</b>	<b>\$ 28,468,395</b>	<b>\$ 29,659,151</b>	<b>\$ 28,273,910</b>	<b>\$ 26,443,357</b>

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>General Fund:</b>										
Nonspendable	\$ 2,189,844	\$ 2,498,367	\$ 2,391,707	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	---	91,526	11,094	---	---	---	---	---	---	---
Unassigned	7,340,740	6,675,691	6,843,969	---	---	---	---	---	---	---
Reserved	---	---	---	2,018,827	2,060,963	2,225,144	1,720,549	1,393,672	1,420,694	1,265,001
Unreserved	---	---	---	6,076,505	6,034,369	5,870,188	6,374,783	6,701,660	8,244,768	9,467,706
Total general fund	<u>9,530,584</u>	<u>9,265,584</u>	<u>9,246,770</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>9,665,462</u>	<u>10,732,707</u>
<b>All Other Governmental Funds:</b>										
Nonspendable	15,369,451	15,985,377	17,818,086	---	---	---	---	---	---	---
Restricted	10,579,623	17,177,241	11,860,659	---	---	---	---	---	---	---
Committed	4,114,678	1,043,079	6,311,798	---	---	---	---	---	---	---
Assigned	3,215,701	7,399,395	534,957	---	---	---	---	---	---	---
Unassigned	(386,481)	(3,289,054)	(887,452)	---	---	---	---	---	---	---
Reserved	---	---	---	30,420,048	14,826,220	12,438,231	12,916,336	12,507,588	11,588,421	18,938,216
Unreserved, reported in:										
Special Revenue funds	---	---	---	6,485,333	91,966	304,130	23,631	1,172	5,628	8,259
Capital Projects funds	---	---	---	(230,554)	3,429,420	5,917,809	5,742,738	6,519,125	6,104,382	5,209,549
<b>Total all other governmental funds</b>	<b><u>32,892,972</u></b>	<b><u>38,316,038</u></b>	<b><u>35,638,048</u></b>	<b><u>36,674,827</u></b>	<b><u>18,347,606</u></b>	<b><u>18,660,170</u></b>	<b><u>18,682,705</u></b>	<b><u>19,027,885</u></b>	<b><u>17,698,431</u></b>	<b><u>24,156,024</u></b>
<b>Total all governmental funds</b>	<b><u>\$ 42,423,556</u></b>	<b><u>\$ 47,581,622</u></b>	<b><u>\$ 44,884,818</u></b>	<b><u>\$ 44,770,159</u></b>	<b><u>\$ 26,442,938</u></b>	<b><u>\$ 26,755,502</u></b>	<b><u>\$ 26,778,037</u></b>	<b><u>\$ 27,123,217</u></b>	<b><u>\$ 27,363,893</u></b>	<b><u>\$ 34,888,731</u></b>

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

Source: Comprehensive Annual Financial Reports

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

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Revenues	\$ 39,455,974	\$ 38,909,480	\$ 37,588,066	\$ 36,285,708	\$ 35,891,953	\$ 36,241,840	\$ 38,592,606	\$ 36,875,263	\$ 35,579,930	\$ 33,489,213
Expenditures	43,561,974	58,281,312	49,578,107	54,945,695	40,537,373	42,473,059	38,696,476	41,293,845	40,532,576	48,650,981
<b>Deficiency of revenues under expenditures</b>	<b>(4,106,000)</b>	<b>(19,371,832)</b>	<b>(11,990,041)</b>	<b>(18,659,987)</b>	<b>(4,645,420)</b>	<b>(6,231,219)</b>	<b>(103,870)</b>	<b>(4,418,582)</b>	<b>(4,952,646)</b>	<b>(15,161,768)</b>
Other financing sources (uses) and other Changes in fund balances	<b>(1,052,066)</b>	<b>22,068,636</b>	<b>12,104,700</b>	<b>36,987,208</b>	<b>4,332,856</b>	<b>6,208,684</b>	<b>(241,310)</b>	<b>4,177,906</b>	<b>(2,572,192)</b>	<b>12,453,842</b>
<b>Total change in fund balance</b>	<b><u>(5,158,066)</u></b>	<b><u>2,696,804</u></b>	<b><u>\$ 114,659</u></b>	<b><u>\$ 18,327,221</u></b>	<b><u>\$ (312,564)</u></b>	<b><u>\$ (22,535)</u></b>	<b><u>\$ (345,180)</u></b>	<b><u>\$ (240,676)</u></b>	<b><u>\$ (7,524,838)</u></b>	<b><u>\$ (2,707,926)</u></b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Taxes	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550	\$ 23,618,142	\$ 22,520,264	\$ 23,473,017	\$ 22,451,038	\$ 21,704,988	\$ 20,375,152
Payment in lieu of tax	1,393,941	1,292,036	1,203,973	1,200,836	1,110,169	1,002,460	980,285	962,261	981,345	1,055,177
Special assessment & interest	95,737	178,285	195,095	156,193	271,814	303,739	370,858	416,269	488,565	247,651
Licenses and permits	1,187,601	1,141,357	1,094,714	1,102,585	877,195	875,180	1,047,884	1,058,018	1,109,962	1,190,990
Fines and penalties	744,985	649,989	648,116	755,247	662,503	661,095	611,749	602,289	559,558	564,392
Intergovernmental aid	3,219,203	3,186,673	3,800,609	3,355,012	3,821,062	3,714,531	4,129,207	4,795,658	4,697,857	4,800,207
Program revenues	1,474,779	1,447,884	1,511,174	1,410,802	1,244,290	1,492,130	119,856	124,012	145,726	159,083
Other charges for service	3,322,434	5,395,570	4,064,142	3,346,548	3,472,847	3,448,579	4,844,268	3,707,532	3,451,237	3,209,732
Interest income	48,315	70,775	89,279	120,726	222,381	1,073,689	2,110,216	1,997,467	1,293,674	660,851
Interest on advances	237,966	241,269	104,066	112,724	84,728	85,392	69,525	60,164	46,364	52,761
Developer incentives returned	2,000,000	---	---	---	---	---	---	---	---	---
Other revenue	750,477	462,596	329,325	250,485	506,822	1,064,781	835,741	700,555	1,100,654	1,173,217
<b>Total revenues</b>	<b>\$ 39,455,974</b>	<b>\$ 38,909,480</b>	<b>\$ 37,588,066</b>	<b>\$ 36,285,708</b>	<b>\$ 35,891,953</b>	<b>\$ 36,241,840</b>	<b>\$ 38,592,606</b>	<b>\$ 36,875,263</b>	<b>\$ 35,579,930</b>	<b>\$ 33,489,213</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Current:</b>										
General government	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621	\$ 3,462,236	\$ 3,461,298	\$ 3,622,525	\$ 3,654,109	\$ 3,819,230	\$ 3,567,653
Public safety	13,403,094	13,349,480	13,532,420	13,440,800	13,087,197	12,648,113	11,976,449	11,611,690	11,254,135	10,608,426
Public works	7,331,797	6,806,723	6,915,529	6,905,932	6,390,586	8,627,095	6,112,332	6,762,634	8,033,495	7,881,347
Culture and recreation	2,666,107	2,587,993	2,758,347	2,792,380	2,933,828	2,646,871	2,792,883	2,700,236	2,518,928	2,407,810
Conservation and development	2,039,586	5,111,837	7,410,485	1,645,679	1,145,049	870,587	1,215,791	1,152,259	1,189,051	1,562,005
Interest on advances	218,795	216,037	81,984	73,900	60,068	86,249	102,867	92,464	55,006	11,861
Loss on defeasance of debt	---	---	---	---	---	---	---	---	108,122	---
Loss on refunding of debt	---	---	---	---	---	---	---	---	144,726	---
Debt issuance costs	200,271	393,613	205,922	692,884	90,750	68,243	11,500	10,000	75,335	---
Capital outlay	4,120,998	16,066,598	5,119,767	10,597,430	2,730,380	1,532,375	1,909,765	2,382,325	1,565,208	3,207,202
Debt service:										
Principal	6,670,417	6,548,416	6,258,415	12,688,416	8,027,416	9,913,506	8,073,002	9,781,450	8,389,341	16,035,979
Interest and fiscal charges	2,956,176	3,022,128	3,355,521	2,465,653	2,609,863	2,618,722	2,879,362	3,146,678	3,379,999	3,368,698
<b>Total expenditures</b>	<b>\$ 43,561,974</b>	<b>\$ 58,281,312</b>	<b>\$ 49,578,107</b>	<b>\$ 54,945,695</b>	<b>\$ 40,537,373</b>	<b>\$ 42,473,059</b>	<b>\$ 38,696,476</b>	<b>\$ 41,293,845</b>	<b>\$ 40,532,576</b>	<b>\$ 48,650,981</b>
Debt service as a percentage of noncapital expenditures	<b>24.41%</b>	<b>22.67%</b>	<b>21.62%</b>	<b>34.17%</b>	<b>28.14%</b>	<b>30.61%</b>	<b>29.77%</b>	<b>33.22%</b>	<b>30.20%</b>	<b>42.70%</b>

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Operating transfers in	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073	\$ 7,471,082	\$ 11,304,685	\$ 10,331,806	\$ 10,139,049	\$ 9,668,403	\$ 9,986,597
Operating transfers out	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)	(7,471,082)	(11,304,685)	(10,331,806)	(10,139,049)	(9,668,403)	(9,986,597)
Residual equity transfer	---	---	---	---	---	---	---	---	---	---
Proceeds from sale of capital assets	41,906	---	13,182	32,391	87,106	66,341	41,560	32,847	63,112	28,842
Fair market of bond/notes issued	7,175,000	28,940,000	11,855,000	32,025,000	4,155,000	6,074,100	1,750,000	2,295,059	2,940,000	3,025,000
Fair market of refunding bonds issued	6,780,000	---	---	4,080,000	---	---	---	1,850,000	3,420,000	9,400,000
Payment to refunding escrow agent	(15,154,270)	(8,600,000)	---	---	---	---	---	---	(3,420,000)	---
Debt issuance premiums	105,298	1,514,920	236,518	849,817	90,750	68,243	11,500	---	49,696	---
Debt payments received	---	213,716	---	---	---	---	---	---	---	---
Distribution upon closure of TID	---	---	---	---	---	---	(2,044,370)	---	---	---
<b>Total other financing sources (uses)</b> <b>and other changes in fund balance</b>	<b>\$ (1,052,066)</b>	<b>\$ 22,068,636</b>	<b>\$ 12,104,700</b>	<b>\$ 36,987,208</b>	<b>\$ 4,332,856</b>	<b>\$ 6,208,684</b>	<b>\$ (241,310)</b>	<b>\$ 4,177,906</b>	<b>\$ (2,572,192)</b>	<b>\$ 12,453,842</b>

Source: Comprehensive Annual Financial Reports

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

**Assessed Valuations by District - 2013**

Menomonee Falls School District	\$ 3,540,553,870
Hamilton Sussex School District	<u>978,537,090</u>
<b>Total assessed value</b>	<b>\$ <u>4,519,090,960</u></b>

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

See independent auditor's report.

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

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

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
2013	\$ 2,986,655,260	\$ 1,352,997,000	\$ 16,705,400	\$ 4,356,357,660	688	\$ 27,219,724	177	\$ 32,992,395
2012	2,963,751,660	1,296,913,100	16,962,600	4,277,627,360	608	22,753,135	126	34,157,895
2011	2,954,622,401	1,277,237,401	16,882,401	4,248,742,203	573	18,709,627	147	47,333,453
2010	2,945,222,501	1,262,085,590	17,393,200	4,224,701,291	617	23,057,560	128	36,981,941
2009	2,935,215,100	1,216,139,000	18,558,000	4,169,912,100	439	15,597,552	77	21,646,277
2008	2,907,864,700	1,193,039,000	18,559,800	4,119,463,500	512	23,265,366	124	36,638,397
2007	2,852,106,400	1,165,371,000	18,471,400	4,035,948,800	620	36,233,175	171	51,104,339
2006	2,771,644,900	1,177,812,000	18,556,100	3,968,013,000	555	37,692,541	137	49,634,513
2005	2,689,249,600	1,150,584,300	18,660,300	3,858,494,200	727	52,399,157	98	45,253,684
2004	2,134,500,000	971,431,600	11,873,900	3,117,805,500	762	61,217,146	68	38,232,767

(1) Values from Statement of Assessment.

(2) From Village Zoning and Inspection Department records.

See independent auditor's report.

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

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

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

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 2013 and 2004**

<b>Name</b>	<b>Nature of Business</b>	<b>2013</b>			<b>2004</b>		
		<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Rank</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Rank</b>
Kohl's Department Stores	Retail, corporate headquarters	\$ 90,718,120	2.01%	1	\$ 58,641,500	1.81%	1
HRH Acquisitions LLC	Property management	39,517,700	0.87%	2	---	---	
Harley Davidson	Manufacturer of motor cycles	31,504,400	0.70%	3	23,460,800	0.73%	3
NHMC Land LLC	Real estate	23,212,600	0.51%	4	---	---	
Woodmans Food Market	Food store	22,462,620	0.50%	5	---	---	
Burke Business Park	Property development	21,041,800	0.47%	6	---	---	
Centerpoint Properties Trust	Property development	20,766,900	0.46%	7	---	---	
Super Excavators	Excavating	20,068,730	0.44%	8	---	---	
Waste Management	Solid waste management	19,551,990	0.43%	9	12,914,500	0.40%	8
Wells Fargo Financial	Finance	18,086,710	0.40%	10	---	---	
Strong Capital Management	Investment services	---	---		49,912,700	1.54%	2
Lamplight Farms, Inc.	Candles and lighting	---	---		15,474,500	0.48%	4
Wacker Corporation	Compaction machines and pumps	---	---		14,210,100	0.44%	6
Duni Corporation	Manufacturer of paper products	---	---		14,099,500	0.44%	7
Pick 'N Save Foods	Food store	---	---		15,080,700	0.47%	5
Gillville LLC	Real estate	---	---		12,482,100	0.39%	9
Jerome Bence Trust	Property development	---	---		11,476,400	0.35%	10
<b>Total, ten largest taxpayers</b>		<b>306,931,570</b>	<b>6.79%</b>		<b>227,752,800</b>	<b>7.05%</b>	
Total, other taxpayers		<b>4,212,159,390</b>	<b>93.21%</b>		<b>3,007,079,632</b>	<b>92.95%</b>	
<b>Total assessed valuations</b>		<b>\$ 4,519,090,960</b>	<b>100.00%</b>		<b>\$ 3,234,832,432</b>	<b>100.00%</b>	

Source: Village Department of Assessing

See independent auditor's report.

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

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

<b>Levy Year</b>	<b>Taxes Levied</b>	<b>Collected Within the Year Levied for</b>			<b>Totals Collected to Date</b>		
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Subsequent Collections</b>	<b>Amount</b>	<b>Percentage of Levy</b>	
2013	\$ 27,276,674	\$ 7,077,544	25.95%	\$ ---	\$ 7,077,544	25.95%	
2012	26,031,321	5,629,313	21.63%	20,398,321	26,027,634	99.99%	
2011	25,923,450	6,245,829	24.09%	19,671,384	25,917,213	99.98%	
2010	25,677,430	3,577,353	13.93%	22,059,487	25,636,840	99.84%	
2009	25,669,521	4,794,029	18.68%	20,869,412	25,663,441	99.98%	
2008	24,786,337	4,610,434	18.60%	20,471,284	25,081,718	101.19%	
2007	23,487,637	4,645,832	19.78%	18,837,918	23,483,750	99.98%	
2006	24,588,117	5,300,548	21.56%	19,285,400	24,585,948	99.99%	
2005	23,524,519	7,633,684	32.45%	15,890,597	23,524,281	100.00%	
2004	23,345,155	7,296,964	31.26%	16,048,851	23,345,815	100.00%	

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

Source: Statements of taxes, Village Clerk Services Department

See independent auditor's report.

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

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

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

Source: General Purpose Financial Statements

See independent auditor's report.

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

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

Year	Gross Bonded Debt	Bonded Debt Supported by Revenues	Tax Obligation Bonded Debt			Ratio of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
			Gross	Designated Funds for Debt Service	Net		
2013	\$ 98,640,000	\$ 84,745,700	\$ 13,894,300	\$ -	\$ 13,894,300	0.33%	\$ 389
2012	101,560,000	77,622,400	23,937,600	8,718,485	15,219,115	0.35%	427
2011	86,455,000	70,247,600	16,207,400	35,973	16,171,427	0.36%	453
2010	78,955,000	65,398,300	13,556,700	187,212	13,369,488	0.30%	386
2009	54,430,000	42,448,000	11,982,000	2,779	11,979,221	0.26%	346
2008	55,660,000	43,182,840	12,477,160	5,853	12,471,307	0.27%	360
2007	55,285,000	42,555,140	12,729,860	4,223	12,725,637	0.28%	369
2006	61,223,323	47,113,972	14,109,351	5,796	14,103,555	0.33%	414
2005	66,593,385	51,651,445	14,941,940	6,372	14,935,568	0.38%	440
2004	70,955,983	54,397,622	16,558,361	14,684	16,543,677	0.46%	491

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

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

<b>Year</b>	<b>Operating Revenue</b>	<b>Operating Expenses (A)</b>	<b>Operating Income</b>	<b>Debt Service Requirements</b>			<b>Coverage (C)</b>
				<b>Principal (B)</b>	<b>Interest</b>	<b>Total</b>	
2013	\$ 8,720,703	\$ 8,702,565	\$ 18,138	\$ 274,495	\$ 54,787	\$ 329,282	0.0551
2012	8,994,807	8,745,692	249,115	267,322	65,068	332,390	0.7495
2011	8,709,658	8,001,934	707,724	1,160,358	119,046	1,279,404	0.5532
2010	9,134,505	7,716,467	1,418,038	328,596	126,091	454,687	3.1187
2009	9,379,933	7,603,234	1,776,699	1,724,729	287,903	2,012,632	0.8828
2008	9,892,073	7,428,640	2,463,433	1,589,526	335,864	1,925,390	1.2794
2007	10,170,201	6,637,927	3,532,274	1,716,602	345,641	2,062,243	1.7128
2006	9,991,739	6,412,705	3,579,034	1,545,347	384,969	1,930,316	1.8541
2005	10,229,412	7,023,067	3,206,345	2,120,786	545,953	2,666,739	1.2023
2004	9,254,520	6,136,600	3,117,920	1,566,349	1,129,013	2,695,362	1.1568

Source: Comprehensive Annual Financial Reports

- (A) Operating expenses before depreciation.
- (B) Debt service requirements are for the bond principal and interest due and paid during the year in question, including clean water fund loans, except as noted below.
  - 2009 principal does not include \$3,860,000 early call of bonds.
  - 2005 principal does not include \$4,225,000 paid by Tax Incremental District #3.
  - 2004 principal does not include \$1,970,000 of principal paid from reserves on refinancing.
  - Principal and interest do not include GO requirements
- (C) Ratio of total funds available for debt service to total requirements.

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

See independent auditor's report.

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

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

<b>Year</b>	<b>Operating Revenue (A)(D)</b>	<b>Operating Expenses (B)</b>	<b>Operating Income</b>	<b>Debt Service Requirements</b>			<b>Coverage (C)</b>
				<b>Principal (E)</b>	<b>Interest</b>	<b>Total</b>	
2013	\$ 6,829,451	\$ 3,549,987	\$ 3,279,464	\$ 2,735,000	\$ 67,660	\$ 2,802,660	1.1701
2012	7,256,273	3,594,200	3,662,073	1,350,000	187,100	1,537,100	2.3825
2011	6,783,135	3,628,490	3,154,645	1,260,000	243,350	1,503,350	2.0984
2010	6,342,076	3,386,391	2,955,685	1,225,000	297,375	1,522,375	1.9415
2009	6,396,980	3,349,804	3,047,176	1,175,000	347,250	1,522,250	2.0018
2008	6,686,233	3,348,158	3,338,075	1,165,000	394,737	1,559,737	2.1402
2007	7,025,431	3,104,293	3,921,138	1,150,000	439,913	1,589,913	2.4663
2006	7,009,043	3,058,580	3,950,463	1,070,000	489,325	1,559,325	2.5334
2005	7,117,399	2,852,459	4,264,940	1,025,000	495,176	1,520,176	2.8056
2004	7,296,688	2,728,476	4,568,212	975,000	737,875	1,712,875	2.6670

Source: Comprehensive Annual Financial Reports

- (A) Operating revenues include interest income and interest reimbursed from TID #3.
- (B) Operating expenses before depreciation and tax equivalent paid to the Village.
- (C) Ratio of total funds available for debt service to total requirements.
- (D) 2005 Principal payments do not include refinancing of \$5,075,000.  
 2005 Principal payments do not include an early retirement of \$1,400,000.  
 Principal and interest do not include GO requirements

See independent auditor's report.

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

**Computation of Legal Debt Margin**  
**December 31, 2013**

Equalized value of real and personal property	\$ <u>4,245,013,600</u>
Debt limit, five percent of equalized valuation	\$ 212,250,680
Total obligation bonds and notes applicable to debt limit at December 31, 2013	<u>(98,640,000)</u> *
<b>Remaining legal debt margin</b>	<b>\$ <u>113,610,680</u></b>
<b>* Includes:</b>	
Sewer Utility portion of G.O. notes	\$ 415,450
Water Utility portion of G.O. notes	2,520,000
Storm Water Utility portion of G.O. notes	3,110,482
<b>Excludes:</b>	
Wisconsin Clean Water Fund Loans	1,751,118

**Historical Data**

Year	Debt Limit	Debt Subject to Limit	Legal Debt Margin	Percentage of Legal Debt Limit
2013	\$ 212,250,680	\$ 98,640,000	\$ 113,610,680	46.47%
2012	215,774,595	101,560,000	114,214,595	47.07%
2011	222,079,925	86,455,000	135,624,925	38.93%
2010	221,879,205	78,955,000	142,924,205	35.58%
2009	229,467,070	54,430,000	175,037,070	23.72%
2008	231,759,745	55,660,000	176,099,745	24.02%
2007	225,500,070	55,285,000	170,215,070	24.52%
2006	212,023,230	61,223,323	150,799,907	28.88%
2005	196,574,655	66,593,385	129,981,270	33.88%
2004	179,236,085	70,955,983	108,280,102	39.59%

Source: Comprehensive Annual Financial Reports

See independent auditor's report.

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

**Computation of Direct and Overlapping Debt**  
**December 31, 2013**

	<b>Total Direct Debt</b>	<b>Applicable to Village Residents</b>	
		<b>Percent</b>	<b>Amount</b>
Direct debt	\$ 92,594,068	100.00%	\$ 92,594,068
<b>Overlapping Debt:</b>			
Menomonee Falls School District	22,970,000	97.49%	22,393,453
Hamilton School District	7,960,000	32.43%	2,581,428
Waukesha County	79,685,000	8.56%	6,821,036
Waukesha County Technical College	<u>28,195,000</u>	8.36%	<u>2,357,102</u>
<b>Total overlapping debt</b>	<u>138,810,000</u>		<u>34,153,019</u>
<b>Total net direct and overlapping debt</b>	<u>\$ 231,404,068</u>		<u>\$ 126,747,087</u>

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

See independent auditor's report.

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

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

Year	Population (1)	Unemployment Rates (2)			Per-Capita Income (3)			Total Income Village of Menomonee Falls (4)	
		Village of Menomonee Falls	Waukesha County	State of Wisconsin	Waukesha County	State of Wisconsin			
2013	35,710	5.5 %	5.9 %	6.7 %	\$ 58,055	\$ 43,149		\$ 2,073,144,050	
2012	35,680	5.8	6.0	6.9	54,050	38,703		1,928,504,000	
2011	35,675	6.2	6.5	7.5	53,034	37,670		1,891,987,950	
2010	34,600	6.6	7.0	7.4	52,276	36,815		1,808,749,600	
2009	34,600	7.3	7.5	8.5	52,290	36,822		1,809,234,000	
2008	34,600	3.8	3.9	4.8	53,636	37,770		1,855,805,600	
2007	34,450	4.0	4.0	4.9	52,713	36,990		1,815,962,850	
2006	34,070	3.8	3.6	4.9	51,351	35,644		1,749,528,570	
2005	33,939	3.8	3.8	4.8	46,735	33,673		1,586,139,165	
2004	33,660	3.8	3.9	4.9	44,789	32,721		1,507,597,740	

- (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 (2010-2013 Waukesha County are estimates).
- (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 2013 and 2004**

<u>Employer</u>	<u>Number of Employees</u>	
	<u>2013</u>	<u>2004</u>
Kohls Corporation	4,151	3,150
Community Memorial Hospital	1,327	1,383
Harley Davidson	1,000	972
FIS Management Services LLC (formerly Metavante)	900	---
Menomonee Falls School District	640	851
Arandell-Schmidt	610	724
Wells Fargo Financial	459	550
Wacker Neuson Corporation	450	465
Alto-Schaam	340	320
Bradley Corporation	325	297
Village of Menomonee Falls	229	276
Linden Grove	226	---
Bank One	---	760
Citation Custom Products	---	308

Sources:

Employer list and related employee data from debit issuance Official Statement.  
Employment in 2004 obtained from Hse report as of February 2005 inquiries of employers.

See independent auditor's report.

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

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

<b>Function</b>	<b>Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
General government and administration	33	34	34	33	34	36	41	44	47	48
Public Safety	96	96	101	100	104	105	104	105	103	103
Public Works	21	22	26	26	30	32	34	35	34	34
Culture and recreation	25	25	26	27	25	29	30	30	30	27
Conservation and Development	13	13	14	14	18	17	22	24	24	24
Sanitary Sewer	4	5	4	4	6	5	4	4	4	4
Water Utility	14	15	17	17	17	15	16	16	16	16
Storm Water Utility	1	1	1	1	1	1	1	1	1	1
<b>Totals</b>	<b>207</b>	<b>211</b>	<b>223</b>	<b>222</b>	<b>235</b>	<b>240</b>	<b>252</b>	<b>259</b>	<b>259</b>	<b>257</b>

Source: Financial Services Budget Documents

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>General Government:</b>										
Number of employees	33	34	34	33	34	36	41	44	47	48
Registered voters	24,083	24,206	24,539	25,180	24,697	24,697	23,670	23,176	23,380	23,322
<b>Public Safety:</b>										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	64	66	67	69	70	70	69	69	70	70
Crimes	409	423	470	433	403	550	691	703	545	587
Number of violations/enforcement	17,630	18,475	19,221	21,797	22,039	18,189	17,047	16,715	15,967	16,397
Accidents	717	700	780	510	557	877	928	832	899	881
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of employees	20	18	22	21	21	22	22	22	20	20
Number of fires	64	80	74	59	72	76	73	73	51	46
Rescue and EMS	2,127	2,064	2,035	1,864	1,814	1,905	1,761	1,669	1,559	1,524
Hazardous conditions	83	74	90	96	103	100	96	92	91	87
Dispatch:										
Number of employees	12	12	12	13	13	13	13	13	13	13
Number of event calls	40,059	43,268	41,928	43,027	65,562	65,562	65,562	61,134	77,444	81,418
<b>Public Works:</b>										
Number of employees	21	22	26	26	30	32	34	35	34	34
Miles of streets and roads-Village owned	208	207	207	207	207	207	207	206	205	202
Miles - All roads, State, County, Village	233	233	233	233	249	249	248	247	246	244

Source: Village departments

See independent auditor's report.

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

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Culture and recreation:</b>										
Library:										
Number of employees	20	19	21	21	16	16	18	18	18	15
Volumes	139,932	136,259	141,577	124,337	123,099	138,427	146,998	132,092	125,966	122,395
Circulation	374,917	334,305	351,023	371,600	381,864	364,541	369,263	390,962	385,650	383,038
Parks:										
Number of employees	6	6	5	6	4	8	9	10	10	10
Number of parks	16	16	11	11	8	8	8	8	7	7
Acres of parkland - Village owned	1,165	1,165	1,525	1,525	1,508	1,508	1,506	1,458	1,016	1,016
Acres of parkland - County owned	321	321	621	621	544	544	544	544	546	546
<b>Conservation and Development:</b>										
Number of employees	13	13	14	14	18	17	22	24	24	23
Number of permits issued	865	734	720	745	516	636	791	692	825	830
Permit value	60,212,119	56,911,030	66,043,080	60,039,501	37,243,829	59,903,763	87,337,514	87,327,054	97,652,841	99,449,913
<b>Water Utility:</b>										
Number of employees	14	15	17	17	17	15	16	16	16	16
Number of customers	11,979	11,911	11,853	11,802	11,755	11,707	11,641	11,559	11,400	11,215
Gallons pumped annually (in thousands)	1,220,082	1,355,139	1,206,533	1,176,398	1,260,820	1,038,142	1,055,982	1,042,303	1,254,296	1,102,647
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	2,804	2,790	2,777	2,780	2,773	2,692	2,675	2,639	2,598	2,551
Miles of mains	221	221	218	218	220	216	215	212	208	205
<b>Sewer Utility:</b>										
Number of employees	4	5	4	4	6	5	4	4	4	4
Number of customers	11,508	11,462	11,407	11,571	10,853	10,824	10,771	10,671	10,537	10,415
Gallons pumped annually (in thousands)	839,355	890,894	843,689	824,790	853,332	888,214	903,862	896,011	963,149	969,846
Number of lift stations	11	10	10	10	8	8	8	7	6	6
Miles of main	216	213	213	212	212	208	208	205	202	199
<b>Storm Water Utility:</b>										
Number of employees	1	1	1	1	1	1	1	1	1	1
Number of retention basins	10	10	10	10	10	10	10	10	10	10
Miles of storm main	145	143	142	141	140	126	126	117	115	112

Source: Village departments

See independent auditor's report.