

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

**Comprehensive Annual Financial Report  
Year Ended December 31, 2015**

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

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

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**Year Ended December 31, 2015**

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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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July 28, 2016

Citizens of Menomonee Falls  
Members of the Board of Trustees

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The attached Comprehensive Annual Financial Report of the Village of Menomonee Falls for the fiscal year ended December 31, 2015 satisfies these requirements.

The Village retained the services of Reilly, Penner & Benton, LLP to perform its audit. Based upon standard audit procedures, Reilly, Penner & Benton, LLP has issued an unmodified opinion on the Village's financial statements for the year ended December 31, 2015. 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 the MD&A, and should be read in conjunction with it.

## **VILLAGE PROFILE**

The Village of Menomonee Falls is located in Waukesha County directly northwest of the City of Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the Village of Menomonee Falls covers approximately 33 square miles and has a population of 35,928 (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 supportive services such as general administration and finance. The Village operates Water, Sewer and Storm Water utilities as enterprise funds. Risk management services for property liability are accounted for in the Village's Internal Service Fund.

For financial reporting purposes, all funds involved in the provision of these services are included if the Village is considered financially accountable for the fund. Financial accountability is determined by several different factors including fiscal dependence, ability to impose its will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal status. After careful evaluation, the Village has included in this financial report all funds of the Village, including the Water, Sewer, and Storm Water Utilities.

## **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 typically funded through a 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. 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.

While many of the developments in Menomonee Falls in 2015 were planned multi-phase developments, the Village ultimately approved 70 new single family lots in two subdivisions. This total was the second highest in the Village since 2007 (132 new single family lots were platted in 2014). The 70 lots platted in 2015 reflect the sustained strength of the post-recession housing market, and with 86 new single family homes constructed in 2015, the Village doubled the number constructed in 2014. Menomonee Falls' 86 housing starts in 2015 accounted for almost 13% (12.6%) of all new single family homes constructed in Waukesha County. This percentage of housing starts was over double that of 2014 (6.1%), notably higher than the typical percentage of around 9 percent and the largest percentage of housing starts within Waukesha County during the last ten years.

The Village aggressively uses Tax Incremental Financing Districts (TIDs) as catalysts for development. The Village Board policy of working for continued growth is evident in its commitment to capital expenditures and public improvements in the TIDs. The Village's most active TID continues to be TID #8, which is located along the Hwy 41/45 corridor, just West of Pilgrim Rd. Over \$49 million in construction projects were permitted for the TID #8 White Stone Station projects in 2015 and by the end of the year Costco Wholesale store had opened and a new mid-box retail building and Phase I of the Junction Apartments at White Stone Station were under construction. As part of the TID #8 redevelopment the Village also constructed extensions to Falls Parkway and Pershing Avenue. In 2015, plans were also approved for a new developer-funded 105-room hotel which will be constructed in 2016.

In 2015 the Village's equalized value (including TIDs) increased 2% which; although modest, is still evidence of a macro economic turnaround. The total number of permits issued in 2015 was flat compared to 2014; however, large value projects contributed to the largest new construction value in the history of the Village. Total permit value for 2015 was \$153 million, a 35% increase compared to 2014. The Village's 3.7% unemployment rate is well below that of the State of Wisconsin's 4.6%. Additionally, the Village's manufacturing assessed real estate value in 2015 ranked third in the State. With over \$313 million in manufacturing assessed value, Menomonee Falls only trails Milwaukee and Green Bay.

### **Financial Policies**

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

The Village Board is committed to maintaining an unassigned General Fund balance of around 3 months of operating expenditures. As of December 31, 2015, the unassigned General Fund balance approximated 3.5 months of 2016 budgeted expenditures, providing a reasonable cushion for unanticipated emergencies.

One of the biggest impacts of the 2008 economic down turn has been in the area of earnings on investments. Although earnings on investment income are negligible compared to the high interest rates in 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 maintenance program is based upon assessment of local road conditions together with the age and condition of the underlying utility infrastructure. The Village relies on an Overall Economic Development Plan, Comprehensive Outdoor Recreation Plan, and Impact fee studies, to provide a basis for the development of new parks, utility structures and fire stations.

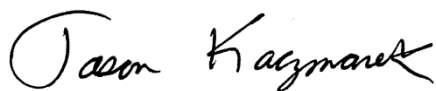
The Village policy towards budget and tax stabilization prompted the development of an internal Revolving Capital Loan program which provides departments with an interest-free method of funding large equipment and vehicle purchases with amortized repayments included in the operating budget. Consolidation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

### **ACKNOWLEDGEMENTS**

The preparation of this report was made possible by the dedicated services of the entire staff of the Village of Menomonee Falls Finance Department and the advice of the Village's independent auditors, Reilly, Penner & Benton, LLP. Appreciation is expressed to Village employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

Respectfully submitted,

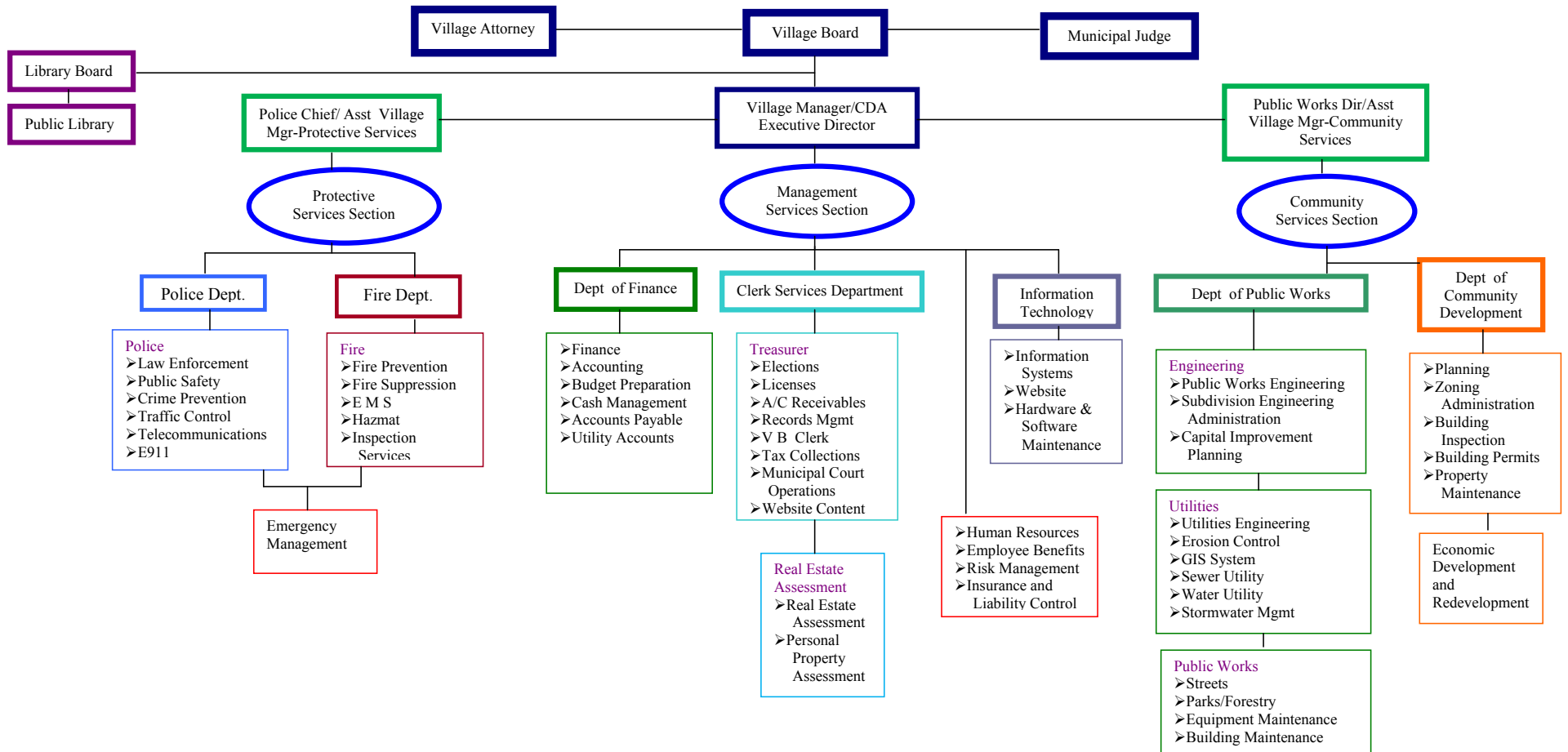
A handwritten signature in black ink that reads "Jason Kaczmarek". The signature is written in a cursive, flowing style.

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, 2015**

**Elected Officials:**

<b>Village Board:</b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Joesph Helm	President	April 2018
Katie Kress	Trustee	April 2017
David Glasgow	Trustee	April 2016
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

# **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin (Village), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with U.S. GAAP.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Menomonee Falls' financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, other supplementary information as listed in the table of contents and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2015 combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Menomonee Falls as of and for the year ended December 31, 2014 which are not presented with the accompanying financial statements and have issued our report which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended December 31, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2014.

### Change in Accounting Principle

As discussed in Note 1.D and 4.A to the financial statements, during the year ended December 31, 2015, the Village adopted new accounting guidance, GASB 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

*Reilly, Pomeroy & Butler LLP*

July 28, 2016  
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, 2015. 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, EMS, street maintenance, parks, library, and general administration. These services are supported primarily by property taxes and state revenues.
- Business-type activities include the Water, Sewer and Storm Water Utilities. The Village charges a fee to customers to 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 which can be found on page 80 of this report. Combining and individual fund statements and schedules begin on page 82 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 \$254 million as of December 31, 2015. The largest portion of the Village's net position (87%) 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, 9%, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased by \$6 million or 2.6%.

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

	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>		<b><u>Total Primary Government</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Assets:</b>						
Capital assets	\$ 161.0	\$ 160.2	\$ 134.3	\$ 134.4	\$ 295.3	\$ 294.6
Other assets	74.0	63.6	24.2	23.1	98.2	86.7
Total assets	235.0	223.8	158.5	157.5	393.5	381.3
<b>Deferred outflows of resources:</b>	3.1	0.1	0.3	0.1	3.4	0.2
<b>Liabilities:</b>						
Long-term liabilities	70.5	74.4	10.9	11.0	81.4	85.4
Other liabilities	29.3	14.8	3.2	3.1	32.5	17.9
Total liabilities	99.8	89.2	14.1	14.1	113.9	103.3
<b>Deferred inflows of resources:</b>	28.4	29.6	0.9	1.3	29.3	30.9
<b>Net Position:</b>						
Net investment in capital assets	96.8	103.4	124.0	124.0	220.8	227.4
Restricted	14.2	4.3	7.6	5.7	21.8	10.0
Unrestricted	(1.1)	(2.6)	12.2	12.5	11.1	9.9
Total net position	<u>\$ 109.9</u>	<u>\$ 105.1</u>	<u>\$ 143.8</u>	<u>\$ 142.2</u>	<u>\$ 253.7</u>	<u>\$ 247.3</u>

### Changes in Net Position

During 2015 the net position of governmental activities increased 4.6% to \$110 million. Restricted assets include \$5.5 million related to WRS pension assets, \$5.7 million for capital projects (including Tax Incremental Financing Districts or TIDs), \$1.4 million for library operations and maintenance, and \$1.6 million for special revenue fund purposes. The unrestricted net position of governmental activities amounts to -\$1 million. The negative unrestricted fund balance is a result of liabilities being greater than assets. Not all debt in the TID funds is capital related, so they are a major contributor to this negative balance. These liabilities will be covered by future tax increment.

Net position of business activities totaled \$144 million as of December 31, 2015. Business-type assets totaling \$8 million are restricted for capital projects, operations and maintenance, depreciation, and projected future pension obligations. The Village may use the unrestricted net position totaling \$12 million to finance continuing operations and capital projects of the utilities.

**Changes in Net Position**  
(in millions of dollars)

	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>		<b><u>Total Primary Government</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8.0	\$ 7.1	\$ 15.2	\$ 14.7	\$ 23.2	\$ 21.8
Operating grants and contributions	3.8	2.9	-	-	3.8	2.9
Capital grants and contributions	2.9	7.2	3.1	5.6	6.0	12.8
<b>General revenues:</b>						
Property taxes	27.2	27.3	1.2	1.2	28.4	28.5
Unrestricted grants and contributions	1.8	1.5	-	-	1.8	1.5
Other revenues	0.3	0.3	-	-	0.3	0.3
<b>Total revenues</b>	<u>44.0</u>	<u>46.3</u>	<u>19.5</u>	<u>21.5</u>	<u>63.5</u>	<u>67.8</u>
<b>Expenses:</b>						
General government	4.2	4.7	-	-	4.2	4.7
Public safety	14.3	14.4	-	-	14.3	14.4
Public works	12.0	9.3	-	-	12.0	9.3
Culture and recreation	3.4	3.4	-	-	3.4	3.4
Conservation and development	8.6	13.2	-	-	8.6	13.2
Interest on long-term debt	2.2	2.7	-	-	2.2	2.7
Water Utility	-	-	10.3	6.6	10.3	6.6
Sewer Utility	-	-	6.7	10.1	6.7	10.1
Storm Water Utility	-	-	1.4	1.3	1.4	1.3
Total expenses	<u>44.7</u>	<u>47.7</u>	<u>18.4</u>	<u>18.0</u>	<u>63.1</u>	<u>65.7</u>
<b>Increase (decrease) in net position</b>	<u>(0.7)</u>	<u>(1.4)</u>	<u>1.1</u>	<u>3.5</u>	<u>0.4</u>	<u>2.1</u>
Net position, beginning of year	105.1	106.5	142.2	138.7	247.3	245.2
Prior period adjustment	5.5	-	0.5	-	6.0	-
<b>Net position, end of year</b>	<u>\$ 109.9</u>	<u>\$ 105.1</u>	<u>\$ 143.8</u>	<u>\$ 142.2</u>	<u>\$ 253.7</u>	<u>\$ 247.3</u>

Governmental activities decreased net position by \$0.7 million while implementation of the new accounting standard GASB 68 added \$5.5 million in pension assets. Significant changes in governmental revenues and expenses were as follows.

**Revenues:**

Charges for services totaled \$8 million, an increase of \$0.9 million from 2014. This modest increase is partially attributable to an increase in landfill tipping fees (\$0.3 million) and construction permits (\$0.3 million). In addition, a new Fire and EMS services agreement with the Village of Lannon went into effect in 2015 where by Lannon purchases Fire and EMS services from Menomonee Falls. This new service revenue totaled \$0.2 million for 2015.

Program grants and contributions totaled \$6.7 million. Ignoring the one-time contribution of land from Kohl's in 2014 worth \$4.3 million, grants and contributions actually increased \$0.9 million from the prior year. Together, Park and Fire impact fees accounted for \$0.6 million of this increase; while state aids for road construction and maintenance made up the rest.

All governmental revenues other than program revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. For 2015, general revenues totaled \$29.3 million, a slight increase from the prior year.

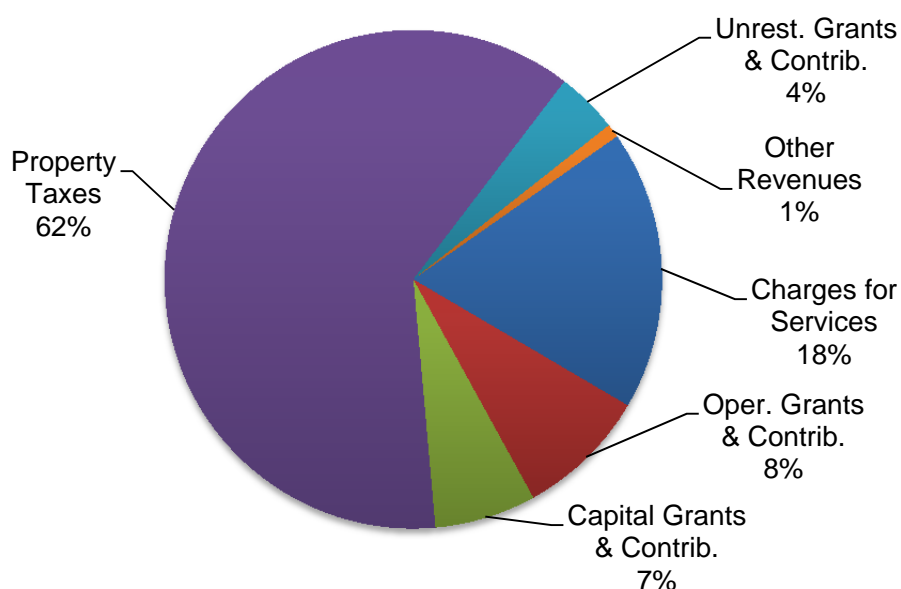
## Expenses:

Governmental expenses totaled \$44.7 million, an overall decrease of \$3 million from 2014. The most significant changes occurred in Public Works and Conservation and Development. The \$3 million increase in Public Works expense is almost entirely due to increased public infrastructure spending in TID #8. The \$5 million decrease in Conservation and Development can best be explained as the net result of large non-recurring development expenses. In 2014, \$5 million of a previous receivable in TID #6 was written-down and refinanced. Also in 2014, approximately \$4 million in expenses were recorded for the transfer of land to developers in TID #8. Then in 2015, a total of \$5.4 million in development grants were recorded in TID #8 and TID #12.

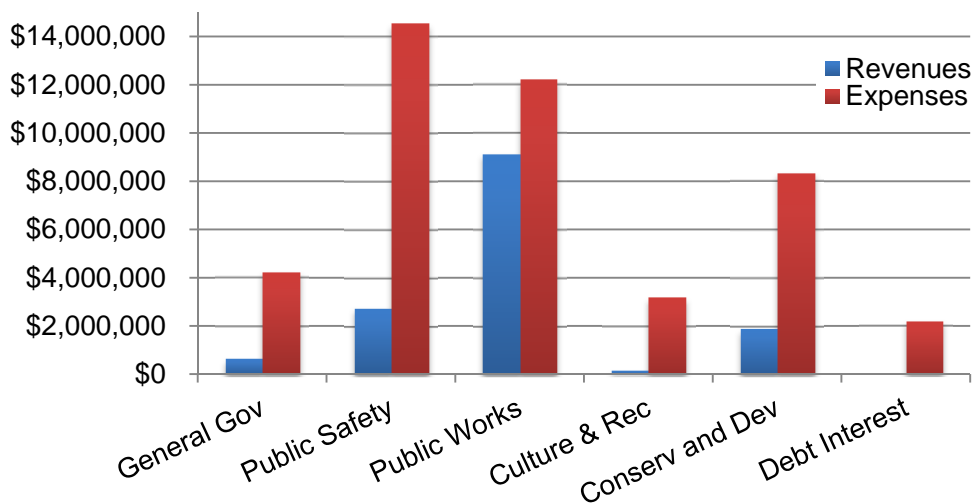
The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2015 on road construction and repairs. Funding for the construction and repairs came from the tax levy as well as the Municipal Facilities & Equipment Fund.

Governmental expenses included \$3.8 million in depreciation expense.

**Program and General Revenues by Source**  
(Governmental Activities)

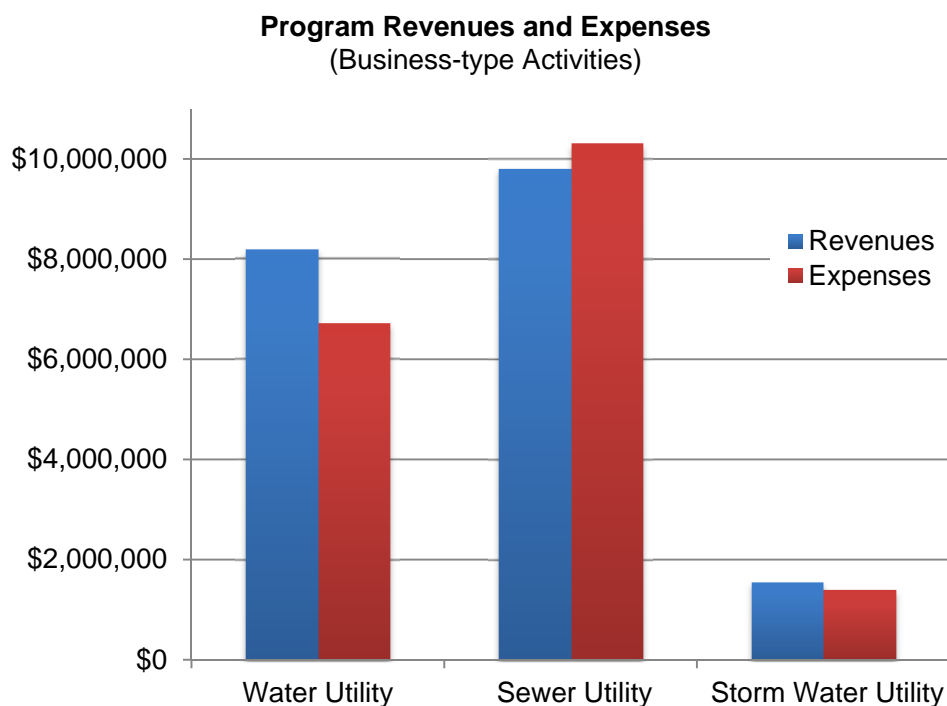
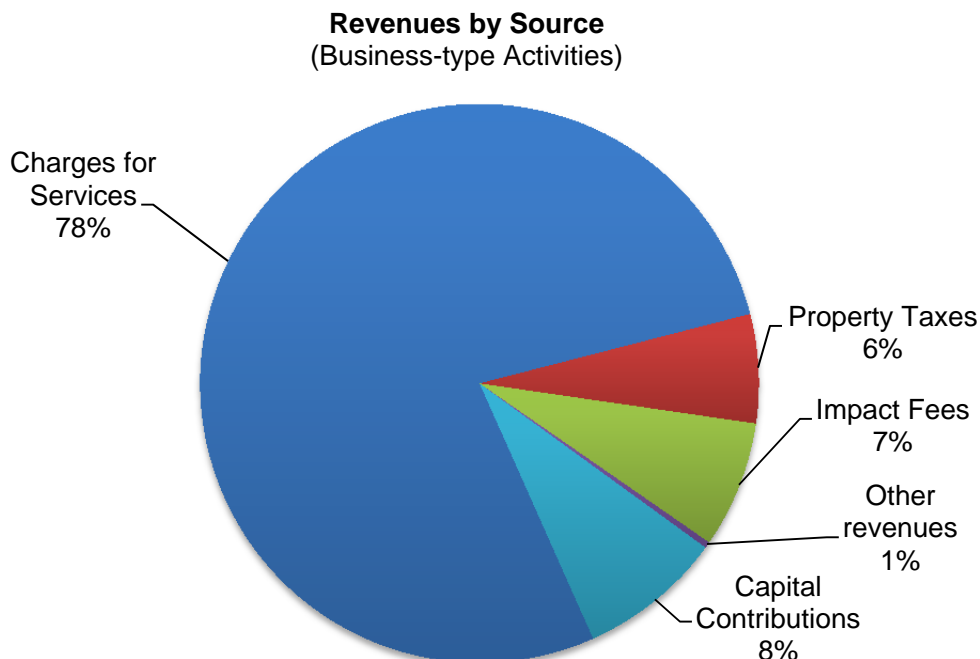


**Program Revenues and Expenses**  
(Governmental Activities)



## Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$1.1 million in the Village's net position, while implementation of the new accounting standard GASB 68 added \$0.5 million in business-type pension assets. Total expenses exceeded charges for services by \$3.2 million. The deficit was more than offset by a tax levy of \$1.2 million and capital grants and contributions totaling \$3.1 million.



## Water Utility

The Water Utility reported net operating income of \$0.3 million for 2015, a modest increase from the \$0.1 million reported in 2014. Operating revenues of the Water Utility totaled \$6.8 million for 2015, a 5% increase over the \$6.5 million reported in 2014. This increase is a combination of rate increases and a slight increase in consumption. The rate increases were a direct result of increased rates at Milwaukee Water Works; see below for additional information.

Operating expenses totaled \$6.5 million, virtually the same as the prior year. Real estate taxes paid to the Village in 2015 and 2014 were stagnant at \$1.3 million per year. Overall, 2015 net income totaled \$1.5 million, a decrease of \$1 million over the \$2.5 million reported in 2014.

The Village purchases water from Milwaukee Water Works (MWW) and supplements with water from Village deep wells. The Village paid \$1.6 million to MWW in 2015, a 5% increase from 2014. In addition to a slight increase in consumption, the Village paid more for water in 2015 due to wholesale rate increases from Milwaukee. Village water rates were increased in June and November 2014 to cover the additional MWW supply costs.

The Water Utility capitalized \$1.6 million of improvements during 2015, of which \$0.6 million were contributions from developers. The majority of the utility-paid capitalized improvements were related to the continued replacement of old utility infrastructure. Note that capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2015 were \$1.6 million less than in 2014.

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

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Charges for services	\$ 6.8	\$ 6.5	\$ 0.3
Operating expenses	<u>6.5</u>	<u>6.4</u>	<u>0.1</u>
<b>Operating income</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>
Non-operating income (expenses)	0.6	0.2	0.4
Capital contributions	<u>0.6</u>	<u>2.2</u>	<u>(1.6)</u>
<b>Increase in net position</b>	<b>1.5</b>	<b>2.5</b>	<b>(1.0)</b>
Net position, beginning of year	59.0	56.5	2.5
Prior period adjustment	<u>0.3</u>	<u>-</u>	<u>0.3</u>
<b>Net position, end of year</b>	<b>\$ 60.8</b>	<b>\$ 59.0</b>	<b>\$ 1.8</b>

## Sewer Utility

The Sewer Utility reported a net operating loss of \$1.9 million for 2015, consistent with the results of 2014 operations. Charges for services increased \$0.2 million or 2% which is due to an increase in service volume.

Operating expenses totaled \$10.2 million, a slight increase from 2014. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2015, the Village paid MMSD \$1.9 million for user charges and \$5.3 million for capital charges. Overall total payments to MMSD were flat when compared to the prior year. MMSD user charges increased \$125,000; however, a \$122,000 drop in capital charges virtually offset this increase. The Village did not increase sewer rates in 2014 or 2015.

The Sewer Utility capitalized \$0.7 million of improvements during 2015 of which \$0.5 million were contributed by developers. 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 2015 were \$0.7 million less than in 2014.

## Sewer Utility (continued)

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

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Charges for services	\$ 8.3	\$ 8.1	\$ 0.2
Operating expenses	<u>10.2</u>	<u>10.1</u>	<u>0.1</u>
<b>Operating income (loss)</b>	<b>(1.9)</b>	<b>(2.0)</b>	<b>0.1</b>
Non-operating income	1.0	0.7	0.3
Capital contributions	<u>0.5</u>	<u>1.2</u>	<u>(0.7)</u>
<b>Decrease in net position</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(0.3)</b>
Net position, beginning of year	59.8	59.9	(0.1)
Prior period adjustment	<u>0.1</u>	<u>-</u>	<u>0.1</u>
<b>Net position, end of year</b>	<b>\$ <u>59.5</u></b>	<b>\$ <u>59.8</u></b>	<b>\$ <u>(0.3)</u></b>

## Storm Water Utility

The Storm Water Utility is funded primarily through property taxes. Operating revenues of the Storm Water Utility totaled \$1.0 million and operating expenses totaled \$1.3 million. The net operating loss of \$0.3 million for 2015 is consistent with the results of 2014 operations.

The Storm Water Utility capitalized \$1.4 million of improvements during 2015, of which \$0.5 million were contributed from developers and \$0.1 million were contributed from TIDs. Most of the infrastructure installed is attributable to the addition of new utility infrastructure. Capital contributions for 2015 were \$0.6 million, \$0.8 million less than in 2014.

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

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 1.0	\$ -
Operating expenses	<u>1.3</u>	<u>1.3</u>	<u>-</u>
<b>Operating income (loss)</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>-</b>
Non-operating expenses	(0.1)	(0.1)	-
Capital contributions	<u>0.6</u>	<u>1.4</u>	<u>(0.8)</u>
<b>Increase in net position</b>	<b>0.2</b>	<b>1.0</b>	<b>(0.8)</b>
Net position, beginning of year	23.2	22.2	1.0
Prior period adjustment	<u>0.1</u>	<u>-</u>	<u>0.1</u>
<b>Net position, end of year</b>	<b>\$ <u>23.5</u></b>	<b>\$ <u>23.2</u></b>	<b>\$ <u>0.3</u></b>

## **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, 2015, Village governmental funds reported a combined fund balance of \$34 million, \$8 million more than last year's total of \$26 million. This large increase is mostly attributable to the sale of the former Kohl's Distribution Center; net proceeds of the sale totaled \$6.8 million. The remaining increase is a result of unspent debt proceeds in TID #8 of around \$1.3 million.

#### **General Fund**

The General Fund ended the year with a \$1.8 million surplus which equates to 7% of the operating budget. The entire surplus was transferred to the Municipal Facilities and Equipment Fund for future capital expenditures. The final balance of the General Fund amounted to \$9.6 million, no change from the prior year. \$2.2 million of the total fund balance is a result of non-spendable assets. The remaining \$7.4 million is considered "unassigned" and available for spending. The unassigned balance equates to 3.5 months of 2016 budgeted expenditures; which is consistent with our fund balance policy of around 3 months.

Revenues for the General Fund primarily come from property taxes and state revenues. For 2015, General Fund revenues were \$0.6 million higher than budget. The majority of this surplus is a result of a significant increase in permit revenues. Permit revenues increased \$450,000, totaling \$1.1 million in 2015.

General Fund expenditures were \$1.3 million less than budgeted. Some of the larger savings include:

- A higher focus of engineering time on billable developer projects;
- Savings on fuel and heating costs due to the drop in oil prices;
- Delayed IT projects.

#### **Debt Service Fund**

There was no significant change to the Debt Service Fund balance. Annual debt service requirements were met primarily by transfers from other governmental funds of \$6.1 million and property taxes levied of \$2.4 million. A \$10 million balloon payment related to TID #10 was refinanced.

#### **TID #8 - Falls Parkway**

Development in TID #8 was in full-swing during 2015. Expenditures increased from \$1.4 million in 2014 to 11.6 million in 2015. A total of \$12.2 million in debt was borrowed in 2015, leaving a net increase in fund balance of \$1.3 million.

#### **Proprietary Funds**

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

#### **The Village as Trustee**

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

## Capital Assets

As of December 31, 2015, the Village had \$295 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.

<b>Capital Assets</b> (in millions of dollars)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Non-depreciable assets:</b>						
Land	\$ 94.0	\$ 94.3	\$ 0.6	\$ 0.6	\$ 94.6	\$ 94.9
Construction in progress	7.5	5.0	1.9	1.2	9.4	6.2
<b>Total non-depreciable assets</b>	<b>101.5</b>	<b>99.3</b>	<b>2.5</b>	<b>1.8</b>	<b>104.0</b>	<b>101.1</b>
<b>Depreciable assets:</b>						
Land improvements	5.0	4.5	1.9	1.9	6.9	6.4
Buildings and improvements	39.7	40.3	9.3	9.3	49.0	49.6
Equipment and furnishings	18.2	17.9	9.4	9.4	27.6	27.3
Infrastructure	47.0	46.3	175.9	173.4	222.9	219.7
<b>Total depreciable assets</b>	<b>109.9</b>	<b>109.0</b>	<b>196.5</b>	<b>194.0</b>	<b>306.4</b>	<b>303.0</b>
<b>Less accumulated depreciation</b>	<b>50.4</b>	<b>48.1</b>	<b>64.7</b>	<b>61.4</b>	<b>115.1</b>	<b>109.5</b>
<b>Net depreciable assets</b>	<b>59.5</b>	<b>60.9</b>	<b>131.8</b>	<b>132.6</b>	<b>191.3</b>	<b>193.5</b>
<b>Total capital assets</b>	<b>\$ 161.0</b>	<b>\$ 160.2</b>	<b>\$ 134.3</b>	<b>\$ 134.4</b>	<b>\$ 295.3</b>	<b>\$ 294.6</b>

The Village's 2015 capital budget anticipated a spending level of \$3.3 million for capital projects. The Village borrowed \$3.1 million to fund these expenditures and cash on hand in the Sewer Utility was also earmarked to make up the balance of the budget.

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

	<b>Book Value</b>
Remaining construction of the new Fire Stations (#1 & #5)	\$ 2.4
Continued construction of Falls Parkway in TID #8	2.0
Continued Pilgrim Rd reconstruction	1.5
Sale of the former Kohl's Distribution Center property	(8.3)

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

	<b>Book Value</b>
Large subdivision utility infrastructure contributions from developments such as:	\$ 1.5
• Dickson Hollow	
• Silver Spring Estates;	
• Weyerhaven	
New Storm Water infrastructure	0.8
Watermain replacements	0.5



## Long-term Debt

As of December 31, 2015, long-term debt outstanding totaled \$97 million compared to \$88 million at December 31, 2014, a net increase of \$9 million.

The following debt issuances occurred in 2015:

GO Debt	TID #12 Development Funding	\$	1,280,000
GO Debt	TID #8 Development Funding		4,300,000
GO Debt	TID #8 Development Funding		7,850,000
GO Debt	2015 Capital Budget		3,110,000
GO Debt	Refinancing of 2012 bonds in TID #10		9,975,000
		\$	<u>26,515,000</u>

Principal paid on outstanding debt totaled \$18 million; of which, \$10 million was for refinancing and \$8 million was paid toward principal reduction.

Information related to the 2015 Capital Budget and related borrowing is summarized as follows:

Streets and Storm Water Infrastructure	\$	2,000,000
Water Utility Infrastructure		<u>1,110,000</u>
Total debt issuance	\$	<u>3,110,000</u>

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds/notes	\$ 85.7	\$ 76.7	\$ 10.1	\$ 10.2	\$ 95.8	\$ 86.9
Mortgage revenue bonds	-	-	1.4	1.6	1.4	1.6
	<u>\$ 85.7</u>	<u>\$ 76.7</u>	<u>\$ 11.5</u>	<u>\$ 11.8</u>	<u>\$ 97.2</u>	<u>\$ 88.5</u>

The Village's general obligation bond rating is Aa2 by Moody's; a strong rating for a village of our size. The outstanding Sewer Utility mortgage revenue bonds are 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 \$229 million. As of December 31, 2015 the Village had \$96 million in outstanding general obligation debt, or 42% of the limit.

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

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

Property taxes make up a little more than 74% of the General Fund's 2016 budget and state revenues account for another 10%. Together around 85% of the General Fund's expenditures are covered by taxes and state revenues. The 2016 General Fund operating budget increased 3% from 2015. This increase is expected to be covered by multiple sources, including a 3% increase in property taxes as well as increases in permit fees and charges for services. The increase in General Fund taxes was a result of new private construction as well as a shift of available taxes previously needed for the Sewer Interceptor system.

The total assessed value for the Village increased \$44 million or 1%. Total assessed values for 2015 and 2014 were \$4.6 billion and \$4.5 billion respectively. The ratio of assessed values to equalized values was 100% as of January 1, 2015.

## **Contacting Village Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If there are questions about this report or a need for further information, contact the Director of Financial Services by email at [fs@menomonee-falls.org](mailto:fs@menomonee-falls.org); or by mail at Village of Menomonee Falls, W156 N8480 Pilgrim Road, Menomonee Falls, Wisconsin, 53051.

## **BASIC FINANCIAL STATEMENTS**

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

**Statement of Net Position**  
**December 31, 2015**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-</b>	
	<b>Activities</b>	<b>type</b>	<b>Total</b>
		<b>Activities</b>	
<b>Assets:</b>			
Cash and equivalents	\$ 48,056,725	\$ 10,617,626	\$ 58,674,351
Investments	533,380	---	533,380
Taxes receivable	15,500,757	931,250	16,432,007
Special charges on the tax roll	1,310,706	496,162	1,806,868
Intergovernmental aid receivable	909,750	---	909,750
Accounts receivable (net)	1,542,200	2,754,749	4,296,949
Internal balances	445,172	(445,172)	---
Inventories	355,760	117,527	473,287
Land held for sale	57,717	---	57,717
Prepaid items	73,366	1,930	75,296
Notes receivable	430,121	---	430,121
Special assessments	1,056,881	---	1,056,881
Restricted assets:			
Cash and equivalents	---	7,173,062	7,173,062
Net pension asset	2,528,709	216,605	2,745,314
Advances to enterprise funds	1,268,369	(1,268,369)	---
Prepaid capacity charges	---	3,621,436	3,621,436
Capital assets:			
Land and construction in progress	101,494,315	2,487,328	103,981,643
Other capital assets net of accumulated depreciation	59,470,419	131,841,926	191,312,345
<b>Total assets</b>	<b>235,034,347</b>	<b>158,546,060</b>	<b>393,580,407</b>
<b>Deferred Outflows of Resources:</b>			
Unamortized losses on debt refunding	121,663	64,044	185,707
Deferred outflows related to pensions	2,958,305	253,403	3,211,708
<b>Total deferred outflows of resources</b>	<b>3,079,968</b>	<b>317,447</b>	<b>3,397,415</b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	5,491,080	1,387,304	6,878,384
Incurred but not reported claims	187,602	---	187,602
Deposits	310,335	50,000	360,335
Unearned revenue	190,028	137,793	327,821
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	171,361	171,361
Accrued interest	703,595	6,159	709,754
Compensated absences - vacation due within one year	1,012,318	147,659	1,159,977
Compensated absences - sick leave due within one year	479,325	43,734	523,059
Compensated absences - sick leave more than one year	2,567,522	419,470	2,986,992
OPEB obligation	1,235,183	276,420	1,511,603
Bonds and notes - due within one year	20,939,369	1,158,584	22,097,953
Bonds and notes - due in more than one year	66,687,242	10,377,052	77,064,294
<b>Total liabilities</b>	<b>99,803,599</b>	<b>14,175,536</b>	<b>113,979,135</b>
<b>Deferred Inflows of Resources:</b>			
Deferred revenue - subsequent year's taxes	28,395,047	931,250	29,326,297
<b>Net Position:</b>			
Net investment in capital assets	96,772,895	123,987,544	220,760,439
Restricted for:			
Capital projects	5,681,838	6,093,083	11,774,921
Debt service	116,906	---	116,906
Library operations and maintenance	1,362,332	---	1,362,332
WRS pension	5,487,014	470,008	5,957,022
Other	1,553,401	959,579	2,512,980
Unrestricted	(1,058,717)	12,246,507	11,187,790
<b>Total net position</b>	<b>\$ 109,915,669</b>	<b>\$ 143,756,721</b>	<b>\$ 253,672,390</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, 2015

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 4,228,723	\$ 555,285	\$ ---	\$ 103,000	\$ (3,570,438)	\$ ---	\$ (3,570,438)
Public safety	14,350,057	1,875,189	900,570	---	(11,574,298)	---	(11,574,298)
Public works	11,973,544	4,204,374	2,133,358	2,800,025	(2,835,787)	---	(2,835,787)
Culture and recreation	3,394,861	123,286	61,116	---	(3,210,459)	---	(3,210,459)
Conservation and development	8,573,095	1,240,042	665,528	---	(6,667,525)	---	(6,667,525)
Interest on long-term debt	2,199,003	---	---	---	(2,199,003)	---	(2,199,003)
<b>Total governmental activities</b>	<b>44,719,283</b>	<b>7,998,176</b>	<b>3,760,572</b>	<b>2,903,025</b>	<b>(30,057,510)</b>	<b>---</b>	<b>(30,057,510)</b>
<b>Business-type Activities:</b>							
Sewer Utility	10,303,191	8,309,028	---	1,160,330	---	(833,833)	(833,833)
Water Utility	6,720,087	6,838,038	---	1,333,453	---	1,451,404	1,451,404
Storm Water Utility	1,388,016	40,213	---	572,176	---	(775,627)	(775,627)
<b>Total business-like activities</b>	<b>18,411,294</b>	<b>15,187,279</b>	<b>---</b>	<b>3,065,959</b>	<b>---</b>	<b>(158,056)</b>	<b>(158,056)</b>
<b>Total primary government</b>	<b>\$ 63,130,577</b>	<b>\$ 23,185,455</b>	<b>\$ 3,760,572</b>	<b>\$ 5,968,984</b>	<b>(30,057,510)</b>	<b>(158,056)</b>	<b>(30,215,566)</b>
<b>General Revenues:</b>							
Taxes:							
Property taxes levied for general purposes					19,074,740	---	19,074,740
Property taxes levied for utility purposes					-	1,231,250	1,231,250
Property taxes levied for debt service					2,374,220	---	2,374,220
Property taxes levied for TID districts					4,473,730	---	4,473,730
Payments in lieu of taxes - Water Utility					1,290,385	---	1,290,385
Grants and contributions not restricted to specific programs					1,762,237	---	1,762,237
Investment earnings					100,583	18,838	119,421
Interest on advances to utilities					7,087	---	7,087
Gain on sale of capital assets					149,057	---	149,057
Other revenues					134,443	36,547	170,990
<b>Total general revenues</b>					<b>29,366,482</b>	<b>1,286,635</b>	<b>30,653,117</b>
<b>Change in net position</b>					<b>(691,028)</b>	<b>1,128,579</b>	<b>437,551</b>
<b>Net position, beginning of year</b>					<b>105,106,955</b>	<b>142,157,043</b>	<b>247,263,998</b>
Adjustment due to change in accounting principle					5,499,742	471,099	5,970,841
<b>Net position, beginning of year as adjusted</b>					<b>110,606,697</b>	<b>142,628,142</b>	<b>253,234,839</b>
<b>Net position, end of year</b>					<b>\$ 109,915,669</b>	<b>\$ 143,756,721</b>	<b>\$ 253,672,390</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, 2015**

	General Fund	Debt Service Fund	T.I.D #8 Falls Parkway	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and equivalents	\$ 18,965,224	\$ 116,906	\$ 4,545,371	\$ 23,701,558	\$ 47,329,059
Certificate of deposit	533,380	---	---	---	533,380
Accounts receivable:					
Taxes	6,778,019	2,356,722	412,091	5,953,925	15,500,757
Special charges on the tax roll	6,770	---	---	1,303,936	1,310,706
Intergovernmental aid	286,689	---	1,685	621,376	909,750
Special assessments	---	---	---	1,056,881	1,056,881
Accounts	1,114,095	---	---	205,160	1,319,255
Notes	---	---	---	430,121	430,121
Other	---	---	---	175,605	175,605
Due from other funds	1,059,132	---	---	96,821	1,155,953
Prepaid items	73,366	---	---	---	73,366
Inventory of supplies, at cost	355,760	---	---	---	355,760
Land held for sale	57,717	---	---	---	57,717
Advance to other governmental funds	1,755,545	---	---	613,221	2,368,766
Long-term advances to utilities	---	---	---	1,268,369	1,268,369
<b>Total assets</b>	<b>30,985,697</b>	<b>2,473,628</b>	<b>4,959,147</b>	<b>35,426,973</b>	<b>73,845,445</b>
<b>Liabilities:</b>					
Accounts payable and other accrued liabilities	1,959,134	---	2,844,868	687,078	5,491,080
Accrued compensated absences	948,458	---	---	63,860	1,012,318
Deposits	209,366	---	---	100,969	310,335
Unearned revenue	419,194	---	---	---	419,194
Due to other funds	---	---	76,730	645,933	722,663
Long-term advances from other governmental funds	---	---	---	2,368,766	2,368,766
<b>Total liabilities</b>	<b>3,536,152</b>	<b>---</b>	<b>2,921,598</b>	<b>3,866,606</b>	<b>10,324,356</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable special assessments	---	---	---	641,550	641,550
Deferred revenue - subsequent year's taxes	17,808,961	2,356,722	413,776	7,915,588	28,495,047
Unavailable revenue - notes receivable	---	---	---	330,121	330,121
<b>Total deferred inflows of resources</b>	<b>17,808,961</b>	<b>2,356,722</b>	<b>413,776</b>	<b>8,887,259</b>	<b>29,466,718</b>
<b>Fund Balances:</b>					
Nonspendable	2,252,876	---	---	1,881,590	4,134,466
Restricted	---	116,906	1,623,773	9,079,207	10,819,886
Committed	---	---	---	8,918,811	8,918,811
Assigned	---	---	---	4,174,551	4,174,551
Unassigned	7,387,708	---	---	(1,381,051)	6,006,657
<b>Total fund balances</b>	<b>\$ 9,640,584</b>	<b>\$ 116,906</b>	<b>\$ 1,623,773</b>	<b>\$ 22,673,108</b>	<b>\$ 34,054,371</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, 2015**

Total fund balance of governmental funds	\$ 34,054,371
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**Amounts reported for governmental activities in the government-wide statement of net assets are different because:**

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

Land and construction in progress	101,494,315
Other capital assets net of accumulated depreciation	59,470,419

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

Special assessments receivable	641,550
Police fines receivable	329,166
Notes receivable	330,121

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 in the governmental funds, but amortized over the life of the debt issue on the statement of activities.

Net unamortized losses on debt refunding	121,663
Net unamortized premiums on debt	(1,969,706)

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	(85,656,905)
Compensated absences payable - sick pay	(3,046,847)
OPEB obligation	(1,235,183)
Accrued interest payable on long-term bonds and notes	(703,595)

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

2,528,709

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

2,958,305

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.

599,286

**Net position of governmental activities**

**\$ 109,915,669**

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, 2015**

	General Fund	Debt Service Fund	T.I.D #8 Falls Parkway	Other Governmental Funds	Total
<b>Revenues:</b>					
Property taxes	\$ 17,082,184	\$ 2,374,220	\$ 255,826	\$ 5,952,742	\$ 25,664,972
Other taxes	239,089	---	---	---	239,089
Payments in lieu of taxes - Water Utility	1,290,385	---	---	---	1,290,385
Charges for services:					
Licenses and permits	1,728,039	---	---	---	1,728,039
Fines and forfeitures	591,392	---	---	18,021	609,413
Program revenues	---	---	---	1,384,278	1,384,278
Tipping fees	---	---	---	2,950,971	2,950,971
Other charges for services	1,261,081	---	---	300	1,261,381
Operating grants and contributions:					
Intergovernmental	3,078,241	---	274,441	803,852	4,156,534
Donations	---	---	---	11,124	11,124
Capital grants and contributions:					
Intergovernmental	---	---	---	525,000	525,000
Special assessments and interest	---	---	---	208,782	208,782
Contributions from developers	---	---	2,200	84,470	86,670
Platting fees	---	---	---	4,249	4,249
Impact fees	---	---	---	1,350,902	1,350,902
Investment earnings	42,121	1,112	2,394	26,584	72,211
Interest on advances to governmental funds	19,748	---	---	868	20,616
Interest on advances to utilities	---	---	---	7,087	7,087
Other revenues	123,503	---	9,582	20,890	153,975
<b>Total governmental revenues</b>	<u>25,455,783</u>	<u>2,375,332</u>	<u>544,443</u>	<u>13,350,120</u>	<u>41,725,678</u>
<b>Expenditures:</b>					
Current:					
General government	3,392,966	---	118,108	144,969	3,656,043
Public safety	13,834,633	---	---	26,019	13,860,652
Public works	3,247,683	---	4,089,642	2,613,682	9,951,007
Culture and recreation	831,752	---	---	2,059,676	2,891,428
Conservation and development	956,480	---	3,711,215	2,338,523	7,006,218
Interest on advances from governmental funds	---	---	---	20,616	20,616
Bond expenses	---	398,508	---	11,192	409,700
Capital outlay	222,759	---	3,683,663	6,474,721	10,381,143
Debt Service:					
Principal on long-term debt	---	6,434,369	---	---	6,434,369
Interest and fiscal charges on long-term debt	---	2,174,762	3,457	---	2,178,219
<b>Total expenditures</b>	<u>22,486,273</u>	<u>9,007,639</u>	<u>11,606,085</u>	<u>13,689,398</u>	<u>56,789,395</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	2,969,510	(6,632,307)	(11,061,642)	(339,278)	(15,063,717)
<b>Other Financing Sources (Uses):</b>					
Proceeds from sales of capital assets	6,848,292	---	---	149,057	6,997,349
Transfers in	3,560	6,138,677	2,114,012	10,560,103	18,816,352
Transfers out	(9,821,362)	(3,560)	(1,922,844)	(7,068,586)	(18,816,352)
Refunding bonds and notes issued	---	9,975,000	---	---	9,975,000
Principal payments on refunded debt	---	(10,025,000)	---	---	(10,025,000)
Bonds and notes issued	---	---	12,150,000	3,280,000	15,430,000
Debt issuance premiums	---	599,001	---	---	599,001
<b>Total other financing sources (uses)</b>	<u>(2,969,510)</u>	<u>6,684,118</u>	<u>12,341,168</u>	<u>6,920,574</u>	<u>22,976,350</u>
<b>Net change in fund balances</b>	---	51,811	1,279,526	6,581,296	7,912,633
Fund balance, beginning of year	9,640,584	65,095	344,247	16,091,812	26,141,738
<b>Fund balance, end of year</b>	<u>\$ 9,640,584</u>	<u>\$ 116,906</u>	<u>\$ 1,623,773</u>	<u>\$ 22,673,108</u>	<u>\$ 34,054,371</u>

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



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

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2015**

Net change in fund balances of governmental funds	\$ 7,912,633
<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	10,749,571
Depreciation expense in government-wide financial statements	(3,804,757)
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.	
	2,153,716
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.	
	(8,375,059)
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	(25,405,000)
Principal payments on debt in governmental fund financial statements	16,459,369
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	(599,001)
Amortization of these amounts included in interest expense in the statement of activities	398,934
Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities; however, interest costs are reported as they accrue, regardless of when they are due. This is the amount by which the current accrual exceeds the prior year accrual.	
	(10,018)
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.	
	2,247
Village pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension asset is measured 12 months before the Village's report date. Pension expense, which is the change in net pension asset adjusted for changes in deferred outflows of resources related to pension, is reported in the statement of activities.	
Pension expense	(1,303,556)
Village pension contributions	1,290,828
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 special assessments receivable	(71,145)
Increase in police fines receivable	83,365
Decrease in notes receivable	(22,006)
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	(45,752)
Increase in OPEB obligation	(105,397)
<b>Change in net position of governmental activities</b>	<b>\$ (691,028)</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, 2015**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Property taxes	\$ 17,071,345	\$ 17,071,345	\$ 17,082,184	\$ 10,839
Other taxes	216,500	216,500	257,718	41,218
Payments in lieu of taxes - Water Utility	1,500,000	1,500,000	1,290,385	(209,615)
Licenses and permits	1,263,300	1,263,300	1,728,039	464,739
Fines and forfeitures	644,000	644,000	572,763	(71,237)
Intergovernmental	2,922,023	2,922,023	3,078,241	156,218
Charges for services	1,118,321	1,118,321	1,261,081	142,760
Investment earnings	25,000	25,000	42,121	17,121
Interest on advances to other governmental funds	22,500	22,500	19,748	(2,752)
Other	97,905	97,905	123,503	25,598
<b>Total revenues</b>	<u>24,880,894</u>	<u>24,880,894</u>	<u>25,455,783</u>	<u>574,889</u>
<b>Expenditures:</b>				
General government	4,006,680	4,007,711	3,542,572	465,139
Public safety	14,051,089	14,161,089	13,907,786	253,303
Public works	3,576,170	3,576,170	3,247,683	328,487
Culture and recreation	895,175	895,175	831,752	63,423
Conservation and development	1,142,458	1,141,427	956,480	184,947
<b>Total expenditures</b>	<u>23,671,572</u>	<u>23,781,572</u>	<u>22,486,273</u>	<u>1,295,299</u>
<b>Excess of revenues over expenditures</b>	<u>1,209,322</u>	<u>1,099,322</u>	<u>2,969,510</u>	<u>1,870,188</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sales of capital assets	---	---	6,848,292	6,848,292
Transfers in	---	---	3,560	3,560
Transfers out	(698,100)	(698,100)	(9,821,362)	(9,123,262)
<b>Net other financing uses</b>	<u>(698,100)</u>	<u>(698,100)</u>	<u>(2,969,510)</u>	<u>(2,271,410)</u>
<b>Net change in fund balance</b>	<u>511,222</u>	<u>401,222</u>	<u>---</u>	<u>(401,222)</u>
<b>Fund Balance:</b>				
Beginning of year	9,640,584	9,640,584	9,640,584	---
<b>End of year</b>	<u>\$ 10,151,806</u>	<u>\$ 10,041,806</u>	<u>\$ 9,640,584</u>	<u>\$ (401,222)</u>

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

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

**Statement of Net Position - Proprietary Funds**  
December 31, 2015

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Storm Water Utility</b>		
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and equivalents	\$ 5,395,636	\$ 4,147,639	\$ 1,074,351	\$ 10,617,626	\$ 727,666
Cash and equivalents - restricted (current)	---	120,400	---	120,400	---
Receivables:					
Taxes	---	---	931,250	931,250	---
Special charges on the tax roll	159,940	336,222	---	496,162	---
Utility customers	1,028,714	1,675,858	---	2,704,572	---
Other	18,364	29,855	1,958	50,177	47,340
Due from other funds	107,796	---	---	107,796	11,882
Prepaid items	1,930	---	---	1,930	---
Inventory	97,593	14,223	5,711	117,527	---
<b>Total current assets</b>	<b>6,809,973</b>	<b>6,324,197</b>	<b>2,013,270</b>	<b>15,147,440</b>	<b>786,888</b>
<b>Noncurrent Assets:</b>					
Restricted:					
Cash and equivalents - restricted (noncurrent)	2,180,529	4,872,133	---	7,052,662	---
Net pension asset	128,755	62,593	25,257	216,605	---
Prepaid capacity charge	---	3,621,436	---	3,621,436	---
Land and construction in progress	1,022,977	227,261	1,237,090	2,487,328	---
Other capital assets, net of accumulated depreciation	58,168,903	47,550,235	26,122,788	131,841,926	---
<b>Total noncurrent assets</b>	<b>61,501,164</b>	<b>56,333,658</b>	<b>27,385,135</b>	<b>145,219,957</b>	<b>---</b>
<b>Total assets</b>	<b>68,311,137</b>	<b>62,657,855</b>	<b>29,398,405</b>	<b>160,367,397</b>	<b>786,888</b>
<b>Deferred Outflows of Resources:</b>					
Unamortized loss on debt refunding	64,044	---	---	64,044	---
Deferred outflows related to pensions	150,629	73,227	29,547	253,403	---
<b>Total deferred outflows of resources</b>	<b>214,673</b>	<b>73,227</b>	<b>29,547</b>	<b>317,447</b>	<b>---</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	493,794	710,838	139,930	1,344,562	---
Deposits	---	---	50,000	50,000	---
Incurred but not reported insurance claims	---	---	---	---	187,602
Compensated absences - vacation due within one year	86,570	47,540	13,549	147,659	---
Compensated absences - sick due within one year	27,100	14,520	2,114	43,734	---
Unearned revenue	123,793	14,000	---	137,793	---
Current portion of general obligation notes	610,000	71,090	477,494	1,158,584	---
Current portion of revenue bonds	---	57,120	---	57,120	---
Accrued interest	31,171	789	10,782	42,742	---
Current portion of advance	---	87,691	---	87,691	---
Due to other funds	---	330,132	222,836	552,968	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	---	114,241	---	114,241	---
Accrued interest	---	6,159	---	6,159	---
<b>Total current liabilities</b>	<b>1,372,428</b>	<b>1,454,120</b>	<b>916,705</b>	<b>3,743,253</b>	<b>187,602</b>
<b>Long-Term Liabilities:</b>					
Compensated absences - sick pay	251,805	129,554	38,111	419,470	---
OPEB obligation	231,802	28,160	16,458	276,420	---
Advances from other funds	---	180,678	1,000,000	1,180,678	---
General obligation notes	5,855,976	202,180	3,067,849	9,126,005	---
Revenue bonds	---	1,251,047	---	1,251,047	---
<b>Total long-term liabilities</b>	<b>6,339,583</b>	<b>1,791,619</b>	<b>4,122,418</b>	<b>12,253,620</b>	<b>---</b>
<b>Total liabilities</b>	<b>7,712,011</b>	<b>3,245,739</b>	<b>5,039,123</b>	<b>15,996,873</b>	<b>187,602</b>
<b>Deferred Inflows of Resources:</b>					
Deferred revenue - subsequent year's taxes	---	---	931,250	931,250	---
<b>Net Position:</b>					
Net investment in capital assets	52,725,904	47,447,105	23,814,535	123,987,544	---
Restricted for:					
Operations and maintenance	---	839,910	---	839,910	---
Depreciation	---	119,668	---	119,668	---
Capital projects	2,180,529	3,912,555	---	6,093,084	---
WRS pension	279,384	135,820	54,804	470,008	---
Unrestricted	5,627,982	7,030,285	(411,760)	12,246,507	599,286
<b>Total net position</b>	<b>\$ 60,813,799</b>	<b>\$ 59,485,343</b>	<b>\$ 23,457,579</b>	<b>\$ 143,756,721</b>	<b>\$ 599,286</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, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Storm Water Utility</b>		
<b>Operating Revenues:</b>					
Charges for services	\$ 6,838,038	\$ 8,309,028	\$ 40,213	\$ 15,187,279	\$ ---
General property taxes	---	---	931,250	931,250	---
<b>Total operating revenues</b>	<u>6,838,038</u>	<u>8,309,028</u>	<u>971,463</u>	<u>16,118,529</u>	<u>---</u>
<b>Operating Expenses:</b>					
Operation and maintenance	2,448,069	7,951,036	359,633	10,758,738	27,957
Administrative expense	1,061,901	915,150	297,416	2,274,467	---
Depreciation expense	1,605,199	1,332,508	612,450	3,550,157	---
Taxes paid to Village	1,290,385	---	---	1,290,385	---
Social Security tax	68,543	34,156	13,461	116,160	---
Regulatory commission remainder assessments	5,620	---	---	5,620	---
<b>Total operating expenses</b>	<u>6,479,717</u>	<u>10,232,850</u>	<u>1,282,960</u>	<u>17,995,527</u>	<u>27,957</u>
<b>Operating income (loss)</b>	<u>358,321</u>	<u>(1,923,822)</u>	<u>(311,497)</u>	<u>(1,876,998)</u>	<u>(27,957)</u>
<b>Nonoperating Revenues (Expenses):</b>					
General property taxes	---	300,000	---	300,000	---
Investment earnings	8,930	8,926	982	18,838	30,204
Sale of materials	8,686	1,083	---	9,769	---
Miscellaneous revenues	---	25,778	1,000	26,778	---
Loss on retirement of property and plant	5,043	3,841	(145)	8,739	---
Donated rent	---	(18,000)	---	(18,000)	---
Fiscal charges on debt	(2,082)	(100)	(815)	(2,997)	---
Amortization of premiums, discounts and losses on refundings	(57,883)	---	5,756	(52,127)	---
Amortization of debt issuance costs	(21,386)	---	---	(21,386)	---
Impact fees	769,740	665,805	---	1,435,545	---
Interest on long-term debt	(164,062)	(48,995)	(109,852)	(322,909)	---
Interest on advances from governmental funds	---	(7,087)	---	(7,087)	---
<b>Net nonoperating revenues (expenses)</b>	<u>546,986</u>	<u>931,251</u>	<u>(103,074)</u>	<u>1,375,163</u>	<u>30,204</u>
<b>Net income (loss) before capital contributions</b>	<u>905,307</u>	<u>(992,571)</u>	<u>(414,571)</u>	<u>(501,835)</u>	<u>2,247</u>
<b>Capital Contributions:</b>					
Capital contributions	563,713	494,525	572,176	1,630,414	---
<b>Total capital contributions</b>	<u>563,713</u>	<u>494,525</u>	<u>572,176</u>	<u>1,630,414</u>	<u>---</u>
<b>Increase (decrease) in net position</b>	<u>1,469,020</u>	<u>(498,046)</u>	<u>157,605</u>	<u>1,128,579</u>	<u>2,247</u>
<b>Net Position:</b>					
<b>Balance, beginning of year</b>	59,064,747	59,847,254	23,245,042	142,157,043	597,039
Adjustment due to change in accounting principle	280,032	136,135	54,932	471,099	---
<b>Balance, beginning of year as adjusted</b>	<u>59,344,779</u>	<u>59,983,389</u>	<u>23,299,974</u>	<u>142,628,142</u>	<u>597,039</u>
<b>Balance, end of year</b>	<u>\$ 60,813,799</u>	<u>\$ 59,485,343</u>	<u>\$ 23,457,579</u>	<u>\$ 143,756,721</u>	<u>\$ 599,286</u>

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

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>		
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers	\$ 5,196,390	\$ 8,345,344	\$ 39,910	\$ 13,581,644	\$ ---
Payments to suppliers	(2,040,098)	(7,913,985)	52,514	(9,901,569)	29,871
Payments to and on behalf of employees	(1,211,871)	(770,588)	(598,669)	(2,581,128)	---
Internal activity - receipts from other funds	1,756,562	122,768	81,942	1,961,272	---
Internal activity - payments to other funds	(1,606,540)	(165,958)	---	(1,772,498)	10,466
Other receipts	10,166	8,861	932,250	951,277	(30,348)
Other payments	(893)	---	---	(893)	19,125
<b>Net cash provided (used) by operating activities</b>	<u>2,103,716</u>	<u>(373,558)</u>	<u>507,947</u>	<u>2,238,105</u>	<u>29,114</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Advances from Municipality	---	---	1,000,000	1,000,000	---
<b>Net cash provided by noncapital financing activities</b>	<u>---</u>	<u>---</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>---</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from sale of property and plant	5,043	3,841	---	8,884	---
Additions to property and plant	(1,124,044)	(212,109)	(774,368)	(2,110,521)	---
Fair value of debt issued	1,110,000	---	---	1,110,000	---
Debt issuance premiums	31,909	---	---	31,909	---
Debt issuance costs	(21,386)	---	---	(21,386)	---
Principal payments on debt	(645,000)	(237,737)	(442,494)	(1,325,231)	---
Interest on debt	(156,636)	(49,981)	(111,125)	(317,742)	---
Fiscal charges on debt	(2,082)	(100)	(815)	(2,997)	---
Advances from municipality	---	(85,971)	---	(85,971)	---
Interest on advances	---	(7,087)	---	(7,087)	---
General property taxes	---	300,000	---	300,000	---
Impact fees	769,740	665,805	---	1,435,545	---
Special assessments collected	101,217	194,599	---	295,816	---
<b>Net cash provided (used) by capital and related financing activities</b>	<u>68,761</u>	<u>571,260</u>	<u>(1,328,802)</u>	<u>(688,781)</u>	<u>---</u>
<b>Cash Flows From Investing Activities:</b>					
Investment earnings	8,930	8,926	982	18,838	30,204
<b>Net cash provided by investing activities</b>	<u>8,930</u>	<u>8,926</u>	<u>982</u>	<u>18,838</u>	<u>30,204</u>
<b>Net increase in cash and equivalents</b>	<u>2,181,407</u>	<u>206,628</u>	<u>180,127</u>	<u>2,568,162</u>	<u>59,318</u>
Cash and equivalents, beginning of year	<u>5,394,758</u>	<u>8,933,544</u>	<u>894,224</u>	<u>15,222,526</u>	<u>668,348</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 7,576,165</u>	<u>\$ 9,140,172</u>	<u>\$ 1,074,351</u>	<u>\$ 17,790,688</u>	<u>\$ 727,666</u>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>					
Cash and cash equivalents - unrestricted	\$ 5,395,636	\$ 4,147,639	\$ 1,074,351	\$ 10,617,626	\$ 727,666
Cash and cash equivalents - restricted	2,180,529	4,992,533	---	7,173,062	---
<b>Total cash and equivalents</b>	<u>\$ 7,576,165</u>	<u>\$ 9,140,172</u>	<u>\$ 1,074,351</u>	<u>\$ 17,790,688</u>	<u>\$ 727,666</u>

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2015**  
**(Continued)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>	<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Storm</b>	<b>Enterprise</b>	<b>Internal</b>
	<b>Utility</b>	<b>Utility</b>	<b>Water</b>	<b>Funds</b>	<b>Service</b>
			<b>Utility</b>		<b>Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>					
<b>(Used) by Operating Activities:</b>					
Operating income (loss)	\$ 358,321	\$ (1,923,822)	\$ (311,497)	\$ (1,876,998)	\$ (27,957)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,605,199	1,332,508	612,450	3,550,157	---
Depreciation charged to other accounts	115,088	---	---	115,088	---
Amortization of prepaid capacity	---	252,152	---	252,152	---
Proceeds from sales of materials	8,686	1,083	---	9,769	---
Miscellaneous revenues	---	7,778	998	8,776	---
Abandonment of CIP	---	54,691	---	54,691	---
Changes in assets and liabilities related to operations:					
Receivables	23,244	39,276	(301)	62,219	(1,655)
Inventory	(16,214)	2,456	4,296	(9,462)	---
Prepaid items	(44)	---	---	(44)	78,608
Due to other funds	(316,155)	122,768	81,942	(111,445)	10,466
Accounts payable and accrued liabilities	235,752	(325,849)	113,807	23,710	---
WRS pension accrual	648	315	128	1,091	---
Compensated absences	61,732	65,950	4,952	132,634	---
OPEB obligation	23,101	4,136	1,172	28,409	---
Incurred but not reported claims	---	---	---	---	(30,348)
Unearned revenue	4,358	(7,000)	---	(2,642)	---
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,103,716</b>	<b>\$ (373,558)</b>	<b>\$ 507,947</b>	<b>\$ 2,238,105</b>	<b>\$ 29,114</b>
<b>Noncash Capital Activities:</b>					
Utility plant contributions	\$ 563,713	\$ 494,525	\$ 572,176	\$ 1,630,414	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	57,883	---	(5,756)	52,127	---
Gain on sale of utility plant	5,043	3,841	---	8,884	---
Loss on sale of utility plant	---	---	145	145	---

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, 2015**

	<b>Fiduciary Funds</b>
<b>Assets:</b>	
Cash and equivalents	\$ 22,261,041
Taxes receivable	37,439,711
Notes receivable	<u>263,885</u>
<b>Total assets</b>	<b>\$ <u>59,964,637</u></b>
 <b>Liabilities:</b>	
Accounts payable	\$ 218
Due to other taxing units	59,700,752
Due to Community Development Authority	<u>263,667</u>
<b>Total liabilities</b>	<b>\$ <u>59,964,637</u></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, 2015

### **1. Summary of Significant Accounting Policies**

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

#### **A. Financial Reporting Entity**

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

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

Water Utility  
Sewer Utility  
Storm Water Utility

#### **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.

# **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

## **Notes to Financial Statements**

December 31, 2015

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

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

##### ***Fund Financial Statements***

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

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

The Village reports the following funds:

##### ***Major Governmental Funds***

- General Fund – The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally or administratively required to be accounted for in another fund.
- Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs (other than debt accounted for in the Proprietary Funds).
- Tax Incremental Financing District #8 – Tax Incremental Financing District #8 is a capital projects fund and accounts for construction and financing within the District.

##### ***Major Proprietary Funds***

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

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2015

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

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

##### ***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 #9
Municipal Facilities and Equipment Fund	Tax Incremental Financing District #10
Tax Incremental Financing District #4	Tax Incremental Financing District #11
Tax Incremental Financing District #5	Tax Incremental Financing District #12
Tax Incremental Financing District #6	Special Assessments
Tax Incremental Financing District #7	

##### ***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

# **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

## **Notes to Financial Statements**

December 31, 2015

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

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

##### ***Measurement Focus***

In the government-wide statement of net position and the statement of activities, both governmental and business-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.

##### ***Basis of Accounting***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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

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

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

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

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

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

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

Operating revenues and expenses for proprietary funds are those that result from providing services and production and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Generally, property tax revenues of proprietary funds are considered nonoperating revenues; however, the Village's Storm Water Utility Fund does not charge user fees. The Village has determined that the portion of Storm Water Utility tax revenue budgeted to cover the cost of operations should be reported as operating revenue, while the portion of Storm Water Utility tax revenue budgeted to cover capital related costs should be reported as nonoperating revenue. The Village's proprietary funds include both enterprise funds and an internal service fund, as further described below.

***Enterprise Funds***

Enterprise Funds are used to account for 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.

***Internal Service Funds***

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost-reimbursement basis. The Internal Service Fund consists of the Risk Management Fund which accounts for and finances the Village's uninsured risks of loss.

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2015

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

#### D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

##### *Cash and Investments*

For the purpose of the statement of net position and for the purpose of the statement of cash flows – Proprietary Funds “cash and cash equivalents”: include 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.

##### **Property Tax Calendar – 2015 Tax Roll:**

Levy date	December 2015
Lien date	September 1, 2016
Tax bills mailed	December 2015
Payment in full, or	February 2, 2016
First installment due	February 2, 2016
Second installment due	July 31, 2016
Personal property taxes due in full	February 2, 2016
Tax Settlement with other governmental units:	
First settlement	February 2, 2016
Second settlement	February 20, 2016
Final settlement	August 20, 2016
Tax sale by County - 2015 delinquent real estate taxes	October 2019

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

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

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

***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, 2015

**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, 2015

#### **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 expended when incurred.

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

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2015 was \$35,933,335.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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 U.S. GAAP, an organization should be reported as a component unit of the primary government if the primary government is financially accountable for the organization. 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.

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, 2015.

## VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

### Notes to Financial Statements

December 31, 2015

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

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

###### *Equity Classifications (continued)*

###### *Fund Statements*

Governmental fund equity is classified as fund balance. GASB establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made 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 Board or the Finance Director.

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2015

#### **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 U.S. GAAP, in addition to assets, the statement of net position, and the proprietary funds statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category. Unamortized loss on refunding are 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. The Village also reports deferred outflows of resources related to the Village's pension plan. Deferred outflows related to pensions are reported in the statement of net position and the proprietary funds statements of net position.

###### **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 U.S. GAAP, in addition to liabilities, the statement of net position, balance sheet governmental funds, and the statement of net position proprietary funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village has one item that qualifies at the government-wide level and three items that qualify at the fund level 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.

###### **Pensions**

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

###### **Adoption of New Accounting Guidance**

During the year ended December 31, 2015 the Village implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. See footnotes 4.A and 4.L for additional information.

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2015

## **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, 2015

**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, 2015, the Village was obligated for a total of \$95,800,669 in general obligation debt, or 41.81% of the total debt limit.

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

As of December 31, 2015, the Village held the following cash and investments:

	<b><u>Custodial Balance</u></b>	<b><u>Carrying Amount</u></b>	<b>Risks</b>
<b>Primary Government:</b>			
<b>Cash and Equivalents:</b>			
Demand deposits	\$ 21,658,694	\$ 21,020,145	Custodial
State of Wisconsin Local Government Investment Pool	67,086,639	67,086,639	Custodial
Petty cash	---	1,670	
<b>Total cash and equivalents</b>	<u>88,745,333</u>	<u>88,108,454</u>	
Investments – certificates of deposit	<u>533,380</u>	<u>533,380</u>	Interest rate
<b>Total cash and investments</b>	<u>\$ 89,278,713</u>	<u>\$ 88,641,834</u>	
<b>Reconciliation to Financial Statements:</b>			
<b>Cash and equivalents:</b>			
Per statement of net position:			
Cash and equivalents		\$ 58,674,351	
Restricted assets – cash and equivalents		7,173,062	
Per statement of net position – Fiduciary fund		<u>22,261,041</u>	
<b>Total cash and equivalents</b>		<u>88,108,454</u>	
Investments per statement of net position		<u>533,380</u>	
<b>Total cash and investments</b>		<u>\$ 88,641,834</u>	

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

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

Demand deposits held by the Village at December 31, 2015 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, 2015, the Village's demand deposits were exposed to custodial credit risk in that \$21,083,460 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, 2015

**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 \$283,380 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, 2015, 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, 2015, the Village's investments were comprised of investments in the LGIP. The weighted average maturity is 80 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, 2015

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

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

***Governmental Activities***

	<u>Gross Receivable</u>	<u>Allowance Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2016</u>
Taxes	\$ 15,537,415	\$ 36,658	\$ 15,500,757	\$ ---
Special charges on tax roll	1,310,706	---	1,310,706	---
Intergovernmental aid	909,750	---	909,750	---
Accounts	1,921,486	379,286	1,542,200	546,000
Notes	430,121	---	430,121	367,721
Special assessments	1,056,881	---	1,056,881	1,000,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$377,323 and for ambulance billings of \$1,963.

***Business-type Activities***

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2016</u>
Taxes	\$ 931,250	\$ ---	\$ 931,250	\$ ---
Special charges on tax roll	496,162	---	496,162	---
Accounts	2,792,186	37,437	2,754,749	---

***Fiduciary (Agency) Funds***

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2016</u>
Taxes	\$ 37,439,711	\$ ---	\$ 37,439,711	\$ ---

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**3. Detail Notes on Transaction Classes and Accounts (continued)****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	Sewer Utility	\$ 330,132
General Fund	TID #8	76,730
General Fund	Storm Water Utility	222,836
General Fund	Other governmental funds	429,434
Risk Management Fund	Other governmental funds	11,882
Water Utility	Other governmental funds	107,796
Other governmental funds	Other governmental funds	96,821

***Advances***

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to TID #6, TID #7, TID #9, TID #9 EDMF and TID #12 for planning related expenditures, with interest charged at the average LGIP rate plus 1 percent outstanding balances.

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 2015 was .13%.

The Municipal Facilities and Equipment Fund has advanced funds to TID #9 for planning-related expenditures. Interest is being charged at the average LGIP rate plus 1 percent on outstanding balances.

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 balances.

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

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

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

Aggregated balances outstanding for these advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TID #6	\$ 1,387,166
General Fund	TID #7	231,654
General Fund	TID #9	122,779
General Fund	TIF #12	10,122
General Fund	TID #9 EDMF	3,824
Other governmental funds	Other governmental funds	613,221
Other governmental funds	Sewer Utility	268,369
Other governmental funds	Storm Utility	1,000,000

***Transfers***

Transfers between governmental funds are summarized as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Debt Service Fund	Other governmental funds	\$ 4,187,880
Debt Service Fund	General Fund	27,953
Debt Service Fund	TID #8	1,922,844
Other governmental funds	General Fund	9,793,409
Other governmental funds	Other governmental funds	766,694
TID #8	Other governmental funds	2,114,012
General Fund	Debt Service Fund	3,560

These transfers were made for the following purposes:

- Transfers to the Debt Service Fund from other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to Debt Service Fund from TID #8 and other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to the other governmental funds from the General Fund were made in the amounts of \$9,301,432 to provide funding for capital projects and \$500,032 to subsidize solid waste collection expenditures.
- Transfers between other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.
- Transfers from the Debt Service Fund to the General Fund consisted of a \$3,560 transfer of excess property tax revenue originally allocated to the General Fund.
- Transfers to the TID #8 from other governmental funds were made to provide funding for capital projects.

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

**Notes to Financial Statements**  
December 31, 2015

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

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

***Transfers (continued)***

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.

**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	\$ 1,729,614	\$ ---	\$ 1,729,614
Impact fee reserve	2,182,941	2,180,529	4,363,470
Special redemption reserve	120,400	---	120,400
Operation and maintenance reserve	839,910	---	839,910
Depreciation reserve	119,668	---	119,668
<b>Total</b>	<b>\$ 4,992,533</b>	<b>\$ 2,180,529</b>	<b>\$ 7,173,062</b>

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2015

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

#### E. Capital Assets

Capital asset activity for the year ended December 31, 2015 is summarized as follows:

#### Governmental Activities

	Balance January 1, 2015	Additions	Transfers	Disposals	Balance December 31, 2015
<b>Nondepreciable capital</b>					
Land	\$ 94,299,666	\$ 1,814,699	\$ ---	\$ (2,159,265)	\$ 93,955,100
Construction in progress	5,044,697	7,074,853	(4,518,448)	(61,887)	7,539,215
<b>Total nondepreciable capital assets</b>	99,344,363	8,889,552	(4,518,448)	(2,221,152)	101,494,315
<b>Depreciable capital assets:</b>					
Land improvements	4,489,846	106,742	422,165	---	5,018,753
Buildings and improvements	40,317,814	2,369,083	3,811,722	(6,837,674)	39,660,945
Equipment and furnishings	17,931,400	958,348	---	(732,441)	18,166,307
Infrastructure	46,274,895	579,562	284,561	(121,364)	47,017,654
<b>Total depreciable capital assets</b>	109,013,955	4,013,735	4,518,448	(7,682,479)	109,863,659
<b>Less accumulated depreciation:</b>					
Land improvements	2,179,783	241,769	---	---	2,421,552
Buildings and improvements	12,816,845	1,115,949	---	(683,767)	13,249,027
Equipment and furnishings	14,542,930	729,239	---	(723,441)	14,548,728
Infrastructure	18,577,497	1,717,800	---	(121,364)	20,173,933
<b>Total accumulated depreciation</b>	48,117,055	3,804,757	---	(1,528,572)	50,393,240
<b>Net depreciable capital assets</b>	60,896,900	208,978	4,518,448	(6,153,907)	59,470,419
<b>Net total capital assets</b>	\$ 160,241,263	\$ 9,098,530	\$ ---	\$ (8,375,059)	\$ 160,964,734

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

General government	\$ 585,232
Public safety	687,522
Public works	2,054,614
Culture and recreation	450,944
Conservation and	26,445
<b>Total depreciation</b>	<b>\$ 3,804,757</b>

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

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

**E. Capital Assets (continued)**

***Business-type Activities***

	<b>Balance January 1, 2015</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Balance December 31, 2015</b>
<b>Nondepreciable capital assets:</b>					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	1,219,424	1,473,899	(754,300)	(60,248)	1,878,775
<b>Total nondepreciable capital assets</b>	1,827,977	1,473,899	(754,300)	(60,248)	2,487,328
<b>Depreciable capital assets:</b>					
Land improvements	1,913,209	---	---	---	1,913,209
Buildings and improvements	9,348,494	---	---	---	9,348,494
Equipment and furnishings	9,271,906	477,140	---	(395,848)	9,353,198
Infrastructure	173,448,122	1,743,168	754,300	(24,590)	175,921,000
<b>Total depreciable capital assets</b>	193,981,731	2,220,308	754,300	(420,438)	196,535,901
<b>Less accumulated</b>					
Land improvements	450,198	38,181	---	---	488,379
Buildings and improvements	4,472,379	373,438	---	---	4,845,819
Equipment and furnishings	5,872,427	411,890	---	(395,848)	5,888,469
Infrastructure	50,659,575	2,836,178	---	(24,445)	53,471,308
<b>Total accumulated depreciation</b>	61,454,579	3,659,687	---	(420,293)	64,693,975
<b>Net depreciable capital assets</b>	132,527,152	1,439,379	754,300	(145)	131,841,928
<b>Net total capital assets</b>	\$ 134,355,129	\$ 34,520	\$ ---	\$ (63,393)	\$ 134,329,256
<b>Depreciation was charged to proprietary functions as follows:</b>					
Sewer Utility					\$ 1,332,508
Water Utility					1,714,730
Storm Water Utility					612,450
<b>Total depreciation</b>					\$ 3,659,688

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, 2015

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

**F. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2015 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	\$ 76,711,274	\$ 25,405,000	\$ (16,459,369)	\$ 85,656,905	\$ 20,939,369
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>3,001,095</u>	<u>465,993</u>	<u>(420,241)</u>	<u>3,046,847</u>	<u>479,325</u>
<b>Total governmental   long-term obligations</b>	<u>\$ 79,712,369</u>	<u>\$ 25,870,993</u>	<u>\$ (16,879,610)</u>	<u>\$ 88,703,752</u>	<u>\$ 21,418,694</u>
<b>Business-type Activities:</b>					
<b>Long-term debt:</b>					
Revenue bonds	\$ 1,589,055	\$ ---	\$ (166,647)	\$ 1,422,408	\$ 171,361
General obligation debt	<u>10,192,348</u>	<u>1,110,000</u>	<u>(1,158,584)</u>	<u>10,143,764</u>	<u>1,158,584</u>
<b>Total long-term debt</b>	<u>11,781,403</u>	<u>1,110,000</u>	<u>(1,325,231)</u>	<u>11,566,172</u>	<u>1,329,945</u>
<b>Other liabilities:</b>					
Accumulated unpaid sick pay	<u>370,570</u>	<u>153,307</u>	<u>(60,673)</u>	<u>463,204</u>	<u>43,734</u>
<b>Total business-type   long-term obligations</b>	<u>\$ 12,151,973</u>	<u>\$ 1,263,307</u>	<u>\$ (1,385,904)</u>	<u>\$ 12,029,376</u>	<u>\$ 1,373,679</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	\$ 3,001,095	\$ 370,570	\$ 3,371,665
Sick leave benefit earned – current year	465,993	153,307	619,300
Sick leave used – current year	(366,931)	(60,673)	(427,604)
Sick leave paid upon retirement	<u>(53,310)</u>	<u>---</u>	<u>(53,310)</u>
Balance, end of year	<u>\$ 3,046,847</u>	<u>\$ 463,204</u>	<u>\$ 3,510,051</u>

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/15</u>
06/17/13	06/01/23	2.28%	\$ 1,930,000	\$ 1,580,000
09/01/06	06/01/16	4.21%	2,660,000	500,000
06/01/07	06/01/17	4.32%	1,750,000	675,000
07/01/08	12/01/18	4.10%	3,800,000	1,700,000
06/01/09	05/01/19	3.38%	3,320,000	1,775,000
06/01/10	06/01/20	3.16%	3,955,000	2,600,000
10/05/10	12/01/19	3.06%	11,800,000	6,325,000
06/20/11	06/01/21	2.80%	6,830,000	5,050,000
10/18/11	10/01/19	2.03%	1,800,000	425,000
07/02/12	06/01/22	2.80%	4,610,000	3,850,000
07/02/12	03/01/21	3.42%	6,400,000	4,475,000
07/02/12	03/01/22	3.34%	7,950,000	6,200,000
09/28/12	09/01/19	2.43%	1,850,000	1,750,000
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	2,160,000
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
04/01/14	04/01/18	1.95%	3,825,000	2,950,000
06/16/14	06/01/24	2.91%	4,920,000	4,670,000
10/30/14	05/01/30	4.00%	8,450,000	8,450,000
11/17/14	02/15/22	0.00%	223,622	195,669
03/30/15	03/01/25	2.95%	7,850,000	7,850,000
03/30/15	03/01/25	3.11%	4,300,000	4,300,000
03/30/15	03/01/17	2.25%	1,280,000	1,280,000
05/04/15	05/01/25	2.86%	3,110,000	3,110,000
08/17/15	08/01/19	2.50%	9,975,000	9,975,000
<b>Total general obligation debt</b>				<b>\$ 95,800,669</b>
Governmental activity debt				\$ 85,656,905
Business-type activity debt				10,143,764
<b>Total general obligation debt</b>				<b>\$ 95,800,669</b>



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

**Notes to Financial Statements**  
December 31, 2015

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

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

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

During the year ended December 31, 2015, the Village paid off one general obligation bond through a current refunding. The refinanced principal of the refundings issued totaled \$9,975,000. As a result of the current refunding the Village increased its future debt service requirements by \$635,667, resulting in an economic loss of \$555,722.

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, 2015, the Village has used 41.81% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2015:

Equalized Value January 1, 2015	\$ <u>4,583,053,600</u>
Debt limit (5% of equalized value)	\$ <u><u>229,152,680</u></u>
<b>General Obligation Debt by Funding Source:</b>	
Tax levy	\$ 12,814,961
Tipping fees	12,475,000
Special assessments	524,536
TID increments	58,420,000
Utility user fees	11,566,172
<b>Total General Obligation debt</b>	\$ <u><u>95,800,669</u></u>
Ratio of applicable general obligation debt to debt limit	<u><u>41.81 %</u></u>

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

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

**Notes to Financial Statements**  
December 31, 2015

**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 12/31/15</u>
<b>Business-type Activities:</b>						
Clean Water Fund Loans:						
Sewer Utility	02/19/01	05/01/20	2.97%	\$	217,231	\$ 69,513
	12/17/01	05/01/16	3.21%		791,035	65,165
	08/22/07	05/01/27	2.55%		1,887,778	<u>1,287,730</u>
<b>Total business-type</b>						<b>\$ <u>1,422,408</u></b>

***Subsequent Debt Issuances***

In May 2015, the Village Board approved the issuance and sale of \$3,190,000 general obligation promissory notes. The debt was issued on May 2, 2016. The proceeds from the issuance will be used to fund 2016 capital. The loan has a maturity life of 10.5 years, with an average interest rate of 2.00%.

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

**Notes to Financial Statements**  
December 31, 2015

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

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

***Debt Maturities***

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

**Governmental Activities:**

Year	General Obligation Debt		Anticipation Notes		Total
	Principal	Interest	Principal	Interest	
2016	\$ 20,939,369	\$ 2,485,688	\$ ---	\$ ---	\$ 23,425,057
2017	8,440,863	1,909,972	---	---	10,350,835
2018	7,650,863	1,694,674	---	---	9,345,537
2019	17,056,953	1,483,415	---	---	18,540,368
2020	4,272,953	999,302	---	---	5,272,255
2021-2025	22,645,904	3,031,582	---	---	25,677,486
2026-2030	4,650,000	486,157	---	---	5,136,157
<b>Totals</b>	<b>\$ 85,656,905</b>	<b>\$ 12,090,790</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 97,747,695</b>

**Business-type Activities:**

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2016	\$ 1,158,584	\$ 283,017	\$ 171,361	\$ 34,527	\$ 1,647,489
2017	1,182,090	239,403	108,957	30,687	1,561,137
2018	1,217,090	209,885	111,790	27,818	1,566,583
2019	1,231,000	177,461	114,696	24,874	1,548,031
2020	1,020,000	146,095	117,678	21,853	1,305,626
2021-2025	4,335,000	309,553	555,440	66,960	5,266,953
2026-2030	---	---	242,486	6,215	248,701
<b>Totals</b>	<b>\$ 10,143,764</b>	<b>\$ 1,365,414</b>	<b>\$ 1,422,408</b>	<b>\$ 212,934</b>	<b>\$ 13,144,520</b>

**Total Primary Government:**

Year	General Obligation Debt		Anticipation Notes and Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2016	\$ 22,097,953	\$ 2,768,705	\$ 171,361	\$ 34,527	\$ 25,072,546
2017	9,622,953	2,149,375	108,957	30,687	11,911,972
2018	8,867,953	1,904,559	111,790	27,818	10,912,120
2019	18,287,953	1,660,876	114,696	24,874	20,088,399
2020	5,292,953	1,145,397	117,678	21,853	6,577,881
2021-2025	26,980,904	3,341,135	555,440	66,960	30,944,439
2026-2030	4,650,000	486,157	242,486	6,215	5,384,858
<b>Totals</b>	<b>\$ 95,800,669</b>	<b>\$ 13,456,204</b>	<b>\$ 1,422,408</b>	<b>\$ 212,934</b>	<b>\$ 110,892,215</b>

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

**Notes to Financial Statements**  
December 31, 2015

**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, 2015 is summarized as follows:

	<b>Balance January 1, 2015</b>	<b>Additions</b>	<b>Amortization Expense (Benefit)</b>	<b>Balance December 31, 2015</b>
Governmental Activities	\$ 1,647,876	\$ 599,002	\$ (398,835)	\$ 1,848,043
<b>Business-type Activities:</b>				
Storm Water Utility	\$ (45,605)	\$ ---	\$ 5,756	\$ (39,849)
Water Utility	52,860	(31,908)	(57,884)	(36,932)
<b>Total business-type activities</b>	<b>\$ 7,255</b>	<b>\$ (31,908)</b>	<b>\$ (52,128)</b>	<b>\$ (76,781)</b>

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

**Notes to Financial Statements**  
December 31, 2015

**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	\$ 101,494,315	
Other capital assets net of accumulated depreciation	59,470,419	
Less related long-term debt	<u>(64,191,839)</u>	
<b>Total net investment in capital assets</b>		\$ 96,772,895

**Restricted for:**

Capital Projects:

Park development and land acquisition	1,808,616	
Library facilities	180,678	
Tax Incremental District projects	<u>3,692,544</u>	

**Total restricted for capital projects** 5,681,838

Debt service 116,906

Library operations and maintenance 1,362,332

WRS Pension 5,487,014

Other:

Community development	1,113,104	
Public safety programs	231,675	
Library compensated absences	202,555	
Parks operations	<u>6,067</u>	

**Total restricted for other** 1,553,401

Unrestricted	<u>(1,058,717)</u>
<b>Total governmental net position</b>	<b>\$ <u>109,915,669</u></b>

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

**Notes to Financial Statements**  
December 31, 2015

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

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

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

***Business-type Activities***

Business-type net position consists of the following:

**Net Investment in Capital Assets:**

Land and construction in progress	\$ 2,487,328	
Other capital assets net of accumulated depreciation	131,841,926	
Less related long-term debt	<u>(10,341,710)</u>	
<b>Total net investment in capital assets</b>		\$ 123,987,544

**Restricted for:**

Capital Projects:

Interceptor sewer improvements	1,729,614	
Other sewer infrastructure improvements	2,182,940	
Other water infrastructure improvements	<u>2,180,529</u>	
<b>Total restricted for capital projects</b>		6,093,083

WRS Pension

470,008

Other:

Operation and maintenance – sewer	839,909	
Depreciation fund – sewer	<u>119,670</u>	
<b>Total restricted for other</b>		959,579

Unrestricted

12,246,507

<b>Total business-type net position</b>	<b>\$ <u><u>143,756,721</u></u></b>
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**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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	\$	73,366	
Advances to other funds		1,755,545	
Delinquent personal property taxes receivable		10,488	
Inventory of supplies		355,760	
Land held for sale		57,717	
		<u>57,717</u>	

<b>Total nonspendable</b>			\$	2,252,876
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Unassigned				<u>7,387,708</u>
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<b>Total General Fund</b>			\$	<u><u>9,640,584</u></u>
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**Debt Service:**

Restricted for debt service			\$	<u>116,906</u>
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**TID #8 Falls Parkway:**

Restricted for TID District improvement and debt service			\$	<u>1,623,773</u>
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**Non-major Funds:**

Nonspendable:

Advances to other funds	\$	<u>1,881,590</u>	\$	1,881,590
<b>Total nonspendable</b>			\$	1,881,590

Restricted:

Revolving loans for community development		786,807		
Public safety programs		231,675		
Park development and land acquisition		1,808,616		
Parks operations		6,067		
Library facilities		180,678		
Library operations and maintenance		1,362,332		
TIF District Improvements and Debt Service		<u>4,703,032</u>		
<b>Total restricted</b>				9,079,207

Committed:

Community grants		9,933		
Cable TV programs		62,583		
Capital projects		<u>8,846,295</u>		
<b>Total committed</b>				8,918,811

Assigned:

Special revenue projects		12,829		
Capital projects		<u>4,161,722</u>		
<b>Total assigned</b>				4,174,551

Unassigned				<u>(1,381,051)</u>
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<b>Total non-major funds</b>			\$	<u><u>22,673,108</u></u>
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**4. Other Notes**

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2015

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

##### **Plan Description**

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or before 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 the employee's date of hire are eligible to participate in the WRS.

##### **Vesting**

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

##### **Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable services is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

WRS also provides death and disability benefits for employees.



**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**4. Other Notes (continued)****A. Employee Pension Plan (continued)****Post-Retirement Adjustments**

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

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

**Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees 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 contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,067,234 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**4. Other Notes (continued)****A. Employee Pension Plan (continued)****Pension Liabilities, Pension Expense and Deferred Outflows of Resources**

At December 31, 2015, the Village reported an asset of \$2,745,314 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Village's proportion was 0.11176747%, which was a decrease of 0.0041% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Village recognized pension expense of \$1,303,556.

At December 31, 2015, the Village reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 397,985
Changes in assumptions	---
Net difference between projected and actual earnings on pension plan investments	1,329,414
Changes in proportion and differences between employer contributions and proportionate share of contributions	112,540
Employer contributions subsequent to the measurement date	1,371,769
<b>Total</b>	<b>\$ 3,211,708</b>

The amount of \$1,371,769 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows of Resources</b>
2016	\$ 360,667
2017	360,667
2018	360,667
2019	360,667
2020	360,667
Thereafter	36,604

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

**Notes to Financial Statements**  
December 31, 2015

**4. Other Notes (continued)**

**A. Employee Pension Plan (continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

<b>Asset Class</b>	<b>Long-Term Real Rate of Return</b>	<b>Target Allocation</b>
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

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

**Notes to Financial Statements**  
December 31, 2015

**4. Other Notes (continued)**

**A. Employee Pension Plan (continued)**

**Actuarial Assumptions (continued)**

*Single Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<b>1% Decrease to Discount Rate (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase To Discount Rate (8.20%)</b>
Village's proportionate share of the net pension liability (asset)	\$7,745,006	\$ (2,745,315)	\$ (11,030,146)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

**Payables to the Pension Plan**

Payables to the pension plan at December 31, 2015 were \$176,067. This represents contributions earned as of December 31, 2015, but for which payment was not remitted to the pension plan until subsequent to year-end.

## VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

### Notes to Financial Statements

December 31, 2015

#### 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, 2014, the date of the latest actuarial valuation:

Retirees	19
Active	161
<b>Number of participating employees</b>	<b>180</b>

###### Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 241,510
Interest on net OPEB obligation	55,111
Adjustment to annual required contribution	(54,761)
<b>Annual OPEB cost (expense)</b>	<b>241,860</b>
Contributions made	(108,054)
<b>Increase in net OPEB obligation</b>	<b>133,806</b>
Net OPEB obligation – beginning of year	1,377,797
<b>Net OPEB obligation – end of year</b>	<b>\$ 1,511,603</b>

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

**Notes to Financial Statements**  
December 31, 2015

**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 seven 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>
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
2014	241,833	129,505	54%	1,377,797
2015	241,860	108,054	45%	1,511,603

**Funding Status and Funding Progress**

As of January 1, 2014, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability ("UAAL") of \$2,535,426. The covered payroll (annual payroll of active employees covered by the plan) was \$12,290,831 and the ratio of the UAAL to covered payroll was 20.6%.

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, 2015

**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	1/1/2014
Actuarial cost method	Entry Age Normal - Level % of Salary
Amortization method	30 year level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical care trend*	7.0% reduced by decrements down to 5.0%

\* Implicit in these rates is an assumed rate of inflation of 3.00%

**C. Risk Management**

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

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

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

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

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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, 2015, this fund had net position totaling \$599,286 which is available to pay future claims. Additionally, a liability of \$187,602 for claims incurred but not yet reported has been recorded, representing the discounted present value of expected losses using an expected future investment yield assumption of 7%. The following is a summary of the changes in this liability account:

<u>Fiscal Year</u>		<u>Balance January 1,</u>		<u>Claims and Changes In Estimates</u>		<u>Claim Payments</u>		<u>Balance December 31,</u>
2015	\$	217,950	\$	(20,780)	\$	(9,568)	\$	187,602
2014		46,048		192,786		(20,884)		217,950

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, 2015. 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, 2015 is available from the CVMIC offices. As of December 31, 2015, the CVMIC had assets of \$47,328,640 and a policyholders' surplus of \$28,144,339.



# **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

## **Notes to Financial Statements**

December 31, 2015

### **4. Other Notes (continued)**

#### **D. Tax Incremental Districts**

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

#### **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 was May 6, 2014. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 56,085,164	\$ 27,449,703	\$ 56,085,164	\$ 25,597,831	\$ ---

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 20,527,977	\$ 13,555,723	\$ 20,527,977	\$ 17,913,824	\$ 5,450,000

**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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 26,760,500	\$ 1,205,625	\$ 26,760,500	\$ 12,861,950	\$ 11,992,166

**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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 11,096,724	\$ 2,144,285	\$ 11,096,724	\$ 2,315,274	\$ 231,654

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 58,945,750	\$ 10,175,834	\$ 58,945,750	\$ 34,787,062	\$ 26,235,000

**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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 23,481,963	\$ 463,617	\$ 23,481,963	\$ 868,530	\$ 412,779

**T.I.D. #10 – Appleton Avenue**

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, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 40,307,876	\$ 2,667,402	\$ 40,307,876	\$ 15,063,728	\$ 14,075,000

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

**Notes to Financial Statements**  
December 31, 2015

**4. Other Notes (continued)**

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

**T.I.D. #11 – Wacker Neuson**

On August 17, 2011, the Village created Tax Incremental District #11 ("TID #11"). TID #11 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 4,501,500	\$ 357,018	\$ 4,501,500	\$ 803,204	\$ 525,000

**T.I.D. #12 – Lilly Road**

On September 14, 2014, the Village created Tax Incremental District #12 ("TID #12"). TID #12 has a statutory life of 20 years which will expire September 15, 2034. The last date to incur project costs is September 15, 2029. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2015:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/15</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/15</u>	<u>Outstanding debt as of 12/31/15</u>
\$ 4,157,250	\$ 656	\$ 4,157,250	\$ 1,278,883	\$ 1,290,122

**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.

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2015

#### **4. Other Notes (continued)**

##### **E. Contingent Liabilities (continued)**

- 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.

##### **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#8, TID #10 and TID #11 as part of development agreements. The principal amount of the MRO's are \$3,100,000, \$5,100,000, \$4,000,000, \$2,500,000 and \$500,000, respectively, and are payable solely from tax increments collected by the TID #5, TID #7, TID#8, 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, 2015 was approximately \$17,377,322.

##### **G. Letters of Credit**

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

##### **H. Regulatory Agency - Water Utility**

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

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

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

The Village has entered a lease agreement with a local school district, wherein the Village has agreed to allow the use of Village property for the purpose of the school district's operations. Revenue from this activity totaled \$32,780 for the year ended December 31, 2015. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2016	\$ 32,780
2017	32,780
2018	32,780
2019	32,780
2020	13,658
<b>Total</b>	<b>\$ 144,778</b>

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. Payments received on these leases totaled \$47,814 for the year ended December 31, 2015. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2016	\$ 49,627
2017	51,510
2018	53,464
2019	55,494
2020	57,562
2021-2023	187,315
<b>Total</b>	<b>\$ 454,972</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 \$207,166 for the year ended December 31, 2015. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2016	\$ 121,949
2017	95,821
2018	99,298
2019	102,277
2020-2022	175,437
<b>Total</b>	<b>\$ 594,782</b>

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2015

**4. Other Notes (continued)**

**J. Deficit Fund Balances**

As of December 31, 2015, the following non-major individual funds had deficit fund balances:

<b>Fund</b>	<b>Deficit</b>
Capital Projects Funds:	
T.I.D. #6	\$ 1,051,325
T.I.D. #7	170,989
T.I.D. #9	154,913
Special Revenue Funds:	
TID #9 EDMF	3,824

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

**K. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (July 28, 2016). Other than the one debt transaction disclosed in note 3.F., there were no additional subsequent events which required disclosure.

**L. Change in Accounting Principle**

As a result of implementing GASB Statement No. 68, the Village has restated the beginning net position in the government-wide statement of net position, effectively increasing net position as of July 1, 2014 by \$5,970,841 (\$5,499,742 relating to governmental activities and \$471,099 relating to business-type activities). The increase results from recording the December 31, 2014 balance of the Village's WRS net asset and deferred outflows related to pensions.

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

**Required Supplementary Information**

**Schedule of Funding Progress of Net OPEB Obligation**  
**December 31, 2015**

<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, 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%
January 1, 2014	---	2,535,426	2,535,426	---	12,290,831	20.6%

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.

**Schedule of Employer Contributions**

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2010	\$ 567,199	\$ 301,784	53.2%
2012	\$ 543,218	\$ 445,044	81.9%
2014	\$ 241,833	\$ 129,505	53.6%

See independent auditors' report.



**Village of Menomonee Falls  
Waukesha County, Wisconsin**

**Schedule of Proportionate Share of the Net Pension Asset**

For the Year Ended December 31, 2015

Wisconsin Retirement System

Last 10 Fiscal Years

	<b><u>2015</u></b>
Village's proportion of the net pension asset	0.112%
Village's proportionate share of the net pension asset	2,745,315
Village's covered-employee payroll	12,593,512
Net pension asset as a percentage of covered payroll	21.80%
Plan fiduciary net position as a percentage of total pension asset	102.74%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

**Schedule of Employer Contributions**

For the Year Ended December 31, 2015

Wisconsin Retirement System

Last 10 Fiscal Years\*

	<b><u>2015</u></b>
Contractually required contributions	1,067,234
Contributions in relation to the contractually required contributions	1,067,234
Contribution deficiency (excess)	---
Village's covered-employee payroll	12,593,512
Contributions as a percentage of covered-employee payroll	8.47%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

See independent auditors' report

**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, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash and equivalents	\$ 18,965,224	\$ 17,645,133
Certificate of deposit	533,380	529,147
Accounts receivable:		
Taxes	6,778,019	9,379,670
Special charges on the tax roll	6,770	4,295
Intergovernmental aid	286,689	394,833
Accounts	1,114,095	937,554
Due from other funds	1,059,132	857,302
Prepaid items	73,366	187,694
Inventory	355,760	366,169
Land held for sale	57,717	57,717
Advance to other governmental funds	<u>1,755,545</u>	<u>1,747,647</u>
<b>Total assets</b>	30,985,697	32,107,161
<b>Liabilities:</b>		
Accounts payable and other accrued liabilities	1,959,134	3,689,082
Compensated absences	948,458	947,159
Deposits	209,366	118,296
Unearned revenue	<u>419,194</u>	<u>424,678</u>
<b>Total liabilities</b>	3,536,152	5,179,215
<b>Deferred Inflows of Resources:</b>		
Deferred revenue - subsequent year's taxes	<u>17,808,961</u>	<u>17,287,362</u>
<b>Fund Balances:</b>		
Nonspendable	2,252,876	2,375,001
Unassigned	<u>7,387,708</u>	<u>7,265,583</u>
<b>Total fund balances</b>	<u>\$ 9,640,584</u>	<u>\$ 9,640,584</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Revenues:</b>			
Property taxes	\$ 17,082,184	\$ 16,878,642	\$ 203,542
Other taxes	257,718	220,465	37,253
Payments in lieu of taxes - Water Utility	1,290,385	1,259,422	30,963
Licenses and permits	1,728,039	1,347,111	380,928
Fines and forfeitures	572,763	543,364	29,399
Intergovernmental	3,078,241	2,761,045	317,196
Charges for services	1,261,081	1,062,266	198,815
Investment earnings	42,121	22,408	19,713
Interest on advances to governmental funds	19,748	18,745	1,003
Interest on advances to utilities	---	4,076	(4,076)
Other	123,503	149,274	(25,771)
<b>Total revenues</b>	<u>25,455,783</u>	<u>24,266,818</u>	<u>1,188,965</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
Village board	44,992	46,970	(1,978)
Village manager	62,689	59,643	3,046
Clerk services	535,849	612,820	(76,971)
Human resources	98,712	101,546	(2,834)
Assessment of property	204,469	179,456	25,013
Building maintenance	422,471	401,897	20,574
Insurance and benefits	71,391	69,689	1,702
Judicial	196,630	205,966	(9,336)
Legal services	360,349	340,650	19,699
Financial services	373,201	311,309	61,892
Communications and information services	1,022,213	1,020,643	1,570
Capital outlay	149,606	158,179	(8,573)
<b>Total general government</b>	<u>3,542,572</u>	<u>3,508,768</u>	<u>33,804</u>
<b>Public Safety:</b>			
Police	8,064,192	7,896,418	167,774
Emergency dispatch	855,940	941,759	(85,819)
Fire	3,265,676	3,214,498	51,178
Fire protection services	1,573,861	1,647,366	(73,505)
Weed control	39,413	20,106	19,307
Emergency government	1,718	1,009	709
EMS	2,302	-	2,302
Other protection services	31,531	18,396	13,135
Capital outlay	73,153	73,153	---
<b>Total public safety</b>	<u>13,907,786</u>	<u>13,812,705</u>	<u>95,081</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**Years Ended December 31, 2015 and 2014**  
**(Continued)**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Public Works:</b>			
Street and alley repair	\$ 2,741,393	\$ 2,708,688	\$ 32,705
Equipment maintenance	426,843	536,741	(109,898)
Municipal garages	79,447	101,112	(21,665)
<b>Total public works</b>	<u>3,247,683</u>	<u>3,346,541</u>	<u>(98,858)</u>
<b>Culture and Recreation:</b>			
Historical society and museum	15,654	18,519	(2,865)
Parks operations	704,509	854,703	(150,194)
Parks projects	20,813	14,874	5,939
Community quality of life	90,776	83,865	6,911
Capital outlay	---	8,713	(8,713)
<b>Total culture and recreation</b>	<u>831,752</u>	<u>980,674</u>	<u>(148,922)</u>
<b>Conservation and Development:</b>			
Community development	52,155	40,596	11,559
Building inspection	571,916	465,956	105,960
Engineering	53,021	(31,013)	84,034
Planning	279,388	290,052	(10,664)
<b>Total conservation and development</b>	<u>956,480</u>	<u>765,591</u>	<u>190,889</u>
<b>Total general fund expenditures</b>	<u>22,486,273</u>	<u>22,414,279</u>	<u>71,994</u>
<b>Excess of revenues over expenditures</b>	2,969,510	1,852,539	1,116,971
<b>Other Financing Sources (Uses):</b>			
Proceeds from sales of capital assets	6,848,292	(105,111)	6,953,403
Proceeds from debt	---	223,622	(223,622)
Transfers in	3,560	3,636	(76)
Transfers out	(9,821,362)	(1,864,686)	(7,956,676)
<b>Net other financing uses</b>	<u>(2,969,510)</u>	<u>(1,742,539)</u>	<u>(1,226,971)</u>
<b>Net change in fund balance</b>	---	110,000	(110,000)
<b>Fund Balance:</b>			
Beginning of year	9,640,584	9,530,584	110,000
<b>End of year</b>	<u>\$ 9,640,584</u>	<u>\$ 9,640,584</u>	<u>\$ ---</u>

See independent auditors' report.

## **DEBT SERVICE FUND**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs (other than debt accounted for in the Proprietary Funds).

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service Fund**  
**Year Ended December 31, 2015**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Property taxes	\$ 2,374,220	\$ 2,374,220	\$ 2,374,220
Investment earnings	1,000	1,000	1,112
<b>Total revenues</b>	<u>2,375,220</u>	<u>2,375,220</u>	<u>2,375,332</u>
<b>Expenditures:</b>			
Principal	6,406,416	6,406,416	6,434,369
Interest and fiscal charges	2,166,460	2,166,460	2,174,762
Debt issuance costs	---	---	398,508
<b>Total expenditures</b>	<u>8,572,876</u>	<u>8,572,876</u>	<u>9,007,639</u>
<b>Deficit of revenues under expenditures</b>	<u>(6,197,656)</u>	<u>(6,197,656)</u>	<u>(6,632,307)</u>
<b>Other Financing Sources:</b>			
Transfers in	5,947,227	5,947,227	6,138,677
Transfers out	---	---	(3,560)
Refunding bonds and notes issued	10,025,000	10,025,000	9,975,000
Principal payments on refunded debt	(10,025,000)	(10,025,000)	(10,025,000)
Bond premiums	---	---	599,001
<b>Net other financing sources</b>	<u>5,947,227</u>	<u>5,947,227</u>	<u>6,684,118</u>
<b>Net change in fund balance</b>	<u>(250,429)</u>	<u>(250,429)</u>	<u>51,811</u>
<b>Fund Balance:</b>			
Beginning of year	251,454	251,454	65,095
<b>End of year</b>	<u>\$ 1,025</u>	<u>\$ 1,025</u>	<u>\$ 116,906</u>

See independent auditors' report.



**COMBINING STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

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

**Combining Balance Sheet - Non-major Governmental Funds**  
**December 31, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
<b>Assets:</b>			
Cash and equivalents	\$ 4,696,943	\$ 19,004,615	\$ 23,701,558
Accounts receivable:			
Taxes	1,704,223	4,249,702	5,953,925
Special charges on tax roll	1,240,186	63,750	1,303,936
Intergovernmental aid	---	621,376	621,376
Special assessments	---	1,056,881	1,056,881
Accounts	522	204,638	205,160
Notes	330,121	100,000	430,121
Other	---	175,605	175,605
Due from other funds	89,012	7,809	96,821
Advance to other governmental funds	---	613,221	613,221
Long-term advances to utilities	---	1,268,369	1,268,369
<b>Total assets</b>	<b>8,061,007</b>	<b>27,365,966</b>	<b>35,426,973</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	38,341	648,737	687,078
Accrued compensated absences	63,860	---	63,860
Deposits	---	100,969	100,969
Due to other funds	222,655	423,278	645,933
Long-term advances from other governmental funds	3,824	2,364,942	2,368,766
<b>Total liabilities</b>	<b>328,680</b>	<b>3,537,926</b>	<b>3,866,606</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable special assessments	---	641,550	641,550
Deferred revenue - subsequent year's taxes	2,944,510	4,971,078	7,915,588
Unavailable revenue - notes receivable	330,121	---	330,121
<b>Total deferred inflows of resources</b>	<b>3,274,631</b>	<b>5,612,628</b>	<b>8,887,259</b>
<b>Fund Balances:</b>			
Nonspendable	---	1,881,590	1,881,590
Restricted	4,376,175	4,703,032	9,079,207
Committed	72,516	8,846,295	8,918,811
Assigned	12,829	4,161,722	4,174,551
Unassigned	(3,824)	(1,377,227)	(1,381,051)
<b>Total fund balances</b>	<b>\$ 4,457,696</b>	<b>\$ 18,215,412</b>	<b>\$ 22,673,108</b>

See independent auditors' report.

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Non-major Governmental Funds**  
**Year Ended December 31, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
<b>Revenues:</b>			
Property taxes	\$ 1,734,838	\$ 4,217,904	\$ 5,952,742
Charges for services:			
Fines and forfeitures	18,021	---	18,021
Program revenues	1,384,278	---	1,384,278
Tipping fees	---	2,950,971	2,950,971
Program revenues	---	300	300
Operating grants and contributions:			
Intergovernmental	150,538	653,314	803,852
Donations	11,124	---	11,124
Capital grants and contributions:			
Intergovernmental	---	525,000	525,000
Special assessments and interest	---	208,782	208,782
Contributions from developers	---	84,470	84,470
Platting fees	4,249	---	4,249
Impact fees	1,350,902	---	1,350,902
Investment earnings	5,933	20,651	26,584
Interest earned on advances to governmental funds	---	868	868
Interest earned on advances to utilities	---	7,087	7,087
Other revenues	15,265	5,625	20,890
<b>Total governmental revenues</b>	<u>4,675,148</u>	<u>8,674,972</u>	<u>13,350,120</u>
<b>Expenditures:</b>			
Current:			
General government	---	144,969	144,969
Public safety	25,269	750	26,019
Public works	1,832,181	781,501	2,613,682
Culture and recreation	1,817,503	242,173	2,059,676
Conservation and development	25,613	2,312,910	2,338,523
Interest on advances to governmental funds	---	20,616	20,616
Bond expenses	---	11,192	11,192
Capital outlay	5,665	6,469,056	6,474,721
<b>Total expenditures</b>	<u>3,706,231</u>	<u>9,983,167</u>	<u>13,689,398</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	968,917	(1,308,195)	(339,278)
<b>Other Financing Sources (Uses):</b>			
Proceeds from sales of capital assets	---	149,057	149,057
Transfers in	500,032	10,060,071	10,560,103
Transfers out	(696,694)	(6,371,892)	(7,068,586)
Bonds and notes issued	---	3,280,000	3,280,000
<b>Total other financing sources (uses)</b>	<u>(196,662)</u>	<u>7,117,236</u>	<u>6,920,574</u>
<b>Net change in fund balances</b>	772,255	5,809,041	6,581,296
Fund balance, beginning of year	3,685,441	12,406,371	16,091,812
<b>Fund balance, end of year</b>	<u>\$ 4,457,696</u>	<u>\$ 18,215,412</u>	<u>\$ 22,673,108</u>

See independent auditors' report.

## NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than major capital projects) that are restricted or reserved to expenditures for specific purposes.

**Revolving Loan Fund** - To account for the loans issued and receivable under a program initially subsidized by the State of Wisconsin. Loans are approved by the Village Board and administered by the Southeastern Wisconsin Regional Planning Commission.

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

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF MENOMOMNEE FALLS**  
**Waukesha County, Wisconsin**  
**Combining Balance Sheet - Non-Major Special Revenue Funds**  
**December 31, 2015**

	<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	\$ 764,735	\$ 173,429	\$ 42,139	\$ 5,893	\$ 1,756,671	\$ 175,489	\$ 9,653	\$ 9,455	\$ 83,286	\$ 12,461	\$ 159,444	\$ 1,504,288	\$ ---	\$ 4,696,943
Receivables:														
Taxes	---	---	---	---	---	---	---	---	---	---	---	1,704,223	---	1,704,223
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	1,240,186	---	---	1,240,186
Accounts	---	---	---	---	---	---	---	---	---	---	522	---	---	522
Notes	275,776	---	---	---	---	---	---	---	---	---	---	---	54,345	330,121
Due from other funds	22,603	5,130	1,246	174	51,945	5,189	280	280	1,797	368	---	---	---	89,012
<b>Total assets</b>	<b>1,063,114</b>	<b>178,559</b>	<b>43,385</b>	<b>6,067</b>	<b>1,808,616</b>	<b>180,678</b>	<b>9,933</b>	<b>9,735</b>	<b>85,083</b>	<b>12,829</b>	<b>1,400,152</b>	<b>3,208,511</b>	<b>54,345</b>	<b>8,061,007</b>
<b>Liabilities:</b>														
Accounts payable and other accrued liabilities	531	---	---	---	---	---	---	4	22,500	---	---	15,306	---	38,341
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	---	63,860	---	63,860
Advances from other funds	---	---	---	---	---	---	---	---	---	---	---	---	3,824	3,824
Due to other funds	---	---	---	---	---	---	---	---	---	---	159,865	62,790	---	222,655
<b>Total liabilities</b>	<b>531</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>4</b>	<b>22,500</b>	<b>---</b>	<b>159,865</b>	<b>141,956</b>	<b>3,824</b>	<b>328,680</b>
<b>Deferred Inflows of Resources:</b>														
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	---	1,240,287	1,704,223	---	2,944,510
Unavailable revenue - notes receivable	275,776	---	---	---	---	---	---	---	---	---	---	---	54,345	330,121
<b>Total deferred inflows of resources</b>	<b>275,776</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,240,287</b>	<b>1,704,223</b>	<b>54,345</b>	<b>3,274,631</b>
<b>Fund Balances:</b>														
Restricted	786,807	178,559	43,385	6,067	1,808,616	180,678	---	9,731	---	---	---	1,362,332	---	4,376,175
Committed	---	---	---	---	---	---	9,933	---	62,583	---	---	---	---	72,516
Assigned	---	---	---	---	---	---	---	---	---	12,829	---	---	---	12,829
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	(3,824)	(3,824)
<b>Total fund balances</b>	<b>\$ 786,807</b>	<b>\$ 178,559</b>	<b>\$ 43,385</b>	<b>\$ 6,067</b>	<b>\$ 1,808,616</b>	<b>\$ 180,678</b>	<b>\$ 9,933</b>	<b>\$ 9,731</b>	<b>\$ 62,583</b>	<b>\$ 12,829</b>	<b>\$ ---</b>	<b>\$ 1,362,332</b>	<b>\$ (3,824)</b>	<b>\$ 4,457,696</b>

See independent auditors' report.

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances-  
Non-Major Special Revenue Funds  
Year Ended December 31, 2015**

	Non-major Special Revenue Funds													Total Non-major Special Revenue Funds
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Unallocated	Solid Waste Collection	Library Operations and Maintenance	TID #9 EDMF	
<b>Revenues:</b>														
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	1,734,838	\$ ---	\$ 1,734,838
Public charges for services:														
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	---	18,021	---	18,021
Program revenue	25,707	3,095	4,281	---	---	---	---	900	90,000	---	1,251,571	---	8,724	1,384,278
Operating grants and contributions:														
Intergovernmental	---	4,875	6,121	---	---	---	---	---	---	---	79,945	59,597	---	150,538
Donations	---	8,135	1,470	716	---	205	---	---	---	---	---	598	---	11,124
Capital grants and contributions:														
Platting fees	---	---	---	---	4,249	---	---	---	---	---	---	---	---	4,249
Impact fees	---	---	696,694	---	654,208	---	---	---	---	---	---	---	---	1,350,902
Investment earnings	---	105	478	---	1,727	---	---	---	---	410	633	2,580	---	5,933
Other revenues	---	---	---	---	---	---	---	---	---	---	---	15,265	---	15,265
<b>Total revenues</b>	<u>25,707</u>	<u>16,210</u>	<u>709,044</u>	<u>716</u>	<u>660,184</u>	<u>205</u>	<u>---</u>	<u>900</u>	<u>90,000</u>	<u>410</u>	<u>1,332,149</u>	<u>1,830,899</u>	<u>8,724</u>	<u>4,675,148</u>
<b>Expenditures:</b>														
Current:														
Public safety	---	8,751	15,670	---	---	---	---	848	---	---	---	---	---	25,269
Public works	---	---	---	---	---	---	---	---	---	---	1,832,181	---	---	1,832,181
Culture, recreation and education	---	---	---	---	---	---	---	---	90,000	---	---	1,727,503	---	1,817,503
Conservation and development	1,055	---	---	---	---	---	---	---	---	---	---	---	24,558	25,613
Capital outlay	---	---	---	---	---	---	---	---	---	---	---	5,665	---	5,665
<b>Total expenditures</b>	<u>1,055</u>	<u>8,751</u>	<u>15,670</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>848</u>	<u>90,000</u>	<u>---</u>	<u>1,832,181</u>	<u>1,733,168</u>	<u>24,558</u>	<u>3,706,231</u>
<b>Excess of revenues over expenditures</b>	<u>24,652</u>	<u>7,459</u>	<u>693,374</u>	<u>716</u>	<u>660,184</u>	<u>205</u>	<u>---</u>	<u>52</u>	<u>---</u>	<u>410</u>	<u>(500,032)</u>	<u>97,731</u>	<u>(15,834)</u>	<u>968,917</u>
<b>Other Financing Sources (Uses):</b>														
Transfers in	---	---	---	---	---	---	---	---	---	---	500,032	---	---	500,032
Transfers out	---	---	(696,694)	---	---	---	---	---	---	---	---	---	---	(696,694)
<b>Net change in fund balances</b>	<u>24,652</u>	<u>7,459</u>	<u>(3,320)</u>	<u>716</u>	<u>660,184</u>	<u>205</u>	<u>---</u>	<u>52</u>	<u>---</u>	<u>410</u>	<u>---</u>	<u>97,731</u>	<u>(15,834)</u>	<u>772,255</u>
Fund Balance - beginning of year	762,155	171,100	46,705	5,351	1,148,432	180,473	9,933	9,679	62,583	12,419	---	1,264,601	12,010	3,685,441
<b>Fund Balance - end of year</b>	<u>\$ 786,807</u>	<u>\$ 178,559</u>	<u>\$ 43,385</u>	<u>\$ 6,067</u>	<u>\$ 1,808,616</u>	<u>\$ 180,678</u>	<u>\$ 9,933</u>	<u>\$ 9,731</u>	<u>\$ 62,583</u>	<u>\$ 12,829</u>	<u>\$ ---</u>	<u>\$ 1,362,332</u>	<u>\$ (3,824)</u>	<u>\$ 4,457,696</u>

See independent auditors' report.

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

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

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

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

**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 #6** - To account for the financing and construction of the Main Street Corridor.

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

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

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

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

**Tax Incremental Financing District #12** - To account for the financing and construction of the planned projects within the District.

**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, 2015

Non-major Capital Projects Funds												Total Non-major Capital Projects Funds
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	T.I.D. #12	Special Assessments	
<b>Assets:</b>												
Cash and equivalents	\$ 9,497,162	\$ 4,059,025	\$ 1,851,872	\$ 1,150,006	\$ 335,841	\$ 60,665	\$ 7,866	\$ 1,678,674	\$ 78,814	\$ 7,088	\$ 277,602	\$ 19,004,615
Receivables:												
Taxes	---	---	1,778,300	1,563,109	209,027	338,221	---	254,761	86,341	19,943	---	4,249,702
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	63,750	63,750
Intergovernmental aid	---	---	324,092	154,786	4,854	637	10,088	87,149	39,770	---	---	621,376
Special assessments	---	---	---	---	---	---	---	---	---	---	1,056,881	1,056,881
Accounts	---	204,638	---	---	---	---	---	---	---	---	---	204,638
Notes receivable	---	---	---	---	100,000	---	---	---	---	---	---	100,000
Other	175,605	---	---	---	---	---	---	---	---	---	---	175,605
Due from other funds	---	---	---	---	---	---	---	---	---	4,807	3,002	7,809
Advances to other capital project funds	---	613,221	---	---	---	---	---	---	---	---	---	613,221
Advance to utilities	---	1,268,369	---	---	---	---	---	---	---	---	---	1,268,369
<b>Total assets</b>	<b>9,672,767</b>	<b>6,145,253</b>	<b>3,954,264</b>	<b>2,867,901</b>	<b>649,722</b>	<b>399,523</b>	<b>17,954</b>	<b>2,020,584</b>	<b>204,925</b>	<b>31,838</b>	<b>1,401,235</b>	<b>27,365,966</b>
<b>Liabilities:</b>												
Accounts payable and other accrued liabilities	568,897	8,790	---	32,572	---	---	---	---	---	---	38,478	648,737
Deposits	99,797	1,172	---	---	---	---	---	---	---	---	---	100,969
Due to other funds	305,764	91,979	---	25,535	---	---	---	---	---	---	---	423,278
Advances from other capital projects funds	573,221	---	---	---	---	---	40,000	---	---	---	---	613,221
Advances from municipality	---	---	---	---	1,387,166	231,654	122,779	---	---	10,122	---	1,751,721
<b>Total liabilities</b>	<b>1,547,679</b>	<b>101,941</b>	<b>---</b>	<b>58,107</b>	<b>1,387,166</b>	<b>231,654</b>	<b>162,779</b>	<b>---</b>	<b>---</b>	<b>10,122</b>	<b>38,478</b>	<b>3,537,926</b>
<b>Deferred Inflows of Resources:</b>												
Unavailable special assessments	---	---	---	---	---	---	---	---	---	---	641,550	641,550
Deferred revenue - subsequent year's taxes	---	---	2,102,392	1,717,895	313,881	338,858	10,088	341,910	126,111	19,943	---	4,971,078
<b>Total deferred inflows of resources</b>	<b>---</b>	<b>---</b>	<b>2,102,392</b>	<b>1,717,895</b>	<b>313,881</b>	<b>338,858</b>	<b>10,088</b>	<b>341,910</b>	<b>126,111</b>	<b>19,943</b>	<b>641,550</b>	<b>5,612,628</b>
<b>Fund Balances:</b>												
Nonspendable	---	1,881,590	---	---	---	---	---	---	---	---	---	1,881,590
Restricted	---	---	1,851,872	1,091,899	---	---	---	1,678,674	78,814	1,773	---	4,703,032
Committed	8,125,088	---	---	---	---	---	---	---	---	---	721,207	8,846,295
Assigned	---	4,161,722	---	---	---	---	---	---	---	---	---	4,161,722
Unassigned	---	---	---	---	(1,051,325)	(170,989)	(154,913)	---	---	---	---	(1,377,227)
<b>Total fund balances</b>	<b>\$ 8,125,088</b>	<b>\$ 6,043,312</b>	<b>\$ 1,851,872</b>	<b>\$ 1,091,899</b>	<b>\$ (1,051,325)</b>	<b>\$ (170,989)</b>	<b>\$ (154,913)</b>	<b>\$ 1,678,674</b>	<b>\$ 78,814</b>	<b>\$ 1,773</b>	<b>\$ 721,207</b>	<b>\$ 18,215,412</b>

See independent auditors' report.



VILLAGE OF MENOMONEE FALLS  
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Non-Major Capital Projects Funds  
Year Ended December 31, 2015

Non-major Capital Projects Funds

	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #9 Appleton Ave. Corridor	T.I.D. #10	T.I.D. #11	T.I.D. #12	Special Assessments	Total Non-major Capital Projects Funds
<b>Revenues:</b>												
Tax increment	\$ ---	\$ ---	\$ 1,782,631	\$ 1,483,676	\$ 193,706	\$ 394,211	\$ ---	\$ 279,288	\$ 84,392	\$ ---	\$ ---	\$ 4,217,904
Public charges for services:												
Program revenues	300	---	---	---	---	---	---	---	---	---	---	300
Tipping fees	---	2,950,971	---	---	---	---	---	---	---	---	---	2,950,971
Operating grants and contributions:												
Intergovernmental	---	---	332,924	186,274	4,846	767	11,529	67,426	49,548	---	---	653,314
Capital grants and contributions:												
Intergovernmental	525,000	---	---	---	---	---	---	---	---	---	---	525,000
Special assessments and interest	---	---	---	---	---	---	---	---	---	---	208,782	208,782
Contributions from developers	84,470	---	---	---	---	---	---	---	---	---	---	84,470
Investment earnings	4,116	2,166	3,759	1,714	4,989	279	43	2,286	133	656	510	20,651
Interest on advances to governmental funds	---	868	---	---	---	---	---	---	---	---	---	868
Interest on advances to utilities	---	7,087	---	---	---	---	---	---	---	---	---	7,087
Other revenue	---	5,625	---	---	---	---	---	---	---	---	---	5,625
<b>Total revenues</b>	<b>613,886</b>	<b>2,966,717</b>	<b>2,119,314</b>	<b>1,671,664</b>	<b>203,541</b>	<b>395,257</b>	<b>11,572</b>	<b>349,000</b>	<b>134,073</b>	<b>656</b>	<b>209,292</b>	<b>8,674,972</b>
<b>Expenditures:</b>												
Current:												
General government	22,063	7,994	5,714	7,622	27,856	6,814	37,780	11,718	5,915	11,493	---	144,969
Public safety	---	---	---	---	---	---	750	---	---	---	---	750
Public works	750,614	15,792	---	---	---	---	2,472	---	---	4,846	7,777	781,501
Culture, recreation and education	42,173	---	---	---	200,000	---	---	---	---	---	---	242,173
Conservation and development	---	1,810	---	263,757	---	335,780	---	402,090	84,473	1,225,000	---	2,312,910
Interest on advances from governmental funds	868	---	---	---	15,675	2,588	1,372	---	---	113	---	20,616
Interest and fiscal charges	---	1,150	---	957	1,283	---	58	1,133	133	1,000	5,478	11,192
Capital Outlay	2,876,601	3,485,712	---	106,743	---	---	---	---	---	---	---	6,469,056
<b>Total expenditures</b>	<b>3,692,319</b>	<b>3,512,458</b>	<b>5,714</b>	<b>379,079</b>	<b>244,814</b>	<b>345,182</b>	<b>42,432</b>	<b>414,941</b>	<b>90,521</b>	<b>1,242,452</b>	<b>13,255</b>	<b>9,983,167</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(3,078,433)</b>	<b>(545,741)</b>	<b>2,113,600</b>	<b>1,292,585</b>	<b>(41,273)</b>	<b>50,075</b>	<b>(30,860)</b>	<b>(65,941)</b>	<b>43,552</b>	<b>(1,241,796)</b>	<b>196,037</b>	<b>(1,308,195)</b>
<b>Other Financing Sources (Uses):</b>												
Proceeds from sales of capital assets	---	149,057	---	---	---	---	---	---	---	---	---	149,057
Transfers in	7,008,292	3,051,779	---	---	---	---	---	---	---	---	---	10,060,071
Transfers out	---	(2,148,146)	(2,114,012)	(1,156,375)	(373,261)	---	(6,813)	(352,804)	(10,500)	(7,273)	(202,708)	(6,371,892)
Bonds and notes issued	2,000,000	---	---	---	---	---	---	---	---	1,280,000	---	3,280,000
<b>Total other financing sources (uses)</b>	<b>9,008,292</b>	<b>1,052,690</b>	<b>(2,114,012)</b>	<b>(1,156,375)</b>	<b>(373,261)</b>	<b>---</b>	<b>(6,813)</b>	<b>(352,804)</b>	<b>(10,500)</b>	<b>1,272,727</b>	<b>(202,708)</b>	<b>7,117,236</b>
<b>Net change in fund balances</b>	<b>5,929,859</b>	<b>506,949</b>	<b>(412)</b>	<b>136,210</b>	<b>(414,534)</b>	<b>50,075</b>	<b>(37,673)</b>	<b>(418,745)</b>	<b>33,052</b>	<b>30,931</b>	<b>(6,671)</b>	<b>5,809,041</b>
Fund balance, beginning of year	2,195,229	5,536,363	1,852,284	955,689	(636,791)	(221,064)	(117,240)	2,097,419	45,762	(29,158)	727,878	12,406,371
<b>Fund balance, end of year</b>	<b>\$ 8,125,088</b>	<b>\$ 6,043,312</b>	<b>\$ 1,851,872</b>	<b>\$ 1,091,899</b>	<b>\$ (1,051,325)</b>	<b>\$ (170,989)</b>	<b>\$ (154,913)</b>	<b>\$ 1,678,674</b>	<b>\$ 78,814</b>	<b>\$ 1,773</b>	<b>\$ 721,207</b>	<b>\$ 18,215,412</b>

See independent auditors' report.

## **PROPRIETARY FUNDS**

### **Enterprise Funds:**

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

**Water Utility Fund** - The Water Utility accounts for all activities necessary to provide cost effective water services to residents of the Village in accordance with current "safe drinking water" standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, financing and related debt service.

**Sewer Utility Fund** - The Sewer Utility accounts for all activities necessary to provide cost effective sanitary sewer services to residents of the Village in accordance with current "treated effluent discharge" standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, system expansion and financing and related debt service.

**Storm Water Utility Fund** - The Storm Water Utility accounts for all activities necessary for a system of storm and surface water management. Fund activities include administration, operations and maintenance, system expansion, financing, and related debt services. The Storm Water Utility is funded primarily by real estate taxes.

### **Internal Service Funds - Risk Management Fund:**

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Risk Managements Fund which accounts for and finances the Village's uninsured risk of loss.

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

**Comparative Statements of Net Position - Water Utility**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 5,395,636	\$ 3,986,149
Receivables:		
Special charges on the tax roll	159,940	162,758
Utility customers	1,028,714	1,017,335
Special assessments	---	101,217
Other	18,364	50,169
Due from other funds	107,796	---
Prepaid items	1,930	1,886
Inventory	97,593	81,379
<b>Total current assets</b>	<u>6,809,973</u>	<u>5,400,893</u>
<b>Noncurrent assets:</b>		
Restricted assets:		
Net pension asset	128,755	---
Cash and equivalents - restricted (noncurrent)	2,180,529	1,408,609
Land and construction in progress	1,022,977	1,157,542
Other capital assets, net of depreciation	58,168,903	58,120,303
<b>Total noncurrent assets</b>	<u>61,501,164</u>	<u>60,686,454</u>
<b>Total assets</b>	<u>68,311,137</u>	<u>66,087,347</u>
<b>Deferred outflows of resources:</b>		
Deferred outflows related to pensions	150,629	---
Unamortized loss on debt refunding	64,044	133,911
<b>Total deferred outflows of resources</b>	<u>214,673</u>	<u>133,911</u>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	493,794	311,477
Compensated absences - vacation due within one year	86,570	69,234
Compensated absences - sick due within one year	27,100	25,432
Unearned revenue	123,793	119,435
Due to other funds	---	208,359
Current portion of general obligation notes and BANS	610,000	645,000
Accrued interest	31,171	23,745
<b>Total current liabilities</b>	<u>1,372,428</u>	<u>1,402,682</u>
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	251,805	209,077
OPEB obligation	231,802	208,701
General obligation notes and BANS	5,855,976	5,336,051
<b>Total long-term liabilities</b>	<u>6,339,583</u>	<u>5,753,829</u>
<b>Total liabilities</b>	<u>7,712,011</u>	<u>7,156,511</u>
<b>Net Position:</b>		
Net investment in capital assets	52,725,904	53,296,794
Restricted	2,180,529	1,408,609
Restricted - WRS pension	279,384	---
Unrestricted	5,627,982	4,359,344
<b>Total net position</b>	<u>\$ 60,813,799</u>	<u>\$ 59,064,747</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Water Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
Charges for services	\$ 6,838,038	\$ 6,535,141
<b>Operating Expenses:</b>		
Operation and maintenance	2,448,069	2,594,181
Administrative expense	1,061,901	930,099
Depreciation expense	1,605,199	1,564,194
Taxes paid to Village	1,290,385	1,259,422
Social Security tax	68,543	63,819
Regulatory commission remainder assessments	5,620	6,206
<b>Total operating expenses</b>	<u>6,479,717</u>	<u>6,417,921</u>
<b>Operating income</b>	358,321	117,220
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	8,930	5,093
Sale of materials	8,686	11,791
Gain on retirement of property and plant	5,043	---
Impact fees	769,740	384,824
Fiscal charges on debt	(2,082)	(1,878)
Amortization of debt issuance premiums, discounts and losses on refundings	(57,883)	(61,251)
Debt issuance costs	(21,386)	(14,136)
Interest on long-term debt	(164,062)	(146,329)
<b>Net nonoperating revenues</b>	<u>546,986</u>	<u>178,114</u>
<b>Net income before capital contributions</b>	905,307	295,334
<b>Capital Contributions:</b>		
Capital contributions	563,713	2,198,205
<b>Total capital contributions</b>	<u>563,713</u>	<u>2,198,205</u>
<b>Increase in net position</b>	1,469,020	2,493,539
<b>Net position:</b>		
Balance, beginning of year	59,064,747	56,571,208
Adjustment due to change in accounting principle	280,032	---
Balance, beginning of year as adjusted	<u>59,344,779</u>	<u>56,571,208</u>
<b>Balance, end of year</b>	<u><u>\$ 60,813,799</u></u>	<u><u>\$ 59,064,747</u></u>

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 5,196,390	\$ 4,787,390
Payments to suppliers	(2,040,098)	(2,430,167)
Payments to and on behalf of employees	(1,211,871)	(1,172,116)
Internal activity - receipts from other funds	1,756,562	1,817,869
Internal activity - payments to other funds	(1,606,540)	(1,452,552)
Other receipts	10,166	12,443
Other payments	(893)	(162)
<b>Net cash provided by operating activities</b>	<u>2,103,716</u>	<u>1,562,705</u>
 Proceeds from sale of property and plant	 5,043	 ---
Additions to property and plant	(1,124,044)	(1,015,407)
Fair value of debt issued	1,110,000	920,000
Debt issuance premiums	31,909	29,095
Debt issuance costs	(21,386)	(14,136)
Principal payments on debt	(645,000)	(590,000)
Interest on debt	(156,636)	(163,753)
Fiscal charges on debt	(2,082)	(1,878)
Impact fees	769,740	384,824
<b>Net cash provided (used) by capital and related financing activities</b>	<u>68,761</u>	<u>(451,255)</u>
 <b>Cash Flows From Investing Activities:</b>		
Investment earnings	<u>8,930</u>	<u>5,093</u>
<b>Net cash provided by investing activities</b>	<u>8,930</u>	<u>5,093</u>
 <b>Net increase in cash and equivalents</b>	 2,181,407	 1,116,543
Cash and equivalents, beginning of year	<u>5,394,758</u>	<u>4,278,215</u>
 <b>Cash and equivalents, end of year</b>	 <u>\$ 7,576,165</u>	 <u>\$ 5,394,758</u>
 <b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 5,395,636	\$ 3,986,149
Cash and cash equivalents - restricted	<u>2,180,529</u>	<u>1,408,609</u>
<b>Total cash and equivalents</b>	<u>\$ 7,576,165</u>	<u>\$ 5,394,758</u>

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2015 and 2014**  
**(Continued)**

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 358,321	\$ 117,220
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,605,199	1,564,194
Depreciation charged to other accounts	115,088	122,529
Proceeds from sales of materials	8,686	11,791
Changes in assets and liabilities related to operations:		
Receivables	23,244	345
Prepaid items	(44)	(47)
Inventory	(16,214)	12,049
Due from other funds	(316,155)	(193,130)
Accounts payable and accrued liabilities	235,752	(68,244)
WRS pension accrual	648	---
OPEB obligation	23,101	22,736
Unearned revenue	4,358	(15,397)
<b>Net cash provided by operating activities</b>	<b>\$ <u>2,103,716</u></b>	<b>\$ <u>1,562,705</u></b>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 563,713	\$ 2,198,205
Amortization of debt issuance premiums, discounts and losses on refundings	57,883	61,251
Gain on sale of utility plant	5,043	---

See independent auditors' report.

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

**Comparative Statements of Net Position - Sewer Utility**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 4,147,639	\$ 4,547,949
Cash and equivalents - restricted (current)	120,400	118,043
Receivables:		
Taxes	---	300,000
Special charges on the tax roll	336,222	353,220
Utility customers	1,675,858	1,700,543
Special assessments	---	194,599
Other	29,855	27,448
Inventory	<u>14,223</u>	<u>16,679</u>
<b>Total current assets</b>	<u>6,324,197</u>	<u>7,258,481</u>
<b>Noncurrent Assets:</b>		
Restricted assets:		
Cash and equivalents (noncurrent)	4,872,133	4,267,552
Net pension asset	62,593	---
Prepaid capacity charge	3,621,436	3,873,588
Land and construction in progress	227,261	174,419
Other capital assets net of depreciation	<u>47,550,235</u>	<u>48,283,642</u>
<b>Total noncurrent assets</b>	<u>56,333,658</u>	<u>56,599,201</u>
<b>Total assets</b>	62,657,855	63,857,682
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pensions	<u>73,227</u>	---
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	710,838	1,036,687
Compensated absences - vacation due within one year	47,540	28,753
Compensated absences - sick due within one year	14,520	11,141
Unearned revenue	14,000	21,000
Current portion of advance	87,691	85,971
Due to other funds	330,132	207,364
Current portion of general obligation notes and BANS	71,090	71,090
Current portion of revenue bonds	57,120	55,549
Accrued interest	789	989
Liabilities payable from restricted assets:		
Current portion of revenue bonds	114,241	111,098
Accrued interest	<u>6,159</u>	<u>6,945</u>
<b>Total current liabilities</b>	<u>1,454,120</u>	<u>1,636,587</u>
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	129,554	85,770
OPEB obligation	28,160	24,024
Advances from other funds	180,678	268,369
General obligation notes and BANS	202,180	273,270
Revenue bonds	<u>1,251,047</u>	<u>1,422,408</u>
<b>Total long-term liabilities</b>	<u>1,791,619</u>	<u>2,073,841</u>
<b>Total liabilities</b>	3,245,739	3,710,428
<b>Deferred inflows of resources:</b>		
Deferred revenue - subsequent year's taxes	---	<u>300,000</u>
<b>Net Position:</b>		
Net investment in capital assets	47,447,105	48,058,151
Restricted	4,872,133	4,267,552
Restricted - WRS pension	135,820	---
Unrestricted	<u>7,030,285</u>	<u>7,521,551</u>
<b>Total net position</b>	<u>\$ 59,485,343</u>	<u>\$ 59,847,254</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Sewer Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
Charges for services	\$ 8,309,028	\$ 8,114,553
<b>Operating Expenses:</b>		
Operation and maintenance	7,951,036	7,877,277
Administrative expense	915,150	839,348
Depreciation expense	1,332,508	1,324,354
Social Security tax	34,156	37,939
<b>Total operating expenses</b>	<u>10,232,850</u>	<u>10,078,918</u>
<b>Operating loss</b>	(1,923,822)	(1,964,365)
<b>Nonoperating Revenues (Expenses):</b>		
General property taxes	300,000	300,000
Investment earnings	8,926	6,801
Sale of materials	1,083	2,944
Miscellaneous revenues	25,778	18,000
Gain (loss) on retirement of property and plant	3,841	(4,650)
Donated rent	(18,000)	(18,000)
Fiscal charges on debt	(100)	(110)
Interest on long-term debt	(48,995)	(56,043)
Impact fees	665,805	404,062
Interest on advances	(7,087)	(8,773)
<b>Net nonoperating revenues</b>	<u>931,251</u>	<u>644,231</u>
<b>Net loss before capital contributions</b>	(992,571)	(1,320,134)
<b>Capital Contributions:</b>		
Capital contributions	494,525	1,202,459
<b>Decrease in net position</b>	<u>(498,046)</u>	<u>(117,675)</u>
<b>Net Position:</b>		
<b>Balance, beginning of year</b>	\$ 59,847,254	\$ 59,964,929
Adjustment due to change in accounting principle	136,135	---
<b>Balance, beginning of year as adjusted</b>	<u>59,983,389</u>	<u>59,964,929</u>
<b>Balance, end of year</b>	<u>\$ 59,485,343</u>	<u>\$ 59,847,254</u>

See independent auditors' report.



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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 8,345,344	\$ 8,127,120
Payments to suppliers	(7,913,985)	(7,105,519)
Payments to and on behalf of employees	(770,588)	(792,043)
Internal activity - receipts from other funds	122,768	---
Internal activity - payments to other funds	(165,958)	(201,059)
Other receipts	8,861	2,944
<b>Net cash provided (used) by operating activities</b>	<u>(373,558)</u>	<u>31,443</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from sale of property and plant	3,841	1,701
Additions to property and plant	(212,109)	(123,449)
Principal payments on debt	(237,737)	(233,153)
Interest on debt	(49,981)	(57,002)
Fiscal charges on debt	(100)	(110)
Advances from municipality	(85,971)	(84,286)
Interest on advances	(7,087)	(8,773)
General property taxes	300,000	300,000
Impact fees	665,805	404,062
Special assessments collected	194,599	---
<b>Net cash provided by capital and related financing activities</b>	<u>571,260</u>	<u>198,990</u>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	8,926	6,801
<b>Net cash provided by investing activities</b>	<u>8,926</u>	<u>6,801</u>
<b>Net increase in cash and equivalents</b>	206,628	237,234
Cash and equivalents, beginning of year	<u>8,933,544</u>	<u>8,696,310</u>
<b>Cash and equivalents, end of year</b>	<u><u>\$ 9,140,172</u></u>	<u><u>\$ 8,933,544</u></u>
<b>Reconciliation to cash and cash equivalents on the statement of net assets:</b>		
Cash and cash equivalents - unrestricted	\$ 4,147,639	\$ 4,547,949
Cash and cash equivalents - restricted	4,992,533	4,385,595
<b>Total cash and equivalents</b>	<u><u>\$ 9,140,172</u></u>	<u><u>\$ 8,933,544</u></u>

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2015 and 2014**  
**(Continued)**

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of Operating Income to Net Cash Provided by</b>		
<b>Operating Activities:</b>		
Operating loss	\$ (1,923,822)	\$ (1,964,365)
Adjustments to reconcile operating loss to net cash		
provided (used) by operating activities:		
Depreciation	1,332,508	1,324,354
Amortization of prepaid capacity	252,152	252,151
Abandonment of CIP	54,691	4,369
Proceeds from sales of materials	1,083	2,944
Changes in assets and liabilities related to operations:		
Receivables	39,276	18,915
Inventory	2,456	(1,953)
Due from other funds	122,768	(44,743)
Accounts payable and accrued liabilities	(325,849)	471,442
WRS pension accrual	315	---
Unearned revenue	(7,000)	(7,000)
Compensated absences	65,950	(28,746)
OPEB obligation	4,136	4,075
<b>Net cash provided (used) by operating activities</b>	<b>\$ <u>(373,558)</u></b>	<b>\$ <u>31,443</u></b>
 <b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 494,525	\$ 1,202,459
Gain on sale of utility plant	3,841	---
Loss on sale of utility plant	---	4,650

See independent auditors' report.

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

**Comparative Statements of Net Position - Storm Water Utility**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 1,074,351	\$ 894,223
Receivables:		
Taxes	931,250	931,250
Other	1,958	1,657
Inventory	5,711	10,007
<b>Total current assets</b>	<u>2,013,270</u>	<u>1,837,137</u>
<b>Noncurrent Assets:</b>		
Restricted assets:		
Net pension asset	25,257	---
Land and construction in progress	1,237,090	496,016
Other capital assets, net of depreciation	26,122,788	26,123,207
<b>Total noncurrent assets</b>	<u>27,385,135</u>	<u>26,619,223</u>
<b>Total assets</b>	29,398,405	28,456,360
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	29,547	---
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	139,930	19,418
Deposits	50,000	50,000
Compensated absences - vacation due within one year	13,549	9,672
Compensated absences - sick due within one year	2,114	1,513
Due to other funds	222,836	140,894
Current portion of general obligation notes and BANS	477,494	442,494
Accrued interest	10,782	12,055
<b>Total current liabilities</b>	<u>916,705</u>	<u>676,046</u>
<b>Long-Term Liabilities:</b>		
Compensated absences - sick pay	38,111	37,637
OPEB obligation	16,458	15,286
Advances from other funds	1,000,000	---
General obligation notes and BANS	3,067,849	3,551,099
<b>Total long-term liabilities</b>	<u>4,122,418</u>	<u>3,604,022</u>
<b>Total liabilities</b>	<u>5,039,123</u>	<u>4,280,068</u>
<b>Deferred inflows of resources:</b>		
Deferred revenue - subsequent year's taxes	<u>931,250</u>	<u>931,250</u>
<b>Net Position:</b>		
Net investment in capital assets	23,814,535	22,625,630
Restricted - WRS pension	54,804	---
Unrestricted	(411,760)	619,412
<b>Total net position</b>	<u>\$ 23,457,579</u>	<u>\$ 23,245,042</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Storm Water Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
General property taxes	\$ 931,250	\$ 931,250
Charges for services	40,213	28,633
<b>Total operating revenues</b>	<u>971,463</u>	<u>959,883</u>
<b>Operating Expenses:</b>		
Operation and maintenance	359,633	367,624
Administrative expense	297,416	257,305
Depreciation expense	612,450	603,979
Social Security tax	13,461	12,542
<b>Total operating expenses</b>	<u>1,282,960</u>	<u>1,241,450</u>
<b>Operating loss</b>	<u>(311,497)</u>	<u>(281,567)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment earnings	982	1,708
Miscellaneous revenues	1,000	1,000
Loss on retirement of property and plant	(145)	(4,172)
Fiscal charges on debt	(815)	(854)
Amortization of debt issuance premiums, discounts and losses on refundings	5,756	5,756
Interest on long-term debt	(109,852)	(121,640)
Interest on advances	---	(4,076)
<b>Net nonoperating expenses</b>	<u>(103,074)</u>	<u>(122,278)</u>
<b>Net loss before capital contributions</b>	<u>(414,571)</u>	<u>(403,845)</u>
Capital contributions	572,176	1,433,798
<b>Increase in net position</b>	<u>157,605</u>	<u>1,029,953</u>
<b>Net Position:</b>		
Balance, beginning of year	23,245,042	22,215,089
Adjustment due to change in accounting principle	54,932	---
Balance, beginning of year as adjusted	<u>23,299,974</u>	<u>22,215,089</u>
<b>Balance, end of year</b>	<u>\$ 23,457,579</u>	<u>\$ 23,245,042</u>

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 39,910	\$ 28,055
Payments to suppliers	52,514	(90,834)
Payments to and on behalf of employees	(598,669)	(543,212)
Internal activity - receipts from other funds	81,942	---
Internal activity - payments to other funds	---	(99,024)
Other receipts	932,250	932,250
<b>Net cash provided by operating activities</b>	<u>507,947</u>	<u>227,235</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Advances from Municipality	1,000,000	---
Principal payments on advances	---	(67,933)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>1,000,000</u>	<u>(67,933)</u>
Additions to property and plant	(774,368)	(949,999)
Principal payments on debt	(442,494)	(412,494)
Interest on debt	(111,125)	(138,173)
Fiscal charges on debt	(815)	(854)
Interest on advances	---	(4,076)
<b>Net cash used by capital and related financing activities</b>	<u>(1,328,802)</u>	<u>(1,505,596)</u>
<b>Cash Flows From Investing Activities:</b>		
Investment earnings	982	1,708
<b>Net cash provided by investing activities</b>	<u>982</u>	<u>1,708</u>
<b>Net increase (decrease) in cash and equivalents</b>	180,127	(1,344,586)
Cash and equivalents, beginning of year	<u>894,224</u>	<u>2,238,810</u>
<b>Cash and equivalents, end of year</b>	<u><u>\$ 1,074,351</u></u>	<u><u>\$ 894,224</u></u>

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2015 and 2014**  
**(Continued)**

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (311,497)	\$ (281,567)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	612,450	603,979
Miscellaneous revenues	998	1,000
Changes in assets and liabilities related to operations:		
Receivables	(301)	(578)
Inventory	4,296	(4,016)
Due to or from other funds	81,942	(99,024)
Accounts payable and accrued liabilities	113,807	4,445
WRS pension accrual	128	---
Compensated absences	4,952	1,357
OPEB obligation	1,172	1,639
<b>Net cash provided by operating activities</b>	<u><u>\$ 507,947</u></u>	<u><u>\$ 227,235</u></u>
<b>Noncash Capital Activities:</b>		
Utility plant contributions	\$ 572,176	\$ 1,433,798
Amortization of debt issuance premiums, discounts and losses on refundings	(5,756)	(5,756)
Loss on retirement of property and plant	145	4,172

See independent auditors' report.

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

**Comparative Statements of Net Position - Risk Management Fund**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash and equivalents	\$ 727,666	\$ 668,348
Receivables	47,340	45,685
Prepaid items	---	78,608
Due from other funds	11,882	22,348
<b>Total assets</b>	<u>786,888</u>	<u>814,989</u>
<b>Liabilities:</b>		
Incurred but not reported claims	187,602	217,950
<b>Total liabilities</b>	<u>187,602</u>	<u>217,950</u>
<b>Net Position:</b>		
Unrestricted	599,286	597,039
<b>Total net position</b>	<u>\$ 599,286</u>	<u>\$ 597,039</u>

See independent auditors' report.

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
Charges for services	\$ ---	\$ ---
<b>Operating Expenses:</b>	<u>27,957</u>	<u>241,949</u>
<b>Operating loss</b>	(27,957)	(241,949)
<b>Nonoperating Revenues:</b>		
Investment earnings	853	589
Dividend on investment in CVMIC	<u>29,351</u>	<u>28,325</u>
<b>Net nonoperating revenues</b>	<u>30,204</u>	<u>28,914</u>
<b>Increase (decrease) in net assets</b>	2,247	(213,035)
<b>Net Position:</b>		
Balance, beginning of year	597,039	810,074
<b>Balance, end of year</b>	<u>\$ 599,286</u>	<u>\$ 597,039</u>

See independent auditors' report.



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

**Comparative Statements of Cash Flows - Risk Management Fund**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Payments to suppliers	\$ 29,871	\$ (47,602)
Internal activity - receipts from other funds	---	(91,547)
Internal activity - payments to other funds	10,466	---
Other payments	19,125	---
Other receipts	<u>(30,348)</u>	<u>(31,196)</u>
<b>Net cash provided (used) by operating activities</b>	29,114	(170,345)
 Investment earnings	 <u>30,204</u>	 <u>28,914</u>
<b>Net cash provided by investing activities</b>	<u>30,204</u>	<u>28,914</u>
 <b>Net increase (decrease) in cash and equivalents</b>	 59,318	 (141,431)
 Cash and equivalents, beginning of year	 <u>668,348</u>	 <u>809,779</u>
<b>Cash and equivalents, end of year</b>	<b>\$ <u>727,666</u></b>	<b>\$ <u>668,348</u></b>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</b>		
Operating loss	\$ (27,957)	\$ (241,949)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	(1,655)	(10,312)
Prepaid items	78,608	1,561
Due to/from other funds	10,466	(91,547)
Incurred but not reported claims	<u>(30,348)</u>	<u>171,902</u>
<b>Net cash provided (used) by operating activities</b>	<b>\$ <u>29,114</u></b>	<b>\$ <u>(170,345)</u></b>

See independent auditors' report.

## **FIDUCIARY 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 fund accounts for assets held by the Village for 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**

**Combining Statements of Net Position - Fiduciary Funds**  
**December 31, 2015**

	<u><b>Taxing Jurisdictions</b></u>	<u><b>Community Development Authority</b></u>	<u><b>Total Fiduciary Funds</b></u>
<b>Assets:</b>			
Cash and equivalents	\$ 22,261,041	\$ ---	\$ 22,261,041
Taxes receivable	37,439,711	---	37,439,711
Notes receivable	---	263,885	263,885
<b>Total assets</b>	<u><u>\$ 59,700,752</u></u>	<u><u>\$ 263,885</u></u>	<u><u>\$ 59,964,637</u></u>
<b>Liabilities:</b>			
Accounts payable	\$ ---	\$ 218	\$ 218
Due to other taxing units	59,700,752	---	59,700,752
Due to Community Development Authority	---	263,667	263,667
<b>Total liabilities</b>	<u><u>\$ 59,700,752</u></u>	<u><u>\$ 263,885</u></u>	<u><u>\$ 59,964,637</u></u>

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

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

**Statement of Changes in Assets and Liabilities - Fiduciary Funds**  
**Year Ended December 31, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>
<b><u>Taxing Jurisdiction Fund</u></b>				
<b>Assets:</b>				
Cash and equivalents	\$ 15,783,120	\$ 65,240,093	\$ (58,762,172)	\$ 22,261,041
Taxes receivable	<u>42,979,052</u>	<u>59,700,752</u>	<u>(65,240,093)</u>	<u>37,439,711</u>
<b>Total assets</b>	<u>\$ 58,762,172</u>	<u>\$ 124,940,845</u>	<u>\$ (124,002,265)</u>	<u>\$ 59,700,752</u>
<b>Liabilities:</b>				
Due to other taxing units	<u>\$ 58,762,172</u>	<u>\$ 59,700,752</u>	<u>\$ (58,762,172)</u>	<u>\$ 59,700,752</u>
<b><u>Community Development Authority Fund</u></b>				
<b>Assets:</b>				
Cash and equivalents	\$ 62,976	\$ 43,704	\$ (106,680)	\$ ---
Notes receivable	<u>304,402</u>	<u>---</u>	<u>(40,517)</u>	<u>263,885</u>
<b>Total assets</b>	<u>\$ 367,378</u>	<u>\$ 43,704</u>	<u>\$ (147,197)</u>	<u>\$ 263,885</u>
Accounts payable	\$ 218	\$ ---	\$ ---	\$ 218
Due to Community Development Authority	<u>367,160</u>	<u>43,704</u>	<u>(147,197)</u>	<u>263,667</u>
<b>Total liabilities</b>	<u>\$ 367,378</u>	<u>\$ 43,704</u>	<u>\$ (147,197)</u>	<u>\$ 263,885</u>

See independent auditors' report.

**OTHER SUPPLEMENTARY  
INFORMATION**

VILLAGE OF MENOMONEE FALLS  
Waukesha County, Wisconsin

Schedule of Long-Term Obligations  
Year Ended December 31, 2015

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2015	New Issues	Payments	Balance Outstanding December 31, 2015	Interest Paid 2015	Principal Due 2016	Interest Due 2016
<b>General Fund :</b>												
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	2,668,000	\$ 471,000	\$ ---	\$ (471,000)	\$ ---	\$ 9,420	\$ ---	\$ ---
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	2,045,000	652,000	---	(213,500)	438,500	22,210	438,500	8,770
2007 G.O. Notes	06/01/07	4.32%	06/01	06/01 & 12/01	1,590,000	827,000	---	(184,000)	643,000	32,042	234,000	23,013
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	1,680,000	---	(295,000)	1,385,000	64,822	445,000	48,169
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	1,256,500	---	(251,300)	1,005,200	38,731	251,300	30,250
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	1,956,000	---	(191,000)	1,765,000	60,462	141,000	55,601
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	3,885,000	---	(345,000)	3,540,000	104,165	340,000	97,315
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	1,335,000	1,265,000	---	---	1,265,000	36,588	105,000	34,488
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	2,000,000	---	---	2,000,000	87,500	---	60,000
2015 G.O. Notes	04/20/15	2.87%	05/01	05/01 & 11/01	2,000,000	---	2,000,000	---	2,000,000	---	---	85,025
<b>Total General Fund</b>						<b>\$ 13,992,500</b>	<b>\$ 2,000,000</b>	<b>\$ (1,950,800)</b>	<b>\$ 14,041,700</b>	<b>\$ 455,940</b>	<b>\$ 1,954,800</b>	<b>\$ 442,631</b>
<b>Municipal Facilities and Equipment Fund:</b>												
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	\$ 6,400,000	\$ 5,150,000	\$ ---	\$ (675,000)	\$ 4,475,000	\$ 157,750	\$ 700,000	\$ 144,000
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	7,950,000	7,000,000	---	(800,000)	6,200,000	206,000	800,000	190,000
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	2,000,000	---	(200,000)	1,800,000	71,917	200,000	46,000
2014 G.O. Notes	11/17/14	0.00%	02/15	N/A	223,622	223,622	---	(27,953)	195,669	---	27,953	---
<b>Total Municipal Facilities Fund</b>						<b>\$ 14,373,622</b>	<b>\$ ---</b>	<b>\$ (1,702,953)</b>	<b>\$ 12,670,669</b>	<b>\$ 435,667</b>	<b>\$ 1,727,953</b>	<b>\$ 380,000</b>
<b>Special Assessment Fund:</b>												
2005 G.O. Notes	07/01/05	3.89%	06/01	06/01 & 12/01	\$ 272,000	\$ 29,000	\$ ---	\$ (29,000)	\$ ---	\$ 580	\$ ---	\$ ---
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	250,059	50,012	---	(25,006)	25,006	1,547	25,006	500
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	160,000	48,000	---	(16,000)	32,000	1,740	16,000	1,050
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	235,640	---	(58,910)	176,730	8,725	58,910	6,111
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	88,500	---	(17,700)	70,800	2,728	17,700	2,131
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	114,000	---	(19,000)	95,000	3,341	19,000	2,783
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	110,000	80,000	---	(10,000)	70,000	2,048	10,000	1,848
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	70,000	60,000	---	(5,000)	55,000	1,600	5,000	1,450
<b>Total Special Assessment Fund</b>						<b>\$ 705,152</b>	<b>\$ ---</b>	<b>\$ (180,616)</b>	<b>\$ 524,536</b>	<b>\$ 22,309</b>	<b>\$ 151,616</b>	<b>\$ 15,873</b>
<b>TID District #5:</b>												
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	900,000	\$ 800,000	\$ ---	\$ (50,000)	\$ 750,000	\$ 21,688	\$ 75,000	\$ 19,688
2012 Refi #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	1,850,000	1,850,000	---	(100,000)	1,750,000	44,125	100,000	42,125
2014 Go Notes Refund #87	03/17/14	1.95%	04/01	04/01 & 10/01	3,825,000	3,825,000	---	(875,000)	2,950,000	65,562	925,000	49,750
<b>Total TID District #5</b>						<b>\$ 6,475,000</b>	<b>\$ ---</b>	<b>\$ (1,025,000)</b>	<b>\$ 5,450,000</b>	<b>\$ 131,375</b>	<b>\$ 1,100,000</b>	<b>\$ 111,563</b>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS  
Waukesha County, Wisconsin

Schedule of Long-Term Obligations  
Year Ended December 31, 2015

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2015	New Issues	Payments	Balance Outstanding December 31, 2015	Interest Paid 2015	Principal Due 2016	Interest Due 2016
<b>TID District #6:</b>												
2013 GO Refund 108	02/28/13	1.75%	10/01	04/01 & 10/01	1,280,000	\$ 1,280,000	\$ ---	\$ ---	\$ 1,280,000	\$ 22,400	\$ 1,280,000	\$ 22,400
2013 GO Refund 111	09/30/13	2.00%	10/01	04/01 & 10/01	875,000	875,000	---	---	875,000	17,500	875,000	17,500
2014 GO Hotel Debt Refinance	10/20/14	3.42%	05/01	05/01 & 11/01	8,450,000	8,450,000	---	---	8,450,000	333,361	25,000	332,313
<b>Total TID District #6</b>						<u>\$ 10,605,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,605,000</u>	<u>\$ 373,261</u>	<u>\$ 2,180,000</u>	<u>\$ 372,213</u>
<b>TID District #8:</b>												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 7,725,000	\$ ---	\$ (1,300,000)	\$ 6,425,000	\$ 246,125	\$ 1,400,000	\$ 212,000
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	600,000	---	(275,000)	325,000	14,813	200,000	9,313
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	160,000	---	---	160,000	4,394	---	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	82,512	7,175,000	82,512
2015 G.O. Notes	03/16/15	3.11%	03/01	03/01 & 09/01	4,300,000	---	4,300,000	---	4,300,000	---	125,000	179,596
2015 G.O. Notes	03/16/15	2.95%	03/01	03/01 & 09/01	7,850,000	---	7,850,000	---	7,850,000	---	300,000	309,189
<b>Total TID District #8</b>						<u>\$ 15,660,000</u>	<u>\$ 12,150,000</u>	<u>\$ (1,575,000)</u>	<u>\$ 26,235,000</u>	<u>\$ 347,844</u>	<u>\$ 9,200,000</u>	<u>\$ 797,004</u>
<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	\$ 6,813	\$ ---	\$ 6,813
<b>TID District #10:</b>												
2012 G.O. Notes	09/28/12	3.00%	09/01	03/01 & 09/01	\$ 10,025,000	\$ 10,025,000	\$ ---	\$ (10,025,000)	\$ ---	\$ 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	82,000	4,100,000	82,000
2015 G.O. Refunding Bonds	08/03/15	2.50%	08/01	02/01 & 08/01	9,975,000	---	9,975,000	---	9,975,000	---	---	238,292
<b>Total TID District #10</b>						<u>\$ 14,125,000</u>	<u>\$ 9,975,000</u>	<u>\$ (10,025,000)</u>	<u>\$ 14,075,000</u>	<u>\$ 382,750</u>	<u>\$ 4,100,000</u>	<u>\$ 320,292</u>
<b>TID District #11:</b>												
2013 G.O. Notes	09/30/13	2.00%	10/01	04/01 & 10/01	\$ 525,000	\$ 525,000	\$ ---	\$ ---	\$ 525,000	\$ 10,500	\$ 525,000	\$ 10,500
<b>TID District #12:</b>												
2015 G.O. Notes	03/16/15	2.25%	03/01	03/01 & 09/01	\$ 1,280,000	\$ ---	\$ 1,280,000	\$ ---	\$ 1,280,000	\$ 12,080	\$ ---	\$ 28,800

See independent auditors' report.

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2015

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2015	New Issues	Payments	Balance Outstanding December 31, 2015	Interest Paid 2015	Principal Due 2016	Interest Due 2016
<b>Water Utility :</b>												
2005 G.O. Notes	07/01/05	3.87%	06/01	06/01 & 12/01	\$ 840,000	\$ 100,000	\$ ---	\$ (100,000)	\$ ---	\$ 2,000	\$ ---	\$ ---
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	790,000	500,000	---	(80,000)	420,000	14,735	80,000	12,385
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	610,000	---	(80,000)	530,000	15,343	80,000	13,742
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	945,000	---	(110,000)	835,000	24,544	115,000	21,144
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	1,070,000	---	(50,000)	1,020,000	30,200	50,000	29,200
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	1,755,000	---	(175,000)	1,580,000	34,144	180,000	32,500
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	920,000	920,000	---	(50,000)	870,000	36,427	50,000	24,150
2015 G.O. Notes	05/04/15	2.83%	05/01	05/01 & 11/01	1,110,000	---	1,110,000	---	1,110,000	---	55,000	43,585
<b>Total Water Utility</b>						<b>\$ 5,900,000</b>	<b>\$ 1,110,000</b>	<b>\$ (645,000)</b>	<b>\$ 6,365,000</b>	<b>\$ 157,393</b>	<b>\$ 610,000</b>	<b>\$ 176,706</b>
<b>Sewer Utility:</b>												
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	\$ 791,035	\$ 128,305	\$ ---	\$ (63,140)	\$ 65,165	\$ 3,101	\$ 65,165	\$ 1,045
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	\$ 217,231	\$ 82,236	---	(12,723)	69,513	2,253	13,100	1,870
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	1,378,514	---	(90,784)	1,287,730	33,955	93,096	31,613
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	184,360	---	(46,090)	138,270	6,828	46,090	4,782
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	160,000	---	(25,000)	135,000	3,844	25,000	3,344
<b>Total Sewer Utility</b>						<b>\$ 1,933,415</b>	<b>\$ ---</b>	<b>\$ (237,737)</b>	<b>\$ 1,695,678</b>	<b>\$ 49,981</b>	<b>\$ 242,451</b>	<b>\$ 42,654</b>
<b>Storm Water Utility:</b>												
2006 G.O. Notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 72,988	\$ ---	\$ (36,494)	\$ 36,494	\$ 2,258	\$ 36,494	\$ 730
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	805,000	---	(106,000)	699,000	25,900	131,000	21,900
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	380,000	---	(60,000)	320,000	11,217	60,000	9,455
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	890,000	---	(115,000)	775,000	22,375	120,000	20,025
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	605,000	---	(70,000)	535,000	15,725	75,000	13,525
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	1,195,000	---	(55,000)	1,140,000	33,650	55,000	32,550
<b>Total Storm Water Utility</b>						<b>\$ 3,947,988</b>	<b>\$ ---</b>	<b>\$ (442,494)</b>	<b>\$ 3,505,494</b>	<b>\$ 111,125</b>	<b>\$ 477,494</b>	<b>\$ 98,185</b>
<b>Total long-term obligations</b>						<b>\$ 88,492,677</b>	<b>\$ 26,515,000</b>	<b>\$ (17,784,600)</b>	<b>\$ 97,223,077</b>	<b>\$ 2,497,038</b>	<b>\$ 22,269,314</b>	<b>\$ 2,803,234</b>

See independent auditors' report.



# **STATISTICAL SECTION**

**Statistical Section**

This section of the Village of Menomonee Falls' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the Village's financial condition.

<b>Contents:</b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and condition have changed over time.	112 - 122
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.	123 - 129
<b>Debt Capacity</b> 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.	130 - 135
<b>Demographic and Economic Information</b> These schedules present demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	136 - 138
<b>Operating Information</b>	139 - 140

**Sources:**

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

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 96,772,895	\$ 103,412,007	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481	\$ 72,568,233	\$ 69,606,209	\$ 63,706,297
Restricted	14,201,491	4,263,413	8,154,210	15,340,255	5,425,086	5,989,717	9,964,612	8,337,633	8,859,678	9,083,184
Unrestricted	(1,058,717)	(2,568,467)	3,202,645	3,353,935	6,247,496	8,956,797	5,714,651	15,515,922	16,150,668	13,930,194
<b>Total governmental activities net position</b>	<u>\$ 109,915,669</u>	<u>\$ 105,106,953</u>	<u>\$ 106,388,719</u>	<u>\$ 103,464,235</u>	<u>\$ 105,821,029</u>	<u>\$ 109,063,805</u>	<u>\$ 106,731,744</u>	<u>\$ 96,421,788</u>	<u>\$ 94,616,555</u>	<u>\$ 86,719,675</u>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 123,987,544	\$ 124,026,180	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050	\$ 121,095,716	\$ 120,252,088	\$ 119,860,623	\$ 117,788,733
Restricted	7,522,670	5,676,161	4,797,439	4,837,262	6,585,206	10,019,745	13,067,810	13,496,684	12,906,943	11,753,465
Unrestricted	12,246,507	12,454,702	13,322,201	12,262,744	11,038,425	12,191,413	8,893,049	9,917,625	8,652,115	6,657,611
<b>Total business-type activities net position</b>	<u>\$ 143,756,721</u>	<u>\$ 142,157,043</u>	<u>\$ 138,751,226</u>	<u>\$ 143,688,283</u>	<u>\$ 143,892,278</u>	<u>\$ 143,998,208</u>	<u>\$ 143,056,575</u>	<u>\$ 143,666,397</u>	<u>\$ 141,419,681</u>	<u>\$ 136,199,809</u>
<b>Primary government:</b>										
Restricted	\$ 21,724,161	\$ 9,939,574	\$ 12,951,649	\$ 20,177,517	\$ 12,010,292	\$ 16,009,462	\$ 23,032,422	\$ 21,834,317	\$ 21,766,621	\$ 20,836,649
Unrestricted	11,187,790	9,886,235	16,524,846	15,616,679	17,285,921	21,148,210	14,607,700	25,433,547	24,802,783	20,587,805
<b>Total primary government net position</b>	<u>\$ 253,672,390</u>	<u>\$ 247,263,996</u>	<u>\$ 245,139,945</u>	<u>\$ 247,152,518</u>	<u>\$ 249,713,307</u>	<u>\$ 253,062,013</u>	<u>\$ 249,788,319</u>	<u>\$ 240,088,185</u>	<u>\$ 236,036,236</u>	<u>\$ 222,919,484</u>

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Total expenses	\$ 44,719,283	\$ 47,812,954	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219	\$ 34,223,341	\$ 32,085,604	\$ 32,185,991
Total program revenues	<u>14,661,773</u>	<u>17,259,857</u>	<u>10,064,114</u>	<u>13,102,142</u>	<u>10,498,182</u>	<u>10,237,660</u>	<u>16,953,433</u>	<u>10,077,758</u>	<u>13,845,474</u>	<u>9,888,737</u>
<b>Net program expense</b>	<u>(30,057,510)</u>	<u>(30,553,097)</u>	<u>(25,587,627)</u>	<u>(25,839,029)</u>	<u>(30,478,171)</u>	<u>(24,731,956)</u>	<u>(16,009,786)</u>	<u>(24,145,583)</u>	<u>(18,240,130)</u>	<u>(22,297,254)</u>
Total general revenues and other changes in net position	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742	25,950,816	26,137,010	27,487,924
Prior period adjustment	<u>5,499,742</u>	<u>121,324</u>	<u>(923,763)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>Change in net position</b>	<u>4,808,714</u>	<u>(1,281,766)</u>	<u>2,924,484</u>	<u>(2,356,794)</u>	<u>(3,242,776)</u>	<u>2,332,061</u>	<u>10,309,956</u>	<u>1,805,233</u>	<u>7,896,880</u>	<u>5,190,670</u>
<b>Business-type activities:</b>										
Total expenses	18,411,294	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260	17,509,431	16,855,381	15,827,596	15,360,970
Total program revenues	<u>18,253,238</u>	<u>20,301,675</u>	<u>16,654,785</u>	<u>16,736,310</u>	<u>16,110,592</u>	<u>16,642,735</u>	<u>15,558,718</u>	<u>17,340,658</u>	<u>18,716,083</u>	<u>18,761,894</u>
<b>Net program revenue</b>	<u>(158,056)</u>	<u>2,127,230</u>	<u>(1,528,781)</u>	<u>(1,521,364)</u>	<u>(1,445,552)</u>	<u>(358,525)</u>	<u>(1,950,713)</u>	<u>485,277</u>	<u>2,888,487</u>	<u>3,400,924</u>
Total general revenues and other changes in net position	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891	1,761,439	2,331,385	2,171,227
Prior period adjustment	<u>471,099</u>	<u>---</u>	<u>(4,692,718)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>Change in net position</b>	<u>1,599,678</u>	<u>3,405,817</u>	<u>(4,937,057)</u>	<u>(203,995)</u>	<u>(105,930)</u>	<u>941,633</u>	<u>(609,822)</u>	<u>2,246,716</u>	<u>5,219,872</u>	<u>5,572,151</u>
<b>Total primary government</b>										
<b>Change in net position</b>	<u>\$ 6,408,392</u>	<u>\$ 2,124,051</u>	<u>\$ (2,012,573)</u>	<u>\$ (2,560,789)</u>	<u>\$ (3,348,706)</u>	<u>\$ 3,273,694</u>	<u>\$ 9,700,134</u>	<u>\$ 4,051,949</u>	<u>\$ 13,116,752</u>	<u>\$ 10,762,821</u>

See independent auditors' report.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities:</b>										
General government	\$ 4,228,723	\$ 4,720,166	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070	\$ 4,041,098	\$ 4,180,139	\$ 4,571,922	\$ 4,460,518
Public Safety	14,350,057	14,436,356	14,060,147	14,059,166	14,270,726	14,200,950	13,681,300	13,273,575	12,650,734	12,231,894
Public works	11,973,544	9,346,862	9,161,630	8,508,057	8,643,954	8,700,112	8,134,046	9,956,820	7,423,111	8,030,019
Culture and recreation	3,394,861	3,405,817	3,202,857	3,082,115	3,319,499	3,328,134	3,474,168	3,204,236	3,333,357	3,231,201
Conservation and development	8,573,095	13,245,448	2,075,907	5,322,277	7,316,955	1,639,911	1,044,474	936,484	1,196,468	1,061,455
Loss on retirement of capital assets	---	---	---	---	---	---	58,698	---	---	---
Interest on advances from utilities	---	---	---	---	---	---	6,388	35,394	72,379	71,337
Interest on long-term debt	2,199,003	2,658,305	2,525,635	3,040,542	2,990,375	2,843,439	2,523,047	2,636,693	2,837,633	3,099,567
<b>Total governmental activities expenses</b>	<u>44,719,283</u>	<u>47,812,954</u>	<u>35,651,741</u>	<u>38,941,171</u>	<u>40,976,353</u>	<u>34,969,616</u>	<u>32,963,219</u>	<u>34,223,341</u>	<u>32,085,604</u>	<u>32,185,991</u>
<b>Business-type activities:</b>										
Sewer Utility	10,303,191	10,166,494	10,109,008	10,153,534	9,492,870	9,213,515	9,770,633	9,154,180	8,378,176	8,146,358
Water Utility	6,720,087	6,641,515	6,784,586	6,728,861	6,677,008	6,473,258	6,389,476	6,352,569	6,070,478	5,944,564
Storm Water Utility	1,388,016	1,366,436	1,289,972	1,375,279	1,386,266	1,314,487	1,349,322	1,348,632	1,378,942	1,270,048
<b>Total business-type activities expenses</b>	<u>18,411,294</u>	<u>18,174,445</u>	<u>18,183,566</u>	<u>18,257,674</u>	<u>17,556,144</u>	<u>17,001,260</u>	<u>17,509,431</u>	<u>16,855,381</u>	<u>15,827,596</u>	<u>15,360,970</u>
<b>Total primary government expenses</b>	<u>\$ 63,130,577</u>	<u>\$ 65,987,399</u>	<u>\$ 53,835,307</u>	<u>\$ 57,198,845</u>	<u>\$ 58,532,497</u>	<u>\$ 51,970,876</u>	<u>\$ 50,472,650</u>	<u>\$ 51,078,722</u>	<u>\$ 47,913,200</u>	<u>\$ 47,546,961</u>

Source: Comprehensive Annual Financial Reports

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Charges for services	\$ 7,998,176	\$ 7,126,005	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835	\$ 6,302,663	\$ 6,467,051	\$ 6,864,218	\$ 5,634,095
Operating grants and contributions	3,760,572	2,935,157	2,318,766	2,613,573	2,441,155	2,361,517	2,680,384	2,005,597	3,818,553	2,380,174
Capital grants and contributions	2,903,025	7,198,695	1,048,838	1,714,561	773,126	1,240,308	7,970,386	1,605,110	3,162,703	1,874,468
<b>Total governmental activities program revenues</b>	<u>14,661,773</u>	<u>17,259,857</u>	<u>10,064,114</u>	<u>13,102,142</u>	<u>10,498,182</u>	<u>10,237,660</u>	<u>16,953,433</u>	<u>10,077,758</u>	<u>13,845,474</u>	<u>9,888,737</u>
<b>Business-type activities:</b>										
Charges for services	15,187,279	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582	14,977,719	15,368,939	14,878,055	14,784,488
Capital grants and contributions	3,065,959	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153	580,999	1,971,719	3,838,028	3,977,406
<b>Total business-type activities program revenues</b>	<u>18,253,238</u>	<u>20,301,675</u>	<u>16,654,785</u>	<u>16,736,310</u>	<u>16,110,592</u>	<u>16,642,735</u>	<u>15,558,718</u>	<u>17,340,658</u>	<u>18,716,083</u>	<u>18,761,894</u>

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
General government	\$ 555,285	\$ 539,299	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962	\$ 461,226	\$ 369,566	\$ 334,312	\$ 303,884
Public safety	1,875,189	1,585,437	1,641,121	1,639,585	1,513,795	1,548,880	1,439,822	1,255,531	1,283,471	1,209,748
Public works	4,204,374	3,978,709	3,644,103	5,779,785	4,479,108	3,773,328	3,793,143	3,864,882	4,262,283	3,098,379
Culture and recreation	123,286	122,347	122,973	120,513	124,526	127,391	108,368	323,646	48,565	47,860
Conservation and development	1,240,042	900,213	707,409	667,551	642,507	707,274	500,104	653,426	935,587	974,224
<b>Total governmental activities charges for services</b>	<u>7,998,176</u>	<u>7,126,005</u>	<u>6,696,510</u>	<u>8,774,008</u>	<u>7,283,901</u>	<u>6,635,835</u>	<u>6,302,663</u>	<u>6,467,051</u>	<u>6,864,218</u>	<u>5,634,095</u>
<b>Business-type activities:</b>										
Sewer Utility	8,309,028	8,114,553	8,229,711	8,526,609	8,287,181	8,652,539	8,789,253	9,017,943	8,630,561	8,529,972
Water Utility	6,838,038	6,535,141	6,641,814	7,097,796	6,577,855	6,144,447	6,154,632	6,310,089	6,188,814	6,198,782
Storm Water Utility	40,213	28,633	27,926	28,260	32,237	33,596	33,834	40,907	58,680	55,734
<b>Total business-type activities charges for services</b>	<u>15,187,279</u>	<u>14,678,327</u>	<u>14,899,451</u>	<u>15,652,665</u>	<u>14,897,273</u>	<u>14,830,582</u>	<u>14,977,719</u>	<u>15,368,939</u>	<u>14,878,055</u>	<u>14,784,488</u>
<b>Total primary government charges for services</b>	<u>\$ 23,185,455</u>	<u>\$ 21,804,332</u>	<u>\$ 21,595,961</u>	<u>\$ 24,426,673</u>	<u>\$ 22,181,174</u>	<u>\$ 21,466,417</u>	<u>\$ 21,280,382</u>	<u>\$ 21,835,990</u>	<u>\$ 21,742,273</u>	<u>\$ 20,418,583</u>

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Public safety	\$ 900,570	\$ 586,717	\$ 440,209	\$ 487,864	\$ 311,550	\$ 242,256	\$ 302,725	\$ 211,964	\$ 178,992	\$ 181,375
Public works	2,133,358	1,826,242	1,774,408	1,977,282	2,033,841	2,027,059	2,127,402	1,528,727	2,889,092	1,908,834
Culture and recreation	61,116	42,057	28,177	41,352	34,814	44,121	45,431	34,995	39,688	15,088
Conservation and development	<u>665,528</u>	<u>480,141</u>	<u>75,972</u>	<u>107,075</u>	<u>60,950</u>	<u>48,081</u>	<u>204,826</u>	<u>229,911</u>	<u>710,781</u>	<u>274,877</u>
<b>Total governmental activities operating grants and contributions</b>	<u>\$ 3,760,572</u>	<u>\$ 2,935,157</u>	<u>\$ 2,318,766</u>	<u>\$ 2,613,573</u>	<u>\$ 2,441,155</u>	<u>\$ 2,361,517</u>	<u>\$ 2,680,384</u>	<u>\$ 2,005,597</u>	<u>\$ 3,818,553</u>	<u>\$ 2,380,174</u>

See independent auditors' report.



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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
General government	\$ 103,000	\$ 4,269,900	\$ ---	\$ ---	\$ 5,000	\$ 14,569	\$ ---	\$ ---	\$ ---	\$ 70,510
Public safety	---	---	---	107,000	---	---	60,000	---	---	---
Public works	2,800,025	2,928,795	1,048,838	1,604,161	768,126	1,225,739	7,910,386	1,604,249	3,163,041	1,788,839
Culture and recreation	---	---	---	---	---	---	---	861	(338)	15,119
Conservation and development	---	---	---	3,400	---	---	---	---	---	---
<b>Total governmental activities capital grants and contributions</b>	<u>2,903,025</u>	<u>7,198,695</u>	<u>1,048,838</u>	<u>1,714,561</u>	<u>773,126</u>	<u>1,240,308</u>	<u>7,970,386</u>	<u>1,605,110</u>	<u>3,162,703</u>	<u>1,874,468</u>
<b>Business-type activities:</b>										
Sewer Utility	1,160,330	1,606,521	308,582	373,943	454,450	981,360	278,529	492,911	1,553,881	1,133,729
Water Utility	1,333,453	2,583,029	367,561	709,702	543,002	830,793	287,657	1,137,181	1,343,390	2,035,897
Storm Water Utility	572,176	1,433,798	1,079,191	---	215,867	---	14,813	341,627	940,757	807,780
<b>Total business-type activities capital grants and contributions</b>	<u>3,065,959</u>	<u>5,623,348</u>	<u>1,755,334</u>	<u>1,083,645</u>	<u>1,213,319</u>	<u>1,812,153</u>	<u>580,999</u>	<u>1,971,719</u>	<u>3,838,028</u>	<u>3,977,406</u>
<b>Total primary government capital grants and contributions</b>	<u>\$ 5,968,984</u>	<u>\$ 12,822,043</u>	<u>\$ 2,804,172</u>	<u>\$ 2,798,206</u>	<u>\$ 1,986,445</u>	<u>\$ 3,052,461</u>	<u>\$ 8,551,385</u>	<u>\$ 3,576,829</u>	<u>\$ 7,000,731</u>	<u>\$ 5,851,874</u>

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Taxes	\$ 27,213,075	\$ 27,345,166	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386	\$ 24,728,311	\$ 23,522,724	\$ 22,408,932	\$ 23,413,299
Grants and contributions not restricted to specific programs	1,762,237	1,542,891	1,050,489	1,047,409	1,230,437	1,100,295	1,263,645	1,227,423	1,492,124	1,933,923
Investments earnings	100,583	71,074	65,991	118,049	120,702	151,238	234,227	1,052,148	2,126,362	2,047,464
Interest on advances to utilities	7,087	12,849	19,171	25,232	22,082	38,824	31,048	34,537	39,037	39,037
Gain (loss) on retirement of capital assets	149,057	---	(192,379)	(4,138,753)	13,182	32,391	---	56,912	33,175	3,318
Debt payments received	---	---	---	213,716	---	---	---	---	---	---
Developer incentives returned	---	---	2,000,000	---	---	---	---	---	---	---
Other revenues	134,443	178,027	118,125	81,500	97,446	65,883	62,511	57,072	37,380	50,883
<b>Total governmental activities general revenues and other changes in net position</b>	<u>29,366,482</u>	<u>29,150,007</u>	<u>29,435,874</u>	<u>23,482,235</u>	<u>27,235,395</u>	<u>27,064,017</u>	<u>26,319,742</u>	<u>25,950,816</u>	<u>26,137,010</u>	<u>27,487,924</u>
<b>Business-type activities:</b>										
Taxes	1,231,250	1,231,250	1,231,250	1,231,250	1,231,250	1,212,990	1,195,085	1,177,535	1,151,745	1,127,500
Investments earnings	18,838	13,602	14,561	24,509	27,662	41,540	124,673	567,393	1,105,838	965,611
Interest on advances to governmental funds	---	---	---	---	---	---	6,388	35,394	72,379	71,337
Gain (loss) on retirement of capital assets	---	---	5,178	(1,575)	24,135	4,678	147	(21,138)	497	5,888
Other revenues	36,547	33,735	33,453	63,185	56,575	40,950	14,598	2,255	926	891
<b>Total business-type activities general revenues and other changes in net position</b>	<u>1,286,635</u>	<u>1,278,587</u>	<u>1,284,442</u>	<u>1,317,369</u>	<u>1,339,622</u>	<u>1,300,158</u>	<u>1,340,891</u>	<u>1,761,439</u>	<u>2,331,385</u>	<u>2,171,227</u>
<b>Total primary government general revenues and other changes in net position</b>	<u>\$ 30,653,117</u>	<u>\$ 30,428,594</u>	<u>\$ 30,720,316</u>	<u>\$ 24,799,604</u>	<u>\$ 28,575,017</u>	<u>\$ 28,364,175</u>	<u>\$ 27,660,633</u>	<u>\$ 27,712,255</u>	<u>\$ 28,468,395</u>	<u>\$ 29,659,151</u>

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Fund:</b>										
Nonspendable	\$ 2,252,876	\$ 2,375,001	\$ 2,189,844	\$ 2,498,367	\$ 2,391,707	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	---	---	---	91,526	11,094	---	---	---	---	---
Unassigned	7,387,708	7,265,583	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
Unreserved	---	---	---	---	---	6,076,505	6,034,369	5,870,188	6,374,783	6,701,660
<b>Total general fund</b>	<u>9,640,584</u>	<u>9,640,584</u>	<u>9,530,584</u>	<u>9,265,584</u>	<u>9,246,770</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>
<b>All Other Governmental Funds:</b>										
Nonspendable	1,881,590	1,232,169	15,369,451	15,985,377	17,818,086	---	---	---	---	---
Restricted	10,819,886	8,961,001	10,579,623	17,177,241	11,860,659	---	---	---	---	---
Committed	8,918,811	2,995,623	4,114,678	1,043,079	6,311,798	---	---	---	---	---
Assigned	4,174,551	4,487,089	3,215,701	7,399,395	534,957	---	---	---	---	---
Unassigned	(1,381,051)	(1,174,729)	(386,481)	(3,289,054)	(887,452)	---	---	---	---	---
Reserved	---	---	---	---	---	30,420,048	14,826,220	12,438,231	12,916,336	12,507,588
Unreserved, reported in:										
Special Revenue funds	---	---	---	---	---	6,485,333	91,966	304,130	23,631	1,172
Capital Projects funds	---	---	---	---	---	(230,554)	3,429,420	5,917,809	5,742,738	6,519,125
<b>Total all other governmental funds</b>	<u>24,413,787</u>	<u>16,501,153</u>	<u>32,892,972</u>	<u>38,316,038</u>	<u>35,638,048</u>	<u>36,674,827</u>	<u>18,347,606</u>	<u>18,660,170</u>	<u>18,682,705</u>	<u>19,027,885</u>
<b>Total all governmental funds</b>	<u>\$ 34,054,371</u>	<u>\$ 26,141,737</u>	<u>\$ 42,423,556</u>	<u>\$ 47,581,622</u>	<u>\$ 44,884,818</u>	<u>\$ 44,770,159</u>	<u>\$ 26,442,938</u>	<u>\$ 26,755,502</u>	<u>\$ 26,778,037</u>	<u>\$ 27,123,217</u>

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

Source: Comprehensive Annual Financial Reports

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

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues	\$ 41,725,678	\$ 39,901,182	\$ 39,455,974	\$ 38,909,480	\$ 37,588,066	\$ 36,285,708	\$ 35,891,953	\$ 36,241,840	\$ 38,592,606	\$ 36,875,263
Expenditures	<u>56,789,395</u>	<u>60,851,335</u>	<u>43,561,974</u>	<u>58,281,312</u>	<u>49,578,107</u>	<u>54,945,695</u>	<u>40,537,373</u>	<u>42,473,059</u>	<u>38,696,476</u>	<u>41,293,845</u>
<b>Deficiency of revenues under expenditures</b>	<u>(15,063,717)</u>	<u>(20,950,153)</u>	<u>(4,106,000)</u>	<u>(19,371,832)</u>	<u>(11,990,041)</u>	<u>(18,659,987)</u>	<u>(4,645,420)</u>	<u>(6,231,219)</u>	<u>(103,870)</u>	<u>(4,418,582)</u>
Other financing sources (uses) and other Changes in fund balances	22,976,350	4,547,010	(1,052,066)	22,068,636	12,104,700	36,987,208	4,332,856	6,208,684	(241,310)	4,177,906
Prior period adjustment	<u>5,499,742</u>	<u>121,324</u>	<u>(923,763)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>Total change in fund balance</b>	<u>\$ 7,912,633</u>	<u>\$ (16,281,819)</u>	<u>\$ (5,158,066)</u>	<u>\$ 2,696,804</u>	<u>\$ 114,659</u>	<u>\$ 18,327,221</u>	<u>\$ (312,564)</u>	<u>\$ (22,535)</u>	<u>\$ (345,180)</u>	<u>\$ (240,676)</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Taxes	\$ 25,904,061	\$ 26,266,221	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550	\$ 23,618,142	\$ 22,520,264	\$ 23,473,017	\$ 22,451,038
Payment in lieu of tax	1,290,385	1,259,422	1,393,941	1,292,036	1,203,973	1,200,836	1,110,169	1,002,460	980,285	962,261
Special assessment & interest	208,782	192,256	95,737	178,285	195,095	156,193	271,814	303,739	370,858	416,269
Licenses and permits	1,728,039	1,347,111	1,187,601	1,141,357	1,094,714	1,102,585	877,195	875,180	1,047,884	1,058,018
Fines and penalties	609,413	563,671	744,985	649,989	648,116	755,247	662,503	661,095	611,749	602,289
Intergovernmental aid	4,681,534	3,607,341	3,219,203	3,186,673	3,800,609	3,355,012	3,821,062	3,714,531	4,129,207	4,795,658
Program revenues	1,384,278	1,440,025	1,474,779	1,447,884	1,511,174	1,410,802	1,244,290	1,492,130	119,856	124,012
Other charges for service	4,212,352	3,726,595	3,322,434	5,395,570	4,064,142	3,346,548	3,472,847	3,448,579	4,844,268	3,707,532
Interest income	72,211	42,985	48,315	70,775	89,279	120,726	222,381	1,073,689	2,110,216	1,997,467
Interest on advances	27,703	32,280	237,966	241,269	104,066	112,724	84,728	85,392	69,525	60,164
Developer incentives returned	---	---	2,000,000	---	---	---	---	---	---	---
Other revenue	1,606,920	1,423,275	750,477	462,596	329,325	250,485	506,822	1,064,781	835,741	700,555
<b>Total revenues</b>	<u>\$ 41,725,678</u>	<u>\$ 39,901,182</u>	<u>\$ 39,455,974</u>	<u>\$ 38,909,480</u>	<u>\$ 37,588,066</u>	<u>\$ 36,285,708</u>	<u>\$ 35,891,953</u>	<u>\$ 36,241,840</u>	<u>\$ 38,592,606</u>	<u>\$ 36,875,263</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

	<b>2015</b>	<b>2014</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>
Current:										
General government	\$ 3,656,043	\$ 3,909,661	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621	\$ 3,462,236	\$ 3,461,298	\$ 3,622,525	\$ 3,654,109
Public safety	13,860,652	13,823,637	13,403,094	13,349,480	13,532,420	13,440,800	13,087,197	12,648,113	11,976,449	11,611,690
Public works	9,951,007	7,101,179	7,331,797	6,806,723	6,915,529	6,905,932	6,390,586	8,627,095	6,112,332	6,762,634
Culture and recreation	2,891,428	2,921,152	2,666,107	2,587,993	2,758,347	2,792,380	2,933,828	2,646,871	2,792,883	2,700,236
Conservation and development	7,006,218	1,486,607	2,039,586	5,111,837	7,410,485	1,645,679	1,145,049	870,587	1,215,791	1,152,259
Uncollectible accounts	---	5,261,620	---	---	---	---	---	---	---	---
Interest on advances	20,616	19,431	218,795	216,037	81,984	73,900	60,068	86,249	102,867	92,464
Loss on defeasance of debt	---	---	---	---	---	---	---	---	---	---
Loss on refunding of debt	---	---	---	---	---	---	---	---	---	---
Debt issuance costs	409,700	324,699	200,271	393,613	205,922	692,884	90,750	68,243	11,500	10,000
Capital outlay	10,381,143	7,579,866	4,120,998	16,066,598	5,119,767	10,597,430	2,730,380	1,532,375	1,909,765	2,382,325
Debt service:										
Principal	6,434,369	15,756,416	6,670,417	6,548,416	6,258,415	12,688,416	8,027,416	9,913,506	8,073,002	9,781,450
Interest and fiscal charges	2,178,219	2,667,067	2,956,176	3,022,128	3,355,521	2,465,653	2,609,863	2,618,722	2,879,362	3,146,678
<b>Total expenditures</b>	<b>\$ 56,789,395</b>	<b>\$ 60,851,335</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>Noncapital expenditures</b>	<b>18.56%</b>	<b>34.58%</b>	<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>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating transfers in	\$ 18,816,352	\$ 21,284,579	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073	\$ 7,471,082	\$ 11,304,685	\$ 10,331,806	\$ 10,139,049
Operating transfers out	(18,816,352)	(21,284,578)	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)	(7,471,082)	(11,304,685)	(10,331,806)	(10,139,049)
Residual equity transfer	---	---	---	---	---	---	---	---	---	---
Proceeds (loss) from sale of capital assets	6,997,349	(55,294)	41,906	---	13,182	32,391	87,106	66,341	41,560	32,847
Fair market of bond/notes issued	15,430,000	4,223,622	7,175,000	28,940,000	11,855,000	32,025,000	4,155,000	6,074,100	1,750,000	2,295,059
Fair market of refunding bonds issued	9,975,000	12,275,000	6,780,000	---	---	4,080,000	---	---	---	1,850,000
Payment to refunding escrow agent	(10,025,000)	(12,325,000)	(15,154,270)	(8,600,000)	---	---	---	---	---	---
Debt issuance premiums	599,001	609,158	105,298	1,514,920	236,518	849,817	90,750	68,243	11,500	---
Debt payments received	---	---	---	213,716	---	---	---	---	---	---
Distribution upon closure of TID	---	(180,477)	---	---	---	---	---	---	(2,044,370)	---
<b>Total other financing sources (uses)</b>										
<b>and other changes in fund balance</b>	<u>\$ 22,976,350</u>	<u>\$ 4,547,010</u>	<u>\$ (1,052,066)</u>	<u>\$ 22,068,636</u>	<u>\$ 12,104,700</u>	<u>\$ 36,987,208</u>	<u>\$ 4,332,856</u>	<u>\$ 6,208,684</u>	<u>\$ (241,310)</u>	<u>\$ 4,177,906</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

<b>As of January 1</b>	<b>Real Property</b>		<b>Personal Property</b>		<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Total Taxable Equalized Value</b>	<b>Assessment Ratio</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>				
2015	\$ 4,427,051,360	\$ 4,424,078,642	\$ 159,081,780	\$ 158,974,958	\$ 4,586,133,140	\$ 5.21	\$ 4,583,053,600	1.0007
2014	4,377,881,960	4,331,625,189	163,982,250	162,249,611	4,541,864,210	5.21	4,493,874,800	1.0107
2013	4,356,357,660	4,092,149,876	162,733,300	152,863,724	4,519,090,960	5.20	4,245,013,600	1.0646
2012	4,277,627,360	4,176,224,340	142,649,120	139,267,560	4,420,276,480	5.20	4,315,491,900	1.0243
2011	4,248,742,200	4,299,841,843	140,072,010	141,756,657	4,388,814,210	5.20	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

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Menomonee Falls School District	\$ 3,565,846,810
Hamilton Sussex School District	<u>1,020,286,330</u>
<b>Total assessed value</b>	<b><u>\$ 4,586,133,140</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 auditors' report.



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

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

Year	(1) Assessed Property Value				(2) Residential Construction		(2) Nonresidential Construction	
	Residential	Commercial & Manufacturing	Agricultural, Swamp & Other	Total	Number of Permits	Value	Number of Permits	Value
2015	\$ 3,045,248,960	\$ 1,365,294,700	\$ 16,507,700	\$ 4,427,051,360	696	\$ 37,791,221	169	\$ 115,540,528
2014	3,011,686,460	1,349,447,800	16,747,700	4,377,881,960	695	24,504,020	166	89,112,115
2013	2,986,655,260	1,352,997,000	16,705,400	4,356,357,660	688	27,219,724	177	32,992,395
2012	2,963,751,660	1,296,913,100	16,962,600	4,277,627,360	608	22,753,135	126	34,157,895
2011	2,954,622,401	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

(1) Values from Statement of Assessment

(2) From Village Zoning and Inspection Department records

See independent auditors' report.

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

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

For Fiscal Year	Village Direct Rates						Overlapping Rates					School Tax Credit	Net Tax Rate	
	Basic Rate	General Obligation Debt Service Rate	Library Operations & Maint	Sewer Capital Costs	Storm Water Costs	Total Direct	State of Wisconsin	Waukesha County	Menomonee Falls School District	Sussex Hamilton School District	Waukesha County Technical College		Menomonee Falls School District	Sussex Hamilton School District
2016	\$ 4.03	\$ 0.52	\$ 0.38	\$ 0.07	\$ 0.21	\$ 5.21	\$ 0.17	\$ 2.06	\$ 11.41	\$ 9.66	\$ 0.38	\$ (1.66)	\$ 17.57	\$ 15.82
2015	4.02	0.52	0.39	0.07	0.21	5.21	0.16	2.01	11.60	9.58	1.24	(1.68)	18.54	16.52
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

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.

See independent auditors' report.

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

**Ten Largest Assessed Valuations**  
**Years 2015 and 2006**

Name	Nature of Business	2015			2006		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 102,277,870	2.23%	1	\$ 79,332,370	1.94%	1
Harley Davidson	Manufacturer of motorcycles	30,151,200	0.66%	2	25,524,200	0.62%	4
Woodland Prime LLC	Property management	28,899,400	0.63%	3	30,006,600	0.73%	3
Ryan X LLC	Property development	28,556,200	0.62%	4	---	---	
NHMC Land LLC	Real estate	23,212,600	0.51%	5	---	---	
Woodmans Food Market	Supermarket	20,838,940	0.45%	6	---	---	
Burke Business Park	Property development	18,618,000	0.41%	7	---	---	
Eaton Corporation	Power products and management	18,446,400	0.40%	8	---	---	
Wells Fargo Financial	Finance	17,627,420	0.38%	9	---	---	
Waste Management	Solid waste management	17,371,180	0.38%	10	18,510,980	0.45%	6
Strong Capital Management	Investment services	---	---		32,799,000	0.80%	2
Fussville Development LLC	Property management	---	---		13,582,800	0.33%	10
W.C. Bradley Co.	Manufacturer of outdoor grills and equipment	---	---		19,983,200	0.49%	5
R-K of Waukesha	Various commercial	---	---		16,366,900	0.40%	7
Gillville LLC	Real estate	---	---		16,300,700	0.40%	8
Wacker Corporation	Compaction machines and pumps	---	---		14,768,900	0.36%	9
<b>Total, ten largest taxpayers</b>		305,999,210	6.67%		267,175,650	6.52%	
<b>Total, other taxpayers</b>		4,280,133,930	93.33%		3,821,817,850	93.48%	
<b>Total assessed valuations</b>		<u>\$ 4,586,133,140</u>	<u>100.00%</u>		<u>\$ 4,088,993,500</u>	<u>100.00%</u>	

Source: Village Department of Assessing

See independent auditors' report.

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

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

Levy Year	Taxes Levied	Collected Within the Year Levied for		Subsequent Collections	Totals Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 27,266,228	\$ 10,119,445	37.11%	\$ ---	\$ 10,119,445	37.11%
2014	26,885,382	7,153,462	26.61%	19,728,947	26,882,409	99.99%
2013	27,276,674	7,077,544	25.95%	20,194,012	27,271,556	99.98%
2012	26,031,321	5,629,313	21.63%	20,392,772	26,022,085	99.96%
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%

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

Source: Statements of taxes, Village Clerk Services Department

See independent auditors' report.

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

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

Year	Governmental Activities			Business Type Activities				Total Primary Government	Percentage of		Per Capita
	General Obligation Bonds & Notes	Bond/Note Anticipation Notes	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	General Obligation Notes	Utility Mortgage Revenue BANS		Personal Income	Property Value	
2015	\$ 85,656,905	\$ ---	\$ ---	\$ ---	\$ 1,422,408	\$ 10,143,764	\$ ---	\$ 97,223,077	6.12%	2.12%	\$ 2,706
2014	76,711,274	---	---	---	1,589,055	10,192,348	---	88,492,677	4.16%	1.97%	2,472
2013	88,294,068	---	---	---	1,751,118	10,345,932	---	100,391,118	4.84%	2.36%	2,811
2012	94,709,484	1,280,000	---	2,735,000	2,000,613	6,850,516	---	107,575,613	5.58%	2.49%	3,015
2011	80,917,900	1,280,000	---	4,085,000	2,242,935	5,537,100	---	94,062,935	4.97%	2.12%	2,637
2010	75,321,315	1,280,000	---	6,270,000	2,478,293	3,633,685	---	88,983,293	4.92%	2.01%	2,572
2009	51,934,731	1,250,000	---	7,595,000	2,706,889	2,495,269	---	65,981,889	3.65%	1.44%	1,907
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

Source: General Purpose Financial Statements

See independent auditors' report.

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

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

Year	Gross Bonded Debt	Bonded Debt Supported by Revenues	Tax Obligation Bonded Debt			Ratio of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
			Gross	Designated Funds for Debt Service	Net		
2015	\$ 95,800,669	\$ 82,985,708	\$ 12,814,961	\$ 116,906	\$ 12,698,055	0.28%	\$ 353
2014	86,903,622	64,301,555	22,602,067	65,095	22,536,972	0.50%	630
2013	98,640,000	84,745,700	13,894,300	-	13,894,300	0.33%	389
2012	101,560,000	77,622,400	23,937,600	8,718,485	15,219,115	0.35%	427
2011	86,455,000	70,247,600	16,207,400	35,973	16,171,427	0.36%	453
2010	78,955,000	65,398,300	13,556,700	187,212	13,369,488	0.30%	386
2009	54,430,000	42,448,000	11,982,000	2,779	11,979,221	0.26%	346
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

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (A)</u>	<u>Operating Income</u>	<u>Debt Service Requirements</u>			<u>Coverage (C)</u>
				<u>Principal (B)</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 9,673,484	\$ 8,900,342	\$ 773,142	\$ 166,647	\$ 43,153	\$ 209,800	3.6851
2014	9,285,340	8,754,564	530,776	162,063	48,302	210,365	2.5231
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

(A) Operating expenses before depreciation

(B) Debt service requirements are for the bond principal and interest due and paid during the year in question, including clean water fund loans, except as noted below.  
2009 principal does not include \$3,860,000 early call of bonds  
Principal and interest do not include GO requirements

(C) Ratio of total funds available for debt service to total requirements

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

See independent auditors' report.

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

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

<u>Year</u>	<u>Operating</u>		<u>Operating</u>		<u>Debt Service Requirements</u>			<u>Coverage</u>
	<u>Revenue (A)(D)</u>		<u>Expenses (B)</u>	<u>Income</u>	<u>Principal (E)</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 7,630,437	\$	3,584,133	\$ 4,046,304	\$ -	\$ -	\$ -	-
2014	6,936,849		3,594,305	3,342,544	-	-	-	-
2013	6,829,451		3,549,987	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

Source: Comprehensive Annual Financial Reports

(A) Operating revenues include interest income and interest reimbursed from TID #3

(B) Operating expenses before depreciation and tax equivalent paid to the Village

(C) Ratio of total funds available for debt service to total requirements

(D) Principal and interest do not include GO requirements

See independent auditors' report.



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

**Computation of Legal Debt Margin**  
**December 31, 2015**

<b>Equalized value of real and personal property</b>	<b>\$ 4,583,053,600</b>
Debt limit, five percent of equalized valuation	\$ 229,152,680
Total obligation bonds and notes applicable to debt limit at December 31, 2015	<u>(95,800,669) *</u>
<b>Remaining legal debt margin</b>	<b>\$ 133,352,011</b>
<b>* Includes:</b>	
Sewer Utility portion of G.O. notes	\$ 273,270
Water Utility portion of G.O. notes	6,365,000
Storm Water Utility portion of G.O. notes	3,505,494
Note Anticipation Notes	-
Water Revenue Bonds and Revenue BANs	-

<b>Historical Data</b>					
<b>Year</b>		<b>Limit</b>	<b>Debt to Limit</b>	<b>Legal Margin</b>	<b>Percentage of Legal Limit</b>
2015	\$	229,152,680	\$ 95,800,669	\$ 133,352,011	41.81%
2014		224,693,740	86,903,622	137,790,118	38.68%
2013		212,250,680	98,640,000	113,610,680	46.47%
2012		215,774,595	101,560,000	114,214,595	47.07%
2011		222,079,925	86,455,000	135,624,925	38.93%
2010		221,879,205	78,955,000	142,924,205	35.58%
2009		229,467,070	54,430,000	175,037,070	23.72%
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%

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

**Computation of Direct and Overlapping Debt**  
**December 31, 2015**

	<u>Total Direct Debt</u>	<u>Applicable to Village Residents</u>	
		<u>Percent</u>	<u>Amount</u>
<b>Direct debt</b>	\$ 85,656,905	100.00%	\$ 85,656,905
Overlapping Debt:			
Menomonee Falls School District	\$ 24,495,000	97.49%	\$ 23,880,176
Hamilton School District	5,165,000	32.43%	1,675,010
Waukesha County	79,335,000	8.56%	6,791,076
Waukesha County Technical College	<u>27,785</u>	8.36%	<u>2,323</u>
<b>Total overlapping debt</b>	<u>109,022,785</u>		<u>32,348,585</u>

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

See independent auditors' report.

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rates (2)</u>			<u>Per-Capita Income (3)</u>		<u>Total Income Village of Menomonee Falls (4)</u>
		<u>Village of Menomonee Falls</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	
2015	35,928	3.7 %	3.8 %	4.6 %	\$ 44,186	\$ 45,617	\$ 1,587,514,608
2014	35,798	4.5	4.5	5.5	59,379	44,585	2,125,649,442
2013	35,710	5.5	5.9	6.7	58,055	43,149	2,073,144,050
2012	35,680	5.8	6.0	6.9	54,050	38,703	1,928,504,000
2011	35,675	6.2	6.5	7.5	53,034	37,670	1,891,987,950
2010	34,600	6.6	7.0	7.4	52,276	36,815	1,808,749,600
2009	34,600	7.3	7.5	8.5	52,290	36,822	1,809,234,000
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

(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 (2010-2015 Waukesha County are estimates)

(4) Estimated based on population and Waukesha County per-capita income

See independent auditors' report.

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

**Principal Employers**  
**Years 2015 and 2006**

<u><b>Employer</b></u>	<u><b>Number of Employees</b></u>	
	<u><b>2015</b></u>	<u><b>2006</b></u>
Kohls Corporation	5,136	3,551
Froedtert Health	2,713	1,500
Harley Davidson	1,000	1,000
FIS Management Services LLC (formerly Metavante)	758	---
Wells Fargo Financial	647	735
Arandell-Schmidt	600	750
Menomonee Falls School District	574	998
Wacker Neuson Corporation	472	424
Alto-Schaam	380	355
Village of Menomonee Falls	328	260
Bradley Corporation	315	367
Briggs & Stratton Corporation	266	---
Linden Grove	235	---
Citation Custom Products	---	254

**Sources:**

Employer list and related employee data from debit issuance Official Statement  
Employment in 2006 obtained from HSE report as of February 2006 inquiries of employers

See independent auditors' report.

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

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

Function	Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government and administration	25	35	33	34	34	33	34	36	41	44
Public Safety	133	95	96	96	101	100	104	105	104	105
Public Works	20	20	21	22	26	26	30	32	34	35
Culture and recreation	23	25	25	25	26	27	25	29	30	30
Conservation and Development	16	14	13	13	14	14	18	17	22	24
Sanitary Sewer	3	4	4	5	4	4	6	5	4	4
Water Utility	14	14	14	15	17	17	17	15	16	16
Storm Water Utility	---	1	1	1	1	1	1	1	1	1
<b>Totals</b>	<u>234</u>	<u>208</u>	<u>207</u>	<u>211</u>	<u>223</u>	<u>222</u>	<u>235</u>	<u>240</u>	<u>252</u>	<u>259</u>

Source: Financial Services Budget Documents

See independent auditors' report.

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

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

	<b>2015</b>	<b>2014</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>General Government:</b>										
Number of employees	25	35	33	34	34	33	34	36	41	44
Registered voters	23,888	24,735	24,083	24,206	24,539	25,180	24,697	24,697	23,670	23,176
<b>Public Safety:</b>										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	71	64	64	66	67	69	70	70	69	69
Crimes	448	452	409	423	470	433	403	550	691	703
Number of violations/enforcement	17,208	15,059	17,630	18,475	19,221	21,797	22,039	18,189	17,047	16,715
Accidents	763	765	717	700	780	510	557	877	928	832
Fire:										
Number of stations	5	4	4	4	4	4	4	4	4	4
Number of employees	50	18	20	18	22	21	21	22	22	22
Number of fires	69	54	64	80	74	59	72	76	73	73
Rescue and EMS	2,481	2,306	2,127	2,064	2,035	1,864	1,814	1,905	1,761	1,669
Hazardous conditions	101	106	83	74	90	96	103	100	96	92
Dispatch:										
Number of employees	11	13	12	12	12	13	13	13	13	13
Number of event calls	44,058	40,881	40,059	43,268	41,928	43,027	65,562	65,562	65,562	61,134
<b>Public Works:</b>										
Number of employees	20	20	21	22	26	26	30	32	34	35
Miles of streets and roads-Village owned	211	209	208	207	207	207	207	207	207	206
Miles - All roads, State, County, Village	236	234	233	233	233	233	249	249	248	247

Source: Village departments

See independent auditors' report.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Culture and recreation:</b>										
Library:										
Number of employees	19	19	20	19	21	21	16	16	18	18
Volumes	134,864	137,946	139,932	136,259	141,577	124,337	123,099	138,427	146,998	132,092
E-Volumes *	174,660	152,975	103,097	39,063	N/A	N/A	N/A	N/A	N/A	N/A
Circulation	337,449	365,898	374,917	334,305	351,023	371,600	381,864	364,541	369,263	390,962
Parks:										
Number of employees	6	6	6	6	5	6	4	8	9	10
Number of parks	16	16	16	16	11	11	8	8	8	8
Acres of parkland - Village owned	1,165	1,165	1,165	1,165	1,525	1,525	1,508	1,508	1,506	1,458
Acres of parkland - County owned	321	321	321	321	621	621	544	544	544	544
<b>Conservation and Development:</b>										
Number of employees	16	14	14	14	14	14	18	17	22	24
Number of permits issued	865	861	865	734	720	745	516	636	791	692
Permit value	153,331,749	113,616,135	60,212,119	56,911,030	66,043,080	60,039,501	37,243,829	59,903,763	87,337,514	87,327,054
<b>Water Utility:</b>										
Number of employees	14	14	14	15	17	17	17	15	16	16
Number of customers	12,118	12,029	11,979	11,911	11,853	11,802	11,755	11,707	11,641	11,559
Gallons pumped annually (in thousands)	1,274,354	1,251,716	1,220,082	1,355,139	1,206,533	1,176,398	1,260,820	1,038,142	1,055,982	1,042,303
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	2,868	2,818	2,804	2,790	2,777	2,780	2,773	2,692	2,675	2,639
Miles of mains	226	225	221	221	218	218	220	216	215	212
<b>Sewer Utility:</b>										
Number of employees	3	4	4	5	4	4	6	5	4	4
Number of customers	11,568	11,536	11,508	11,462	11,407	11,571	10,853	10,824	10,771	10,671
Gallons pumped annually (in thousands)	836,712	825,492	839,355	890,894	843,689	824,790	853,332	888,214	903,862	896,011
Number of lift stations	11	11	11	10	10	10	8	8	8	7
Miles of main	219	218	216	213	213	212	212	208	208	205
<b>Storm Water Utility:</b>										
Number of employees	---	1	1	1	1	1	1	1	1	1
Number of retention basins	13	13	10	10	10	10	10	10	10	10
Miles of storm main	148	147	145	143	142	141	140	126	126	117

Source: Village departments

N/A - Information is not available

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

See independent auditors' report.