

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

**Comprehensive Annual Financial Report  
Year Ended December 31, 2016**

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

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

**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2016**

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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 7, 2017

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, 2016 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, 2016. 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 36,907 (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, 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. Evidence of the health of the Village is reflected in unemployment percentages consistently lower than the State average. The Village's 2016 unemployment rate is 3.6% versus the State's 4.1%.

In 2016 the Village's equalized value (including TIDs) increased 3% which; although modest, is still evidence of a macro economic turnaround. Menomonee Falls has a growing residential sector and continues to be a desirable location for both large and small businesses to locate and expand. This development trend supports a resilient tax base and was evidenced by the Village having the 6th highest gain in net new construction value in Wisconsin in 2016.

In 2016, the Village issued 740 residential and 146 non-residential building permits for an estimated construction value of more than \$117.6 million. This was the 2nd highest estimated construction value ever recorded (exceeded only by 2015). Major contributors to the 2016 value include construction and remodeling of single-family homes (\$43.2 million), new commercial and industrial buildings (\$36.6 million) and a variety of projects at existing sites for Kohl's Corporation (\$6.2 million) and Froedtert and the Medical College of Wisconsin (\$3.8 million). At 886, the total number of permits issued in 2016 was higher than 2015 and is highest recorded total since the Village staff began tallying these totals electronically in 1997.

While many of the developments in Menomonee Falls in 2016 were conceptual multi-phase developments, the Village ultimately approved 117 new single-family lots in three subdivisions. This total was the second highest in the Village since 2007 (70 new single-family lots were platted in 2015). The 117 new lots and the 102 single-family housing starts in 2016 reveal the continued strength of the post-recession housing market. With 102 housing starts in 2016, the Village accounted for over 11% of all new single-family homes constructed in Waukesha County. This percentage of county housing starts was notably higher than the typical percentage of around 8%, and was the second largest percentage of housing starts within Waukesha County during the last twelve years (exceeded only by 2015).

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. In 2016, tax increment value increased \$38.1 million (16%), with most of the new value accruing in TID #5 (Westbrook Corp. Center) and TID #8 (Falls Parkway). The most significant increases in value occurred in TID #8, with the completion of Costco and the beginning construction of the Junction apartments at White Stone Station.

### **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, 2016, the unassigned General Fund balance approximated 3.4 months of 2017 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.

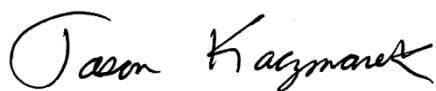
The Village policy towards budget and tax stabilization prompted the development of an internal Revolving Capital Loan program which provides departments with an interest-free method of funding large equipment and vehicle purchases with amortized repayments included in the operating budget. Consolidation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

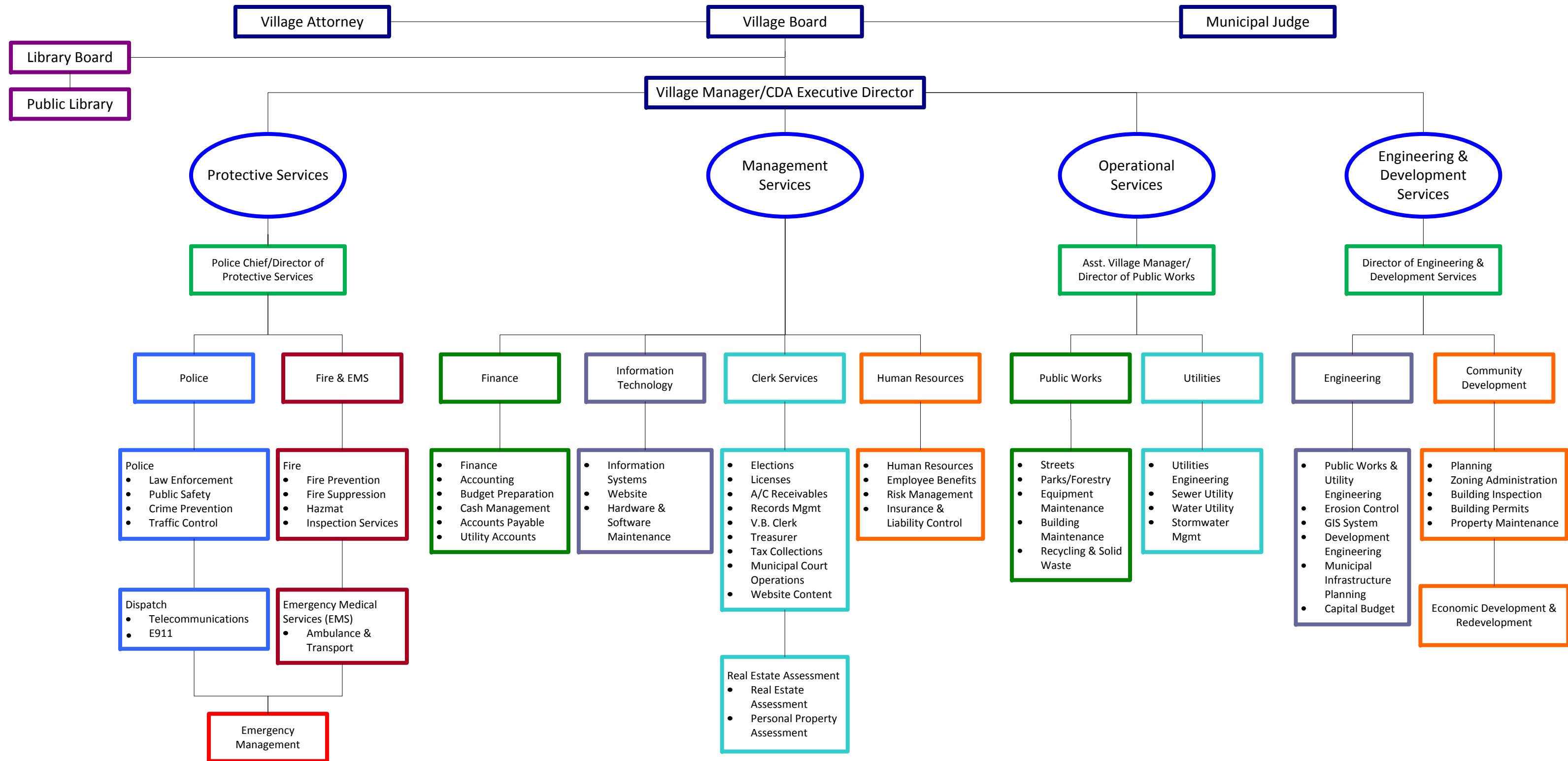
A handwritten signature in black ink that reads "Jason Kaczmarek". The signature is written in a cursive, flowing style.

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, 2016**

**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 2017                 |
| Chris Smolik          | Trustee             | April 2017                 |
| Bonnie J. Lemmer      | Trustee             | April 2019                 |
| Jeremy Walz           | Trustee             | April 2019                 |
| Paula Tadda           | Trustee             | April 2019                 |

**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**

Thomas G. Wieland  
David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich



Carrie A. Gindt  
Patrick G. Hoffert  
Jason J. Wrasse  
Joshua T. Bierbach

## **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, 2016 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.

## Opinions

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, 2016, 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*

U.S. GAAP requires 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 (liability) 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 2016 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, 2015 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, 2015 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 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 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, 2015.

*Riilly, Penner & Benton LLP*

July 20, 2017  
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, 2016. 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 one fiduciary fund, which is used to record assets collected on behalf of other taxing units.

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

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

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which can be found on page 82 of this report. Combining and individual fund statements and schedules begin on page 84 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 \$267 million as of December 31, 2016. 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, 8%, 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 \$14 million or 5.4%.

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

|  | <b>Governmental Activities</b> |                 | <b>Business-type Activities</b> |                 | <b>Total Primary Government</b> |                 |
|--|--------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|-----------------|
|  | <b>2016</b>                    | <b>2015</b>     | <b>2016</b>                     | <b>2015</b>     | <b>2016</b>                     | <b>2015</b>     |
| <b>Assets:</b>                         |                                |                 |                                 |                 |                                 |                 |
| Capital assets                         | \$ 165.8                       | \$ 161.0        | \$ 138.3                        | \$ 134.3        | \$ 304.1                        | \$ 295.3        |
| Other assets                           | 73.1                           | 74.0            | 24.7                            | 24.2            | 97.8                            | 98.2            |
| Total assets                           | 238.9                          | 235.0           | 163.0                           | 158.5           | 401.9                           | 393.5           |
| <b>Deferred outflows of resources:</b> | 9.7                            | 3.1             | 0.8                             | 0.3             | 10.5                            | 3.4             |
| <b>Liabilities:</b>                    |                                |                 |                                 |                 |                                 |                 |
| Long-term liabilities                  | 82.6                           | 70.5            | 11.1                            | 10.9            | 93.7                            | 81.4            |
| Other liabilities                      | 15.1                           | 29.3            | 2.1                             | 3.2             | 17.2                            | 32.5            |
| Total liabilities                      | 97.7                           | 99.8            | 13.2                            | 14.1            | 110.9                           | 113.9           |
| <b>Deferred inflows of resources:</b>  | 32.9                           | 28.4            | 1.2                             | 0.9             | 34.1                            | 29.3            |
| <b>Net Position:</b>                   |                                |                 |                                 |                 |                                 |                 |
| Net investment in capital assets       | 102.2                          | 96.8            | 129.7                           | 124.0           | 231.9                           | 220.8           |
| Restricted                             | 14.1                           | 14.2            | 8.2                             | 7.6             | 22.3                            | 21.8            |
| Unrestricted                           | 1.7                            | (1.1)           | 11.5                            | 12.2            | 13.2                            | 11.1            |
| Total net position                     | <u>\$ 118.0</u>                | <u>\$ 109.9</u> | <u>\$ 149.4</u>                 | <u>\$ 143.8</u> | <u>\$ 267.4</u>                 | <u>\$ 253.7</u> |

### Changes in Net Position

During 2016 the net position of governmental activities increased 7.4% to \$118 million. Restricted assets include \$6.5 million for capital projects (including Tax Incremental Financing Districts or TIDs), \$4.5 million related to WRS pension assets, \$1.3 million for the library, and \$1.8 million for special revenue fund purposes. The unrestricted net position of governmental activities amounts to \$1.7 million.

Net position of business activities totaled \$149 million as of December 31, 2016. 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<br/>Activities</u></b> |                    | <b><u>Business-type<br/>Activities</u></b> |                    | <b><u>Total Primary<br/>Government</u></b> |                    |
|--|---|--------------------|--|--------------------|--|--------------------|
|  | <b><u>2016</u></b>                        | <b><u>2015</u></b> | <b><u>2016</u></b>                         | <b><u>2015</u></b> | <b><u>2016</u></b>                         | <b><u>2015</u></b> |
| <b>Revenues:</b>                           |   |                    |  |                    |  |                    |
| <b>Program revenues:</b>                   |   |                    |  |                    |  |                    |
| Charges for services                       | \$ 8.0                                    | \$ 8.0             | \$ 15.3                                    | \$ 15.2            | \$ 23.3                                    | \$ 23.2            |
| Operating grants and contributions         | 3.2                                       | 3.8                | 0.3  | -                  | 3.2  | 3.8                |
| Capital grants and contributions           | 5.6                                       | 2.9                | 7.2  | 3.1                | 12.6                                       | 6.0                |
| <b>General revenues:</b>                   |   |                    |  |                    |  |                    |
| Property taxes                             | 27.9                                      | 27.2               | 0.9  | 1.2                | 27.9                                       | 28.4               |
| Unrestricted grants and contributions      | 1.3                                       | 1.8                | -  | -                  | 1.4  | 1.8                |
| Other revenues                             | 0.8                                       | 0.4                | 0.1  | -                  | 0.9  | 0.4                |
| <b>Total revenues</b>                      | <u>46.8</u>                               | <u>44.1</u>        | <u>23.8</u>                                | <u>19.5</u>        | <u>69.3</u>                                | <u>63.6</u>        |
| <b>Expenses:</b>                           |   |                    |  |                    |  |                    |
| General government                         | 4.2                                       | 4.2                | -  | -                  | 4.2  | 4.2                |
| Public safety                              | 16.1                                      | 14.6               | -  | -                  | 16.1                                       | 14.6               |
| Public works                               | 9.2                                       | 12.2               | -  | -                  | 9.2  | 12.2               |
| Culture and recreation                     | 3.6                                       | 3.2                | -  | -                  | 3.6  | 3.2                |
| Conservation and development               | 3.3                                       | 8.3                | -  | -                  | 3.3  | 8.3                |
| Interest on long-term debt                 | 2.3                                       | 2.3                | -  | -                  | 2.3  | 2.3                |
| Water Utility                              | -   | -                  | 6.9  | 10.3               | 5.6  | 10.3               |
| Sewer Utility                              | -   | -                  | 9.9  | 6.7                | 9.9  | 6.7                |
| Storm Water Utility                        | -   | -                  | 1.4  | 1.4                | 1.4  | 1.4                |
| Total expenses                             | <u>38.7</u>                               | <u>44.8</u>        | <u>18.2</u>                                | <u>18.4</u>        | <u>55.6</u>                                | <u>63.2</u>        |
| <b>Increase (decrease) in net position</b> | <u>8.1</u>                                | <u>(0.7)</u>       | <u>5.6</u>                                 | <u>1.1</u>         | <u>13.7</u>                                | <u>0.4</u>         |
| Net position, beginning of year            | <u>109.9</u>                              | <u>110.6</u>       | <u>143.8</u>                               | <u>142.7</u>       | <u>253.7</u>                               | <u>253.3</u>       |
| <b>Net position, end of year</b>           | <u>\$ 118.0</u>                           | <u>\$ 109.9</u>    | <u>\$ 149.4</u>                            | <u>\$ 143.8</u>    | <u>\$ 267.4</u>                            | <u>\$ 253.7</u>    |

Governmental activities increased net position by \$8.1 million. Significant changes in governmental revenues and expenses were as follows.

**Revenues:**

Charges for services totaled \$8 million, no change from 2015. The most significant revenues in this category include landfill tipping fees (\$3.0 million), garbage fees (\$1.3 million), permits (\$1.1 million), and ambulance services (\$1.0 million).

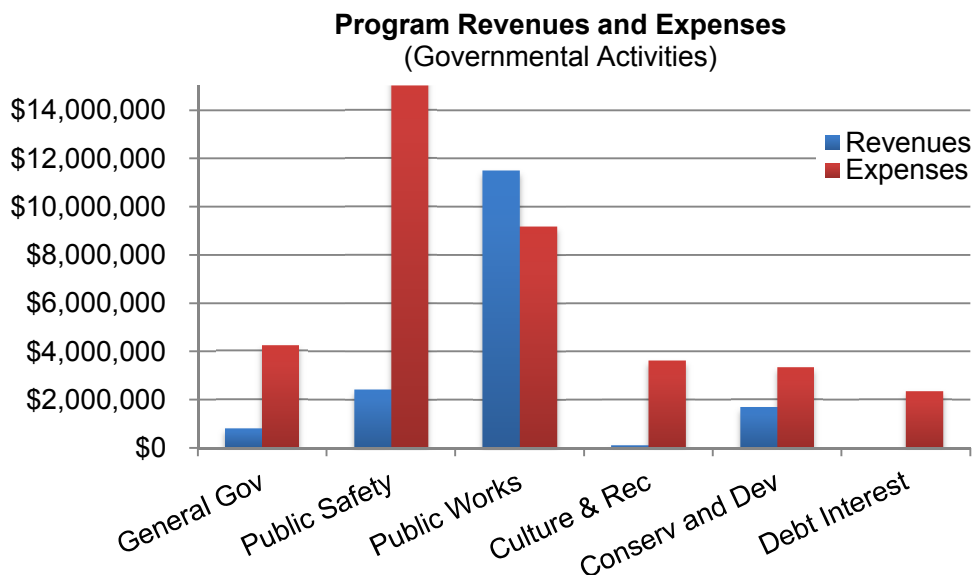
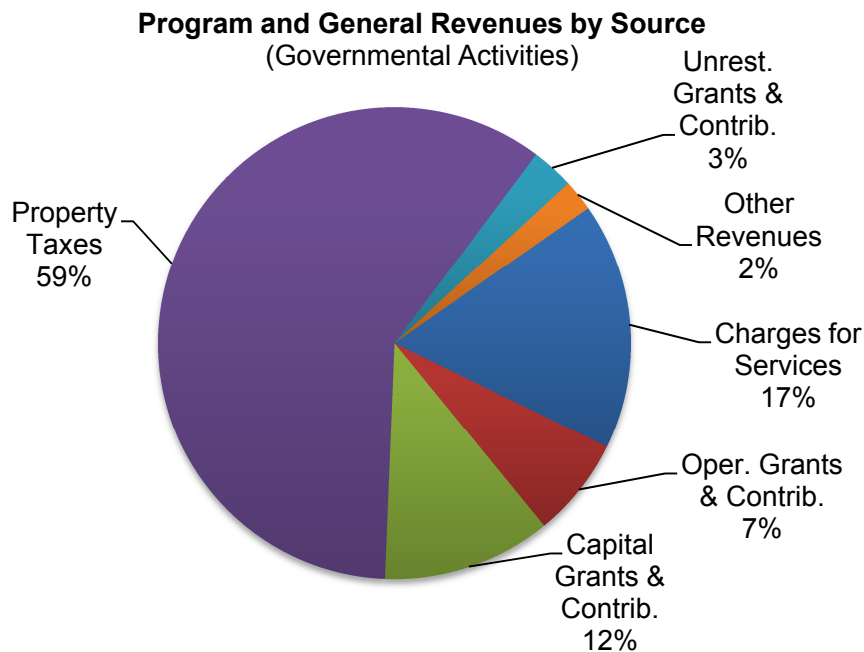
Grants and contributions totaled \$8.6 million, a \$1.9 million increase from the prior year. Assets contributed from developers were \$2.8 million higher in 2016; however, this was offset by reductions in other revenues. Fire and park impact fees were \$0.6 million lower in 2016. Additionally, a one-time reimbursement from the State of \$0.3 million was received in 2015 for right-of-way acquisition.

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 2016, general revenues totaled \$30.2 million, a \$0.8 million increase from the prior year. Property taxes increased \$0.7 million. Part of that increase (\$0.3 million) was simply a transfer of levy capacity from the Sewer Utility to the General Fund, as the levy for Interceptor Sewer was no longer needed. Other smaller increases were realized over numerous other revenue sources. Overall, these increases were offset by a one-time grant from the State of \$0.5 million that was received in 2015 for the conveyance of Main St. to the Village.

## Expenses:

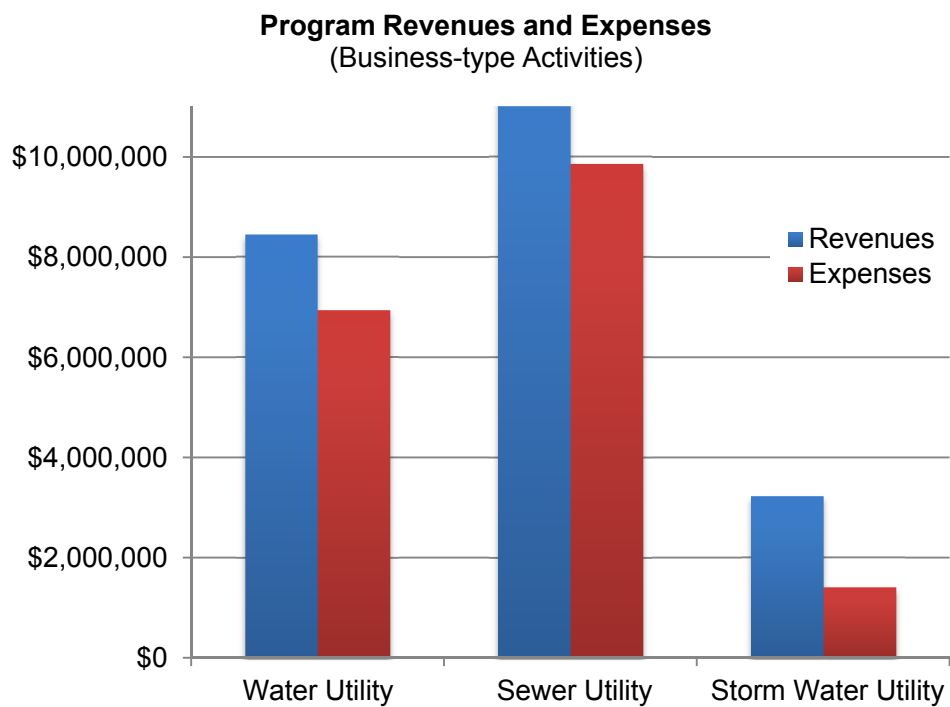
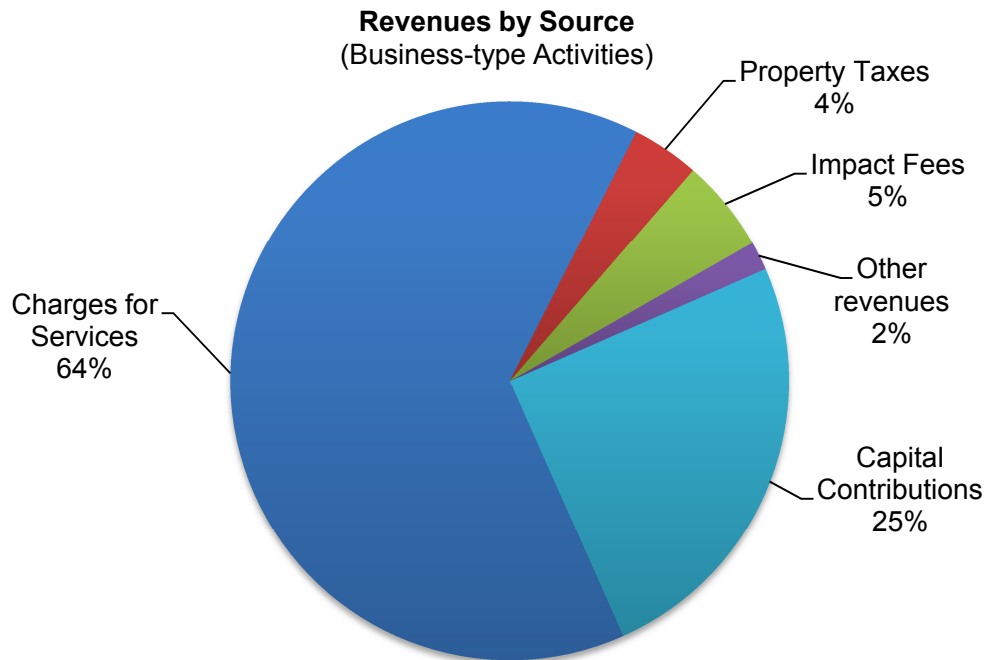
Governmental expenses totaled \$38.7 million, an overall decrease of \$6.1 million from 2015. The most significant changes occurred in Public Safety, Public Works, and Conservation and Development. About half of the \$1.5 million increase in public safety costs is due to increased pension expense. Each year an actuary studies the health of the WRS pension plan and pension expense is adjusted based on the study. The remaining increase is attributable to an increase in wages and benefits for fire and EMS personnel. Additional fire and EMS personnel hours were necessary in order to enable the Village to maintain a high level of service. The \$3 million decrease in Public Works expense is almost entirely due to a tapering-off of public infrastructure spending in TID #8. The \$5 million decrease in Conservation and Development is a result of one-time development grant expenditures in 2015 that were recorded in TID #8 and TID #12.

The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2016 on road construction and repairs. Funding for the construction and repairs came from the tax levy, the Municipal Facilities & Equipment Fund, as well as tax incremental districts. Governmental expenses included \$4.1 million in depreciation expense.



## Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$5.6 million in the Village's net position. Total expenses exceeded charges for services by \$2.9 million. The deficit was more than offset by a tax levy of \$0.9 million and grants and contributions totaling \$7.5 million.



## Water Utility

The Water Utility reported net operating income of \$1.4 million for 2016, a slight decrease from the \$0.2 million reported in 2015. Operating revenues of the Water Utility totaled \$6.8 million for 2016, the same as 2015. Operating expenses totaled \$5.4 million, virtually the same as the prior year. Real estate taxes paid to the Village in 2016 and 2015 were stagnant at \$1.3 million per year. Overall, 2016 net income remained steady at \$1.5 million.

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 2016, virtually the same as 2015. Village water rates were last increased in June and November 2014 to cover the additional MWW supply costs.

The Water Utility capitalized \$2.4 million of improvements during 2016, of which \$0.7 million were contributions from developers and \$0.2 million were contributed from TIDs. 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 2016 were \$0.3 million more than in 2015.

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

|                                  | <u>2016</u>    | <u>2015</u>    | <u>Change</u> |
|----------------------------------|----------------|----------------|---------------|
| Charges for services             | \$ 6.8         | \$ 6.8         | \$ -          |
| Operating expenses               | 5.4            | 5.2            | 0.2           |
| <b>Operating income</b>          | <u>1.4</u>     | <u>1.6</u>     | <u>(0.2)</u>  |
| Non-operating income             | 0.5            | 0.6            | (0.1)         |
| Payment-in-lieu of taxes         | (1.3)          | (1.3)          | -             |
| Capital contributions            | 0.9            | 0.6            | 0.3           |
| <b>Increase in net position</b>  | <u>1.5</u>     | <u>1.5</u>     | <u>-</u>      |
| Net position, beginning of year  | 60.8           | 59.3           | 1.5           |
| <b>Net position, end of year</b> | <u>\$ 62.3</u> | <u>\$ 60.8</u> | <u>\$ 1.5</u> |

## Sewer Utility

The Sewer Utility reported a net operating loss of \$1.1 million for 2016, \$0.8 million better than the \$1.9 million operating loss in 2015. Charges for services increased \$0.1 million or 1%, which is due to an increase in service volume. The last sewer rate change occurred in 2010.

Operating expenses totaled \$9.5 million, a decrease of \$0.7 million from 2015. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2016, the Village paid MMSD \$1.9 million for user charges and \$4.5 million for capital charges. Overall, total payments to MMSD were \$0.7 million lower when compared to the prior year.

The Sewer Utility capitalized \$3.1 million of improvements during 2016 of which \$0.8 million were contributed by developers and \$2.0 million were contributed by TIDs. 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 2016 were \$2.3 million more than in 2015.

## Sewer Utility (continued)

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

|  | <u>2016</u>           | <u>2015</u>           | <u>Change</u>        |
|--|-----------------------|-----------------------|----------------------|
| Charges for services                       | \$ 8.4                | \$ 8.3                | \$ 0.1               |
| Operating expenses                         | <u>9.5</u>            | <u>10.2</u>           | <u>(0.7)</u>         |
| <b>Operating loss</b>                      | <b>(1.1)</b>          | <b>(1.9)</b>          | <b>0.8</b>           |
| Non-operating income                       | 0.6                   | 1.0                   | (0.4)                |
| Capital contributions                      | <u>2.8</u>            | <u>0.5</u>            | <u>2.3</u>           |
| <b>Increase (decrease) in net position</b> | <b>2.3</b>            | <b>(0.4)</b>          | <b>2.7</b>           |
| Net position, beginning of year            | <u>59.5</u>           | <u>59.9</u>           | <u>(0.4)</u>         |
| <b>Net position, end of year</b>           | <b>\$ <u>61.8</u></b> | <b>\$ <u>59.5</u></b> | <b>\$ <u>2.3</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 2016 is consistent with the results of 2015 operations.

The Storm Water Utility capitalized \$2.3 million of improvements during 2016, of which \$0.9 million were contributed from developers and \$1.3 million were contributed from TIDs. Most of the infrastructure installed is attributable to the addition of new utility infrastructure. Capital contributions for 2016 were \$2.2 million, \$1.6 million more than in 2015.

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

|   | <u>2016</u>           | <u>2015</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 loss</b>                   | <b>(0.3)</b>          | <b>(0.3)</b>          | <b>-</b>             |
| Non-operating expenses                  | (0.1)                 | (0.1)                 | -                    |
| Capital contributions                   | <u>2.2</u>            | <u>0.6</u>            | <u>1.6</u>           |
| <b>Increase in net position</b>         | <b>1.8</b>            | <b>0.2</b>            | <b>1.6</b>           |
| Net position, beginning of year         | <u>23.5</u>           | <u>23.3</u>           | <u>0.2</u>           |
| <b>Net position, end of year</b>        | <b>\$ <u>25.3</u></b> | <b>\$ <u>23.5</u></b> | <b>\$ <u>1.8</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, 2016, Village governmental funds reported a combined fund balance of \$36.0 million, \$1.9 million more than last year's total of \$34.1 million. Most of this increase is a result of a \$1.4 million surplus in the General Fund. Further details on the General Fund and other significant or "Major" funds are listed below.

#### **General Fund**

The General Fund ended the year with a \$1.4 million surplus, which equates to 5% of the operating budget. Nearly 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 \$9.7 million, a slight increase from the prior year. \$2.3 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 3.4 months of 2017 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 2016, General Fund revenues were \$0.6 million higher than budget. The majority of this surplus is a result of an increase in charges for services, more specifically relating to ambulance service charge revenue higher than expected by \$0.1 million along with intergovernmental operating revenue being \$0.2 million higher due to higher than expected road aids.

General Fund expenditures were \$0.5 million less than budgeted. The majority of this savings is due to the delay in IT projects of \$0.4 million.

#### **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 \$7.0 million and property taxes levied of \$2.4 million. Refinancing of a \$1.28 million balloon payment related to TID #6, a \$7.2 million balloon payment related to TID #8, and \$5.5 million balloon payment related to TID #6, 10, and 11 were completed in 2016.

#### **Proprietary Funds**

The Water, Sewer and Storm Water Utilities were discussed in the Governmental-Wide Analysis on pages 10-18.

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

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

## Capital Assets

As of December 31, 2016, the Village had \$304 million invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located in Note 3 E.

### Capital Assets (in millions of dollars)

|                                      | <u>Governmental Activities</u> |                 | <u>Business-type Activities</u> |                 | <u>Total Primary Government</u> |                 |
|--------------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|-----------------|
|                                      | <u>2016</u>                    | <u>2015</u>     | <u>2016</u>                     | <u>2015</u>     | <u>2016</u>                     | <u>2015</u>     |
| <b>Non-depreciable assets:</b>       |                                |                 |                                 |                 |                                 |                 |
| Land                                 | \$ 98.2                        | \$ 94.0         | \$ 0.6                          | \$ 0.6          | \$ 98.8                         | \$ 94.6         |
| Construction in progress             | 2.9                            | 7.5             | 0.7                             | 1.9             | 3.6                             | 9.4             |
| <b>Total non-depreciable assets</b>  | <u>101.1</u>                   | <u>101.5</u>    | <u>1.3</u>                      | <u>2.5</u>      | <u>102.4</u>                    | <u>104.0</u>    |
| <b>Depreciable assets:</b>           |                                |                 |                                 |                 |                                 |                 |
| Land improvements                    | 4.9                            | 5.0             | 1.9                             | 1.9             | 6.8                             | 6.9             |
| Buildings and improvements           | 39.8                           | 39.7            | 9.3                             | 9.3             | 49.1                            | 49.0            |
| Equipment and furnishings            | 19.6                           | 18.2            | 9.1                             | 9.4             | 28.7                            | 27.6            |
| Infrastructure                       | 53.1                           | 47.0            | 184.6                           | 175.9           | 237.7                           | 222.9           |
| <b>Total depreciable assets</b>      | <u>117.4</u>                   | <u>109.9</u>    | <u>204.9</u>                    | <u>196.5</u>    | <u>322.3</u>                    | <u>306.4</u>    |
| <b>Less accumulated depreciation</b> | <u>52.7</u>                    | <u>50.4</u>     | <u>67.9</u>                     | <u>64.7</u>     | <u>120.6</u>                    | <u>115.1</u>    |
| <b>Net depreciable assets</b>        | <u>64.7</u>                    | <u>59.5</u>     | <u>137.0</u>                    | <u>131.8</u>    | <u>201.7</u>                    | <u>191.3</u>    |
| <b>Total capital assets</b>          | <u>\$ 165.8</u>                | <u>\$ 161.0</u> | <u>\$ 138.3</u>                 | <u>\$ 134.3</u> | <u>\$ 304.1</u>                 | <u>\$ 295.3</u> |

The Village's 2016 capital budget anticipated a spending level of \$4.2 million for non-TID capital projects. The Village borrowed \$3.2 million in 2016 to fund these expenditures and cash on hand 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):

|  | Book Value |
|--|------------|
| Land under roads   | \$ 4.0     |
| Construction of the new DPW Facility   | 1.2        |
| Roads and curb & gutter infrastructure contributions from large subdivision developments | 0.9        |
| Continued construction of Falls Parkway in TID #8  | 0.8        |
| Annual road improvement program  | 0.7        |

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

|  | Book Value |
|--|------------|
| Utility infrastructure contributions from large subdivision developments | \$ 2.4     |
| New Sewer infrastructure   | 2.4        |
| Watermain replacements   | 1.7        |
| New Storm Water infrastructure   | 1.4        |



## Long-term Debt

As of December 31, 2016, long-term debt outstanding totaled \$95 million compared to \$97 million at December 31, 2015, a net decrease of \$2 million.

The following debt issuances occurred in 2016:

|         |   |                      |
|---------|---|----------------------|
| GO Debt | 2016 Capital Budget                             | \$ 3,190,000         |
| GO Debt | Refinancing of 2013 bonds in TID #6             | 1,280,000            |
| GO Debt | Refinancing of 2013 bonds in TID # 6, 8, 10, 11 | 5,500,000            |
| GO Debt | TID # 8 Development                             | 2,500,000            |
| GO Debt | Refinancing of 2013 bonds in TID #8             | 7,425,000            |
|         |   | <u>\$ 19,895,000</u> |

Principal paid on outstanding debt totaled \$22 million; of which, \$14 million was for refinancing and \$8 million was paid toward principal reduction.

Information related to the 2016 Capital Budget and related borrowing is summarized as follows:

|  |                     |
|--|---------------------|
| Streets and Storm Water Infrastructure | \$ 2,000,000        |
| Water Utility Infrastructure           | 1,190,000           |
| Total debt issuance                    | <u>\$ 3,190,000</u> |

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

|                                | <b>Governmental<br/>Activities</b> |                | <b>Business-type<br/>Activities</b> |                | <b>Total Primary<br/>Government</b> |                |
|--------------------------------|------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|
|                                | <u>2016</u>                        | <u>2015</u>    | <u>2016</u>                         | <u>2015</u>    | <u>2016</u>                         | <u>2015</u>    |
| General obligation bonds/notes | \$ 83.4                            | \$ 85.7        | \$ 10.2                             | \$ 10.1        | \$ 93.6                             | \$ 95.8        |
| Mortgage revenue bonds         | -                                  | -              | 1.3                                 | 1.4            | 1.3                                 | 1.4            |
|                                | <u>\$ 83.4</u>                     | <u>\$ 85.7</u> | <u>\$ 11.5</u>                      | <u>\$ 11.5</u> | <u>\$ 94.9</u>                      | <u>\$ 97.2</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 \$236 million. As of December 31, 2016 the Village had \$94 million in outstanding general obligation debt, or 40% 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 69% of the General Fund's 2017 budget and state revenues account for another 10%. Together around 79% of the General Fund's expenditures are covered by taxes and state revenues. The 2017 General Fund operating budget increased 3% from 2016. This increase is expected to be covered by multiple sources, including a 2% increase in property taxes as well as increases in fines and penalties and charges for services. The increase in General Fund taxes was a result of new construction.

The total assessed value for the Village increased \$137 million or 3%. Total assessed values for 2016 and 2015 were \$4.7 billion and \$4.6 billion respectively. The ratio of assessed values to equalized values was 100% as of January 1, 2016.

## **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, 2016**

|   | <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                                  | \$ 50,133,719             | \$ 9,814,074          | \$ 59,947,793         |
| Investments   | 538,691                   | ---                   | 538,691               |
| Taxes receivable                                      | 15,248,460                | 931,250               | 16,179,710            |
| Special charges on the tax roll                       | 1,303,901                 | 545,494               | 1,849,395             |
| Intergovernmental aid receivable                      | 872,727                   | ---                   | 872,727               |
| Accounts receivable (net)                             | 1,512,372                 | 3,452,566             | 4,964,938             |
| Internal balances                                     | (9,563)                   | 9,563                 | ---                   |
| Inventories   | 367,740                   | 144,375               | 512,115               |
| Prepaid items   | 77,536                    | 2,005                 | 79,541                |
| Notes receivable                                      | 555,527                   | ---                   | 555,527               |
| Special assessments                                   | 972,505                   | ---                   | 972,505               |
| Restricted assets:                                    |                           |                       |                       |
| Cash and equivalents                                  | ---                       | 7,934,307             | 7,934,307             |
| Advances to enterprise funds                          | 1,569,917                 | (1,569,917)           | ---                   |
| Prepaid capacity charges                              | ---                       | 3,369,284             | 3,369,284             |
| Capital assets:                                       |                           |                       |                       |
| Land and construction in progress                     | 101,047,267               | 1,269,734             | 102,317,001           |
| Other capital assets net of accumulated depreciation  | 64,753,650                | 137,068,133           | 201,821,783           |
| <b>Total assets</b>                                   | <b>238,944,449</b>        | <b>162,970,868</b>    | <b>401,915,317</b>    |
| <b>Deferred Outflows of Resources:</b>                |                           |                       |                       |
| Unamortized losses on debt refunding                  | 101,935                   | ---                   | 101,935               |
| Deferred outflows related to pensions                 | 9,615,429                 | 790,879               | 10,406,308            |
| <b>Total deferred outflows of resources</b>           | <b>9,717,364</b>          | <b>790,879</b>        | <b>10,508,243</b>     |
| <b>Liabilities:</b>                                   |                           |                       |                       |
| Accounts payable and accrued expenses                 | 4,116,683                 | 326,100               | 4,442,783             |
| Incurred but not reported claims                      | 35,832                    | ---                   | 35,832                |
| Deposits  | 289,831                   | 50,000                | 339,831               |
| Prepaid rent  | 5,250                     | ---                   | 5,250                 |
| Unearned revenue                                      | 142,220                   | 130,119               | 272,339               |
| Liabilities payable from restricted assets:           |                           |                       |                       |
| Current portion of revenue bonds                      | ---                       | 108,957               | 108,957               |
| Accrued interest                                      | 580,411                   | 5,351                 | 585,762               |
| Compensated absences - vacation due within one year   | 1,111,927                 | 162,069               | 1,273,996             |
| Compensated absences - sick leave due within one year | 368,025                   | 46,597                | 414,622               |
| Compensated absences - sick leave more than one year  | 2,675,464                 | 430,824               | 3,106,288             |
| OPEB obligation                                       | 1,380,438                 | 304,712               | 1,685,150             |
| Net pension liability                                 | 1,649,535                 | 135,676               | 1,785,211             |
| Bonds and notes - due within one year                 | 8,500,863                 | 1,217,090             | 9,717,953             |
| Bonds and notes - due in more than one year           | 76,894,680                | 10,251,449            | 87,146,129            |
| <b>Total liabilities</b>                              | <b>97,751,159</b>         | <b>13,168,944</b>     | <b>110,920,103</b>    |
| <b>Deferred Inflows of Resources:</b>                 |                           |                       |                       |
| Deferred revenue - subsequent year's taxes            | 29,454,971                | 931,250               | 30,386,221            |
| Deferred inflows related to pensions                  | 3,471,417                 | 285,528               | 3,756,945             |
| <b>Total deferred inflows of resources</b>            | <b>32,926,388</b>         | <b>1,216,778</b>      | <b>34,143,166</b>     |
| <b>Net Position:</b>                                  |                           |                       |                       |
| Net investment in capital assets                      | 102,173,468               | 129,672,477           | 231,845,945           |
| Restricted for:                                       |                           |                       |                       |
| Capital projects                                      | 6,470,968                 | 6,883,911             | 13,354,879            |
| Debt service  | 66,336                    | ---                   | 66,336                |
| Library operations and maintenance                    | 1,313,944                 | ---                   | 1,313,944             |
| WRS pension   | 4,494,477                 | 369,675               | 4,864,152             |
| Other   | 1,773,157                 | 972,407               | 2,745,564             |
| Unrestricted  | 1,691,916                 | 11,477,555            | 13,169,471            |
| <b>Total net position</b>                             | <b>\$ 117,984,266</b>     | <b>\$ 149,376,025</b> | <b>\$ 267,360,291</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, 2016**

|  | Program Revenues     |                            |  |  | Net Revenue (Expense) and Changes in Net Position |                                 |                       |
|--|----------------------|----------------------------|--|--|---|---------------------------------|-----------------------|
|  | Expenses             | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                |                                 |                       |
|  |                      |                            |  |  | Governmental<br>Activities                        | Business-<br>type<br>Activities | Total                 |
| <b>Primary Government:</b>                                   |                      |                            |  |  |   |                                 |                       |
| <b>Governmental Activities:</b>                              |                      |                            |  |  |   |                                 |                       |
| General government   | \$ 4,222,904         | \$ 633,606                 | \$ 2,000                                 | \$ 178,616                             | \$ (3,408,682)                                    | \$ ---                          | \$ (3,408,682)        |
| Public safety  | 16,128,775           | 1,795,184                  | 637,730                                  | ---                                    | (13,695,861)                                      | ---                             | (13,695,861)          |
| Public works   | 9,181,890            | 4,247,237                  | 2,031,294                                | 5,236,347                              | 2,332,988   | ---                             | 2,332,988             |
| Culture and recreation                                       | 3,618,566            | 62,504                     | 63,225                                   | ---                                    | (3,492,837)                                       | ---                             | (3,492,837)           |
| Conservation and development                                 | 3,322,732            | 1,215,115                  | 477,172                                  | 174,708                                | (1,455,737)                                       | ---                             | (1,455,737)           |
| Interest on long-term debt                                   | 2,338,429            | ---                        | ---                                      | ---                                    | (2,338,429)                                       | ---                             | (2,338,429)           |
| <b>Total governmental activities</b>                         | <b>38,813,296</b>    | <b>7,953,646</b>           | <b>3,211,421</b>                         | <b>5,589,671</b>                       | <b>(22,058,558)</b>                               | <b>---</b>                      | <b>(22,058,558)</b>   |
| <b>Business-type Activities:</b>                             |                      |                            |  |  |   |                                 |                       |
| Water Utility  | 5,620,359            | 6,821,982                  | ---                                      | 1,579,499                              | ---   | 2,781,122                       | 2,781,122             |
| Sewer Utility  | 9,855,946            | 8,418,856                  | ---                                      | 3,394,397                              | ---   | 1,957,307                       | 1,957,307             |
| Storm Water Utility  | 1,413,511            | 45,841                     | ---                                      | 2,235,518                              | ---   | 867,848                         | 867,848               |
| <b>Total business-like activities</b>                        | <b>16,889,816</b>    | <b>15,286,679</b>          | <b>---</b>                               | <b>7,209,414</b>                       | <b>---</b>  | <b>5,606,277</b>                | <b>5,606,277</b>      |
| <b>Total primary government</b>                              | <b>\$ 55,703,112</b> | <b>\$ 23,240,325</b>       | <b>\$ 3,211,421</b>                      | <b>\$ 12,799,085</b>                   | <b>(22,058,558)</b>                               | <b>5,606,277</b>                | <b>(16,452,281)</b>   |
| <b>General Revenues:</b>                                     |                      |                            |  |  |   |                                 |                       |
| Taxes:   |                      |                            |  |  |   |                                 |                       |
| Property taxes levied for general purposes                   |                      |                            |  |  | 19,597,429  | ---                             | 19,597,429            |
| Property taxes levied for utility purposes                   |                      |                            |  |  | ---   | 931,250                         | 931,250               |
| Property taxes levied for debt service                       |                      |                            |  |  | 2,356,722   | ---                             | 2,356,722             |
| Property taxes levied for TID districts                      |                      |                            |  |  | 4,661,793   | ---                             | 4,661,793             |
| Grants and contributions not restricted to specific programs |                      |                            |  |  | 1,360,274   | ---                             | 1,360,274             |
| Impact fees  |                      |                            |  |  | 305,993   | ---                             | 305,993               |
| Investment earnings  |                      |                            |  |  | 223,544   | 69,424                          | 292,968               |
| Interest on advances to utilities                            |                      |                            |  |  | 19,606  | ---                             | 19,606                |
| Transfers - PILOT  |                      |                            |  |  | 1,316,613   | (1,316,613)                     | ---                   |
| Other revenues   |                      |                            |  |  | 285,181   | 328,966                         | 614,147               |
| <b>Total general revenues</b>                                |                      |                            |  |  | <b>30,127,155</b>                                 | <b>13,027</b>                   | <b>30,140,182</b>     |
| <b>Change in net position</b>                                |                      |                            |  |  | <b>8,068,597</b>                                  | <b>5,619,304</b>                | <b>13,687,901</b>     |
| <b>Net position, beginning of year</b>                       |                      |                            |  |  | <b>109,915,669</b>                                | <b>143,756,721</b>              | <b>253,672,390</b>    |
| <b>Net position, end of year</b>                             |                      |                            |  |  | <b>\$ 117,984,266</b>                             | <b>\$ 149,376,025</b>           | <b>\$ 267,360,291</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, 2016**

|  | <u>General<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|----------------------------------|---|---|
| <b>Assets:</b>                                   |                         |                                  |   |   |
| Cash and equivalents                             | \$ 23,024,013           | \$ 66,336                        | \$ 26,327,762                           | \$ 49,418,111                           |
| Certificate of deposit                           | 538,691                 | ---                              | ---                                     | 538,691                                 |
| Accounts receivable:                             |                         |                                  |   |   |
| Taxes  | 5,823,456               | 2,331,274                        | 7,093,730                               | 15,248,460                              |
| Special charges on the tax roll                  | 8,307                   | ---                              | 1,295,594                               | 1,303,901                               |
| Intergovernmental aid                            | 283,725                 | ---                              | 589,002                                 | 872,727                                 |
| Special assessments                              | ---                     | ---                              | 972,505                                 | 972,505                                 |
| Accounts   | 848,552                 | ---                              | 615,000                                 | 1,463,552                               |
| Notes  | ---                     | ---                              | 555,527                                 | 555,527                                 |
| Due from other funds                             | ---                     | ---                              | 685                                     | 685                                     |
| Prepaid items                                    | 77,536                  | ---                              | ---                                     | 77,536                                  |
| Inventory of supplies, at cost                   | 367,740                 | ---                              | ---                                     | 367,740                                 |
| Advance to other governmental funds              | 1,812,610               | ---                              | 520,635                                 | 2,333,245                               |
| Long-term advances to utilities                  | ---                     | ---                              | 1,569,917                               | 1,569,917                               |
| <b>Total assets</b>                              | <b>32,784,630</b>       | <b>2,397,610</b>                 | <b>39,540,357</b>                       | <b>74,722,597</b>                       |
| <b>Liabilities:</b>                              |                         |                                  |   |   |
| Accounts payable and other accrued liabilities   | 3,461,804               | ---                              | 654,879                                 | 4,116,683                               |
| Accrued compensated absences                     | 1,051,858               | ---                              | 60,069                                  | 1,111,927                               |
| Deposits   | 158,957                 | ---                              | 130,874                                 | 289,831                                 |
| Prepaid rent                                     | 4,078                   | ---                              | 1,172                                   | 5,250                                   |
| Unearned revenue                                 | 218,657                 | ---                              | 722,714                                 | 941,371                                 |
| Due to other funds                               | 10,248                  | ---                              | ---                                     | 10,248                                  |
| Long-term advances from other governmental funds | ---                     | ---                              | 2,333,245                               | 2,333,245                               |
| <b>Total liabilities</b>                         | <b>4,905,602</b>        | <b>---</b>                       | <b>3,902,953</b>                        | <b>8,808,555</b>                        |
| <b>Deferred Inflows of Resources:</b>            |                         |                                  |   |   |
| Deferred revenue - subsequent year's taxes       | 18,193,370              | 2,331,274                        | 8,930,327                               | 29,454,971                              |
| Unavailable revenue - notes receivable           | ---                     | ---                              | 455,527                                 | 455,527                                 |
| <b>Total deferred inflows of resources</b>       | <b>18,193,370</b>       | <b>2,331,274</b>                 | <b>9,385,854</b>                        | <b>29,910,498</b>                       |
| <b>Fund Balances:</b>                            |                         |                                  |   |   |
| Nonspendable                                     | 2,264,263               | ---                              | 2,090,552                               | 4,354,815                               |
| Restricted                                       | ---                     | 66,336                           | 11,103,226                              | 11,169,562                              |
| Committed  | ---                     | ---                              | 9,592,988                               | 9,592,988                               |
| Assigned   | ---                     | ---                              | 5,263,510                               | 5,263,510                               |
| Unassigned                                       | 7,421,395               | ---                              | (1,798,726)                             | 5,622,669                               |
| <b>Total fund balances</b>                       | <b>\$ 9,685,658</b>     | <b>\$ 66,336</b>                 | <b>\$ 26,251,550</b>                    | <b>\$ 36,003,544</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, 2016**

|  |                              |
|--|------------------------------|
| Total fund balance of governmental funds   | \$ 36,003,544                |
| <b>Amounts reported for governmental activities in the government-wide statement of net assets are different because:</b>  |                              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.  |                              |
| Land and construction in progress  | 101,047,267                  |
| Other capital assets net of accumulated depreciation   | 64,753,650                   |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.   |                              |
| Special assessments receivable   | 622,714                      |
| Police fines receivable  | 176,437                      |
| Notes receivable   | 455,527                      |
| Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds, but amortized over the life of the debt issue on the statement of activities. |                              |
| Net unamortized losses on debt refunding   | 101,935                      |
| Net unamortized premiums on debt   | (1,973,007)                  |
| 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   | (83,422,536)                 |
| Compensated absences payable - sick pay  | (3,043,489)                  |
| OPEB obligation  | (1,380,438)                  |
| Accrued interest payable on long-term bonds and notes  | (580,411)                    |
| The Village's proportionate share of net pension liability at WRS is reported on the statement of net position, but is not report in the governmetnal funds  | (1,649,535)                  |
| Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.  | 9,615,429                    |
| Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.   | (3,471,417)                  |
| 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.   | 728,596                      |
| <b>Net position of governmental activities</b>   | <b>\$ <u>117,984,266</u></b> |

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds**  
**Year Ended December 31, 2016**

|   | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|---|-------------------------|----------------------------------|---|----------------------|
| <b>Revenues:</b>  |                         |                                  |   |                      |
| Property taxes  | \$ 17,622,750           | \$ 2,356,722                     | \$ 6,366,016                            | \$ 26,345,488        |
| Other taxes   | 252,375                 | ---                              | ---                                     | 252,375              |
| Charges for services:   |                         |                                  |   |                      |
| Licenses and permits  | 1,791,721               | ---                              | ---                                     | 1,791,721            |
| Fines and forfeitures   | 589,394                 | ---                              | 17,817                                  | 607,211              |
| Program revenues  | ---                     | ---                              | 1,371,170                               | 1,371,170            |
| Tipping fees  | ---                     | ---                              | 2,955,463                               | 2,955,463            |
| Other charges for services                                    | 1,411,740               | ---                              | 300                                     | 1,412,040            |
| Operating grants and contributions:                           |                         |                                  |   |                      |
| Intergovernmental   | 2,892,178               | ---                              | 776,222                                 | 3,668,400            |
| Donations   | 8,000                   | ---                              | 19,852                                  | 27,852               |
| Capital grants and contributions:                             |                         |                                  |   |                      |
| Intergovernmental   | ---                     | ---                              | 7,000                                   | 7,000                |
| Special assessments and interest                              | ---                     | ---                              | 39,096                                  | 39,096               |
| Contributions from developers                                 | ---                     | ---                              | 319,919                                 | 319,919              |
| Platting fees   | ---                     | ---                              | 99,000                                  | 99,000               |
| Impact fees   | ---                     | ---                              | 1,090,436                               | 1,090,436            |
| Investment earnings   | 79,598                  | 4,928                            | 113,335                                 | 197,861              |
| Interest on advances to governmental funds                    | 25,181                  | ---                              | 2,414                                   | 27,595               |
| Interest on advances to utilities                             | ---                     | ---                              | 19,606                                  | 19,606               |
| Other revenues  | 121,180                 | ---                              | 30,560                                  | 151,740              |
| <b>Total governmental revenues</b>                            | <u>24,794,117</u>       | <u>2,361,650</u>                 | <u>13,228,206</u>                       | <u>40,383,973</u>    |
| <b>Expenditures:</b>  |                         |                                  |   |                      |
| Current:  |                         |                                  |   |                      |
| General government  | 3,430,983               | ---                              | 199,517                                 | 3,630,500            |
| Public safety   | 14,246,392              | ---                              | 131,994                                 | 14,378,386           |
| Public works  | 3,496,720               | ---                              | 3,313,097                               | 6,809,817            |
| Culture and recreation  | 931,905                 | ---                              | 2,147,949                               | 3,079,854            |
| Conservation and development                                  | 1,209,401               | ---                              | 1,819,536                               | 3,028,937            |
| Interest on advances from governmental funds                  | ---                     | ---                              | 27,594                                  | 27,594               |
| Bond expenses   | ---                     | 335,136                          | 13,192                                  | 348,328              |
| Capital outlay  | 272,706                 | ---                              | 4,497,260                               | 4,769,966            |
| Debt Service:   |                         |                                  |   |                      |
| Principal on long-term debt                                   | ---                     | 6,984,369                        | ---                                     | 6,984,369            |
| Interest and fiscal charges on long-term debt                 | ---                     | 2,485,688                        | ---                                     | 2,485,688            |
| <b>Total expenditures</b>                                     | <u>23,588,107</u>       | <u>9,805,193</u>                 | <u>12,150,139</u>                       | <u>45,543,439</u>    |
| <b>Excess (deficit) of revenues over (under) expenditures</b> | 1,206,010               | (7,443,543)                      | 1,078,067                               | (5,159,466)          |
| <b>Other Financing Sources (Uses):</b>                        |                         |                                  |   |                      |
| Proceeds from sales of capital assets                         | 312,116                 | ---                              | 334,478                                 | 646,594              |
| Transfers in  | 93,830                  | 6,997,541                        | 5,539,061                               | 12,630,432           |
| Transfers out   | (2,883,495)             | ---                              | (9,746,937)                             | (12,630,432)         |
| Transfers from water utility - PILOT                          | 1,316,613               | ---                              | ---                                     | 1,316,613            |
| Refunding bonds and notes issued                              | ---                     | 13,955,000                       | ---                                     | 13,955,000           |
| Principal payments on refunded debt                           | ---                     | (13,955,000)                     | ---                                     | (13,955,000)         |
| Bonds and notes issued  | ---                     | ---                              | 4,750,000                               | 4,750,000            |
| Debt issuance premiums  | ---                     | 395,432                          | ---                                     | 395,432              |
| <b>Total other financing sources (uses)</b>                   | <u>(1,160,936)</u>      | <u>7,392,973</u>                 | <u>876,602</u>                          | <u>7,108,639</u>     |
| <b>Net change in fund balances</b>                            | 45,074                  | (50,570)                         | 1,954,669                               | 1,949,173            |
| Fund balance, beginning of year                               | 9,640,584               | 116,906                          | 24,296,881                              | 34,054,371           |
| <b>Fund balance, end of year</b>                              | <u>\$ 9,685,658</u>     | <u>\$ 66,336</u>                 | <u>\$ 26,251,550</u>                    | <u>\$ 36,003,544</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, 2016**

|  |                     |
|--|---------------------|
| Net change in fund balances of governmental funds  | \$ 1,949,173        |
| <b>Amounts reported for governmental activities in the statement of activities are different because:</b>  |                     |
| Governmental funds report capital outlays as expenditures. In the government-wide statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation.   |                     |
| Governmental capital outlays in fund financial statements  | 4,769,966           |
| Depreciation expense in government-wide financial statements   | (4,092,205)         |
| 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.   |                     |
|  | 5,067,784           |
| 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. |                     |
|  | (909,362)           |
| 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   | (18,705,000)        |
| Principal payments on debt in governmental fund financial statements   | 20,939,369          |
| 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  | (395,432)           |
| Amortization of these amounts included in interest expense in the statement of activities  | 372,403             |
| Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities; however, interest costs are reported as they accrue, regardless of when they are due. This is the amount by which the prior year accrual exceeds the current accrual.  |                     |
|  | 123,184             |
| 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.  |                     |
|  | 129,310             |
| In the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used.  |                     |
| Cost of benefits earned net of employee contributions  | 986,853             |
| Village pension contributions  | (1,979,390)         |
| 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   | (18,836)            |
| Decrease in police fines receivable  | (152,729)           |
| Increase in notes receivable   | 125,406             |
| 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.  |                     |
| Decrease in accrued compensated absences - sick pay  | 3,358               |
| Increase in OPEB obligation  | (145,255)           |
| <b>Change in net position of governmental activities</b>   | <b>\$ 8,068,597</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, 2016**

|  | <b>Adopted<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>       | <b>Variance</b>  |
|--|---------------------------|---------------------------|---------------------|------------------|
| <b>Revenues:</b>                                 |                           |                           |                     |                  |
| Property taxes                                   | \$ 17,612,240             | \$ 17,612,240             | \$ 17,622,750       | \$ 10,510        |
| Other taxes                                      | 216,500                   | 216,500                   | 252,375             | 35,875           |
| Licenses and permits                             | 1,775,500                 | 1,775,500                 | 1,791,721           | 16,221           |
| Fines and forfeitures                            | 514,000                   | 514,000                   | 589,394             | 75,394           |
| Intergovernmental                                | 2,700,469                 | 2,700,469                 | 2,892,178           | 191,709          |
| Donations  | ---                       | ---                       | 8,000               | 8,000            |
| Charges for services                             | 1,272,874                 | 1,272,874                 | 1,411,740           | 138,866          |
| Investment earnings                              | 25,000                    | 25,000                    | 79,598              | 54,598           |
| Interest on advances to other governmental funds | 20,100                    | 20,100                    | 25,181              | 5,081            |
| Other  | 99,355                    | 99,355                    | 121,180             | 21,825           |
| <b>Total revenues</b>                            | <u>24,236,038</u>         | <u>24,236,038</u>         | <u>24,794,117</u>   | <u>558,079</u>   |
| <b>Expenditures:</b>                             |                           |                           |                     |                  |
| General government                               | 4,111,273                 | 4,113,093                 | 3,502,190           | 610,903          |
| Public safety                                    | 14,197,489                | 14,196,879                | 14,345,214          | (148,335)        |
| Public works                                     | 3,627,695                 | 3,627,695                 | 3,528,220           | 99,475           |
| Culture and recreation                           | 924,850                   | 924,850                   | 993,487             | (68,637)         |
| Conservation and development                     | 1,200,342                 | 1,199,132                 | 1,218,996           | (19,864)         |
| <b>Total expenditures</b>                        | <u>24,061,649</u>         | <u>24,061,649</u>         | <u>23,588,107</u>   | <u>473,542</u>   |
| <b>Excess of revenues over expenditures</b>      | <u>174,389</u>            | <u>174,389</u>            | <u>1,206,010</u>    | <u>1,031,621</u> |
| <b>Other Financing Sources (Uses):</b>           |                           |                           |                     |                  |
| Proceeds from sales of capital assets            | ---                       | ---                       | 312,116             | 312,116          |
| Transfers in                                     | ---                       | ---                       | 93,830              | 93,830           |
| Transfers out                                    | (1,504,389)               | (1,504,389)               | (2,883,495)         | (1,379,106)      |
| Transfers from water utility - PILOT             | 1,330,000                 | 1,330,000                 | 1,316,613           | (13,387)         |
| <b>Net other financing uses</b>                  | <u>(174,389)</u>          | <u>(174,389)</u>          | <u>(1,160,936)</u>  | <u>(986,547)</u> |
| <b>Net change in fund balance</b>                | <u>---</u>                | <u>---</u>                | <u>45,074</u>       | <u>45,074</u>    |
| <b>Fund Balance:</b>                             |                           |                           |                     |                  |
| Beginning of year                                | 9,640,584                 | 9,640,584                 | 9,640,584           | ---              |
| <b>End of year</b>                               | <u>\$ 9,640,584</u>       | <u>\$ 9,640,584</u>       | <u>\$ 9,685,658</u> | <u>\$ 45,074</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, 2016**

|   | <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                                  | \$ 6,363,082                                       | \$ 2,671,304         | \$ 779,688                 | \$ 9,814,074                  | \$ 715,608   |
| Cash and equivalents - restricted (current)           | ---  | 77,989               | ---                        | 77,989                        | ---  |
| Receivables:  |  |                      |                            |                               |  |
| Taxes   | ---  | ---                  | 931,250                    | 931,250                       | ---  |
| Special charges on the tax roll                       | 175,972  | 369,522              | ---                        | 545,494                       | ---  |
| Utility customers                                     | 1,028,020  | 1,716,410            | ---                        | 2,744,430                     | ---  |
| Other   | 34,734   | 671,519              | 1,883                      | 708,136                       | 48,820   |
| Due from other funds                                  | 5,571  | 4,113                | 759                        | 10,443                        | ---  |
| Prepaid items   | 2,005  | ---                  | ---                        | 2,005                         | ---  |
| Inventory   | 86,698   | 14,113               | 43,564                     | 144,375                       | ---  |
| <b>Total current assets</b>                           | <b>7,696,082</b>                                   | <b>5,524,970</b>     | <b>1,757,144</b>           | <b>14,978,196</b>             | <b>764,428</b>                                       |
| <b>Noncurrent Assets:</b>                             |  |                      |                            |                               |  |
| Restricted:   |  |                      |                            |                               |  |
| Cash and equivalents - restricted (noncurrent)        | 2,546,982  | 5,309,336            | ---                        | 7,856,318                     | ---  |
| Prepaid capacity charge                               | ---  | 3,369,284            | ---                        | 3,369,284                     | ---  |
| Land and construction in progress                     | 548,955  | 444,866              | 275,913                    | 1,269,734                     | ---  |
| Other capital assets, net of accumulated depreciation | 59,230,317   | 49,123,193           | 28,714,623                 | 137,068,133                   | ---  |
| <b>Total noncurrent assets</b>                        | <b>62,326,254</b>                                  | <b>58,246,679</b>    | <b>28,990,536</b>          | <b>149,563,469</b>            | <b>---</b>   |
| <b>Total assets</b>                                   | <b>70,022,336</b>                                  | <b>63,771,649</b>    | <b>30,747,680</b>          | <b>164,541,665</b>            | <b>764,428</b>                                       |
| <b>Deferred Outflows of Resources:</b>                |  |                      |                            |                               |  |
| Deferred outflows related to pensions                 | 478,690  | 249,751              | 62,438                     | 790,879                       | ---  |
| <b>Liabilities:</b>                                   |  |                      |                            |                               |  |
| <b>Current Liabilities:</b>                           |  |                      |                            |                               |  |
| Accounts payable and accrued liabilities              | 64,739   | 217,611              | 2,806                      | 285,156                       | ---  |
| Deposits  | ---  | ---                  | 50,000                     | 50,000                        | ---  |
| Incurred but not reported insurance claims            | ---  | ---                  | ---                        | ---                           | 35,832   |
| Compensated absences - vacation due within one year   | 95,518   | 52,127               | 14,424                     | 162,069                       | ---  |
| Compensated absences - sick due within one year       | 28,590   | 15,162               | 2,845                      | 46,597                        | ---  |
| Unearned revenue                                      | 123,119  | 7,000                | ---                        | 130,119                       | ---  |
| Current portion of general obligation notes           | 670,000  | 71,090               | 476,000                    | 1,217,090                     | ---  |
| Current portion of revenue bonds                      | ---  | 36,319               | ---                        | 36,319                        | ---  |
| Accrued interest                                      | 31,147   | 565                  | 9,232                      | 40,944                        | ---  |
| Current portion of advance                            | ---  | 89,445               | ---                        | 89,445                        | ---  |
| Due to other funds                                    | ---  | 880                  | ---                        | 880                           | ---  |
| Liabilities payable from restricted assets:           |  |                      |                            |                               |  |
| Current portion of revenue bonds                      | ---  | 72,638               | ---                        | 72,638                        | ---  |
| Accrued interest                                      | ---  | 5,351                | ---                        | 5,351                         | ---  |
| <b>Total current liabilities</b>                      | <b>1,013,113</b>                                   | <b>568,188</b>       | <b>555,307</b>             | <b>2,136,608</b>              | <b>35,832</b>  |
| <b>Long-Term Liabilities:</b>                         |  |                      |                            |                               |  |
| Compensated absences - sick pay                       | 261,218  | 133,344              | 36,262                     | 430,824                       | ---  |
| OPEB obligation                                       | 255,226  | 32,371               | 17,115                     | 304,712                       | ---  |
| Net pension liability                                 | 82,120   | 42,845               | 10,711                     | 135,676                       | ---  |
| Advances from other funds                             | ---  | 91,233               | 1,389,239                  | 1,480,472                     | ---  |
| General obligation notes                              | 6,392,177  | 131,090              | 2,586,093                  | 9,109,360                     | ---  |
| Revenue bonds   | ---  | 1,142,089            | ---                        | 1,142,089                     | ---  |
| <b>Total long-term liabilities</b>                    | <b>6,990,741</b>                                   | <b>1,572,972</b>     | <b>4,039,420</b>           | <b>12,603,133</b>             | <b>---</b>   |
| <b>Total liabilities</b>                              | <b>8,003,854</b>                                   | <b>2,141,160</b>     | <b>4,594,727</b>           | <b>14,739,741</b>             | <b>35,832</b>  |
| <b>Deferred Inflows of Resources:</b>                 |  |                      |                            |                               |  |
| Deferred revenue - subsequent year's taxes            | ---  | ---                  | 931,250                    | 931,250                       | ---  |
| Deferred inflows related to pensions                  | 172,819  | 90,167               | 22,542                     | 285,528                       | ---  |
| <b>Total deferred inflows of resources</b>            | <b>172,819</b>                                     | <b>90,167</b>        | <b>953,792</b>             | <b>1,216,778</b>              | <b>---</b>   |
| <b>Net Position:</b>                                  |  |                      |                            |                               |  |
| Net investment in capital assets                      | 53,624,832   | 49,365,879           | 26,681,766                 | 129,672,477                   | ---  |
| Restricted for:                                       |  |                      |                            |                               |  |
| Operations and maintenance                            | ---  | 852,738              | ---                        | 852,738                       | ---  |
| Depreciation  | ---  | 119,668              | ---                        | 119,668                       | ---  |
| Capital projects                                      | 2,546,982  | 4,336,930            | ---                        | 6,883,912                     | ---  |
| WRS pension   | 223,751  | 116,739              | 29,185                     | 369,675                       | ---  |
| Unrestricted  | 5,928,788  | 6,998,119            | (1,449,352)                | 11,477,555                    | 728,596  |
| <b>Total net position</b>                             | <b>\$ 62,324,353</b>                               | <b>\$ 61,790,073</b> | <b>\$ 25,261,599</b>       | <b>\$ 149,376,025</b>         | <b>\$ 728,596</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, 2016**

|  | <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   | \$ 6,821,982                                       | \$ 8,418,856         | \$ 45,841                  | \$ 15,286,679                 | \$ ---   |
| General property taxes                                       | ---  | ---                  | 931,250                    | 931,250                       | ---  |
| <b>Total operating revenues</b>                              | <u>6,821,982</u>                                   | <u>8,418,856</u>     | <u>977,091</u>             | <u>16,217,929</u>             | <u>---</u>   |
| <b>Operating Expenses:</b>                                   |  |                      |                            |                               |  |
| Operation and maintenance                                    | 2,631,978  | 7,155,910            | 377,920                    | 10,165,808                    | 57,967   |
| Administrative expense                                       | 1,056,553  | 897,533              | 245,364                    | 2,199,450                     | ---  |
| Depreciation expense   | 1,672,565  | 1,437,292            | 665,540                    | 3,775,397                     | ---  |
| Regulatory commission remainder assessments                  | 8,020  | ---                  | ---                        | 8,020                         | ---  |
| <b>Total operating expenses</b>                              | <u>5,369,116</u>                                   | <u>9,490,735</u>     | <u>1,288,824</u>           | <u>16,148,675</u>             | <u>57,967</u>  |
| <b>Operating income (loss)</b>                               | <u>1,452,866</u>                                   | <u>(1,071,879)</u>   | <u>(311,733)</u>           | <u>69,254</u>                 | <u>(57,967)</u>                                      |
| <b>Nonoperating Revenues (Expenses):</b>                     |  |                      |                            |                               |  |
| Investment earnings  | 35,949   | 29,553               | 3,922                      | 69,424                        | 35,507   |
| Sale of materials  | 10,096   | 128                  | ---                        | 10,224                        | ---  |
| Miscellaneous  | ---  | 18,000               | 1,000                      | 19,000                        | 151,770  |
| Intergovernmental  | ---  | 299,742              | ---                        | 299,742                       | ---  |
| Private lateral repair                                       | ---  | (299,973)            | ---                        | (299,973)                     | ---  |
| Loss on retirement of property and plant                     | ---  | ---                  | (18,874)                   | (18,874)                      | ---  |
| Donated rent   | ---  | (18,000)             | ---                        | (18,000)                      | ---  |
| Fiscal charges on debt                                       | (2,020)  | (250)                | (695)                      | (2,965)                       | ---  |
| Amortization of premiums, discounts and losses on refundings | (48,880)   | ---                  | 5,756                      | (43,124)                      | ---  |
| Amortization of debt issuance costs                          | (23,661)   | ---                  | ---                        | (23,661)                      | ---  |
| Impact fees  | 662,091  | 616,708              | ---                        | 1,278,799                     | ---  |
| Interest on long-term debt                                   | (176,682)  | (41,621)             | (96,635)                   | (314,938)                     | ---  |
| Interest on advances from governmental funds                 | ---  | (5,367)              | (14,239)                   | (19,606)                      | ---  |
| <b>Net nonoperating revenues (expenses)</b>                  | <u>456,893</u>                                     | <u>598,920</u>       | <u>(119,765)</u>           | <u>936,048</u>                | <u>187,277</u>                                       |
| <b>Net income (loss) before capital contributions</b>        | <u>1,909,759</u>                                   | <u>(472,959)</u>     | <u>(431,498)</u>           | <u>1,005,302</u>              | <u>129,310</u>                                       |
| Transfers to governmental funds - pilot                      | (1,316,613)  | ---                  | ---                        | (1,316,613)                   | ---  |
| Capital contributions  | 917,408  | 2,777,689            | 2,235,518                  | 5,930,615                     | ---  |
| <b>Net increase in net position</b>                          | <u>1,510,554</u>                                   | <u>2,304,730</u>     | <u>1,804,020</u>           | <u>5,619,304</u>              | <u>129,310</u>                                       |
| <b>Net Position:</b>   |  |                      |                            |                               |  |
| <b>Balance, beginning 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>                                       |
| <b>Balance, end of year</b>                                  | <u>\$ 62,324,353</u>                               | <u>\$ 61,790,073</u> | <u>\$ 25,261,599</u>       | <u>\$ 149,376,025</u>         | <u>\$ 728,596</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, 2016

|  | <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>Cash Flows From Operating Activities:</b>                                       |  |                      |                            |                               |  |
| Receipts from customers  | \$ 5,120,271                                       | \$ 7,702,704         | \$ 45,916                  | \$ 12,868,891                 | \$ ---   |
| Payments to suppliers  | (2,726,134)  | (7,363,366)          | (274,767)                  | (10,364,267)                  | (53,632)   |
| Payments to and on behalf of employees   | (1,266,754)  | (770,000)            | (490,756)                  | (2,527,510)                   | ---  |
| Internal activity - receipts from other funds                                      | 1,860,572  | ---                  | ---                        | 1,860,572                     | 11,882   |
| Internal activity - payments to other funds  | ---  | (496,495)            | (223,595)                  | (720,090)                     | ---  |
| Other receipts   | 10,096   | 128                  | 932,250                    | 942,474                       | (151,770)  |
| Other payments   | ---  | ---                  | ---                        | ---                           | 145,955  |
| <b>Net cash provided (used) by operating activities</b>                            | <b>2,998,051</b>                                   | <b>(927,029)</b>     | <b>(10,952)</b>            | <b>2,060,070</b>              | <b>(47,565)</b>                                      |
| <b>Cash Flows From Noncapital Financing Activities</b>                             |  |                      |                            |                               |  |
| Transfers - PILOT  | (1,316,613)  | ---                  | ---                        | (1,316,613)                   | ---  |
| Lateral repair program   | ---  | (231)                | ---                        | (231)                         | ---  |
| Advances from Municipality   | ---  | ---                  | 389,239                    | 389,239                       | ---  |
| <b>Net cash provided (used) by noncapital financing activities</b>                 | <b>(1,316,613)</b>                                 | <b>(231)</b>         | <b>389,239</b>             | <b>(927,605)</b>              | <b>---</b>   |
| <b>Cash Flows From Capital and Related Financing Activities:</b>                   |  |                      |                            |                               |  |
| Proceeds from sale of property and plant   | ---  | ---                  | 1,099                      | 1,099                         | ---  |
| Additions to property and plant  | (1,454,557)  | (422,131)            | (87,358)                   | (1,964,046)                   | ---  |
| Fair value of debt issued  | 1,190,000  | ---                  | ---                        | 1,190,000                     | ---  |
| Debt issuance premiums   | 31,365   | ---                  | ---                        | 31,365                        | ---  |
| Debt issuance costs  | (23,661)   | ---                  | ---                        | (23,661)                      | ---  |
| Principal payments on debt   | (610,000)  | (242,452)            | (477,494)                  | (1,329,946)                   | ---  |
| Interest on debt   | (176,706)  | (42,653)             | (98,185)                   | (317,544)                     | ---  |
| Fiscal charges on debt   | (2,020)  | (250)                | (695)                      | (2,965)                       | ---  |
| Advances from municipality   | ---  | (87,691)             | ---                        | (87,691)                      | ---  |
| Interest on advances   | ---  | (5,367)              | (14,239)                   | (19,606)                      | ---  |
| Impact fees  | 662,091  | 616,708              | ---                        | 1,278,799                     | ---  |
| <b>Net cash used by capital and related financing activities</b>                   | <b>(383,488)</b>                                   | <b>(183,836)</b>     | <b>(676,872)</b>           | <b>(1,244,196)</b>            | <b>---</b>   |
| <b>Cash Flows From Investing Activities:</b>                                       |  |                      |                            |                               |  |
| Investment earnings  | 35,949   | 29,553               | 3,922                      | 69,424                        | 35,507   |
| <b>Net cash provided by investing activities</b>                                   | <b>35,949</b>                                      | <b>29,553</b>        | <b>3,922</b>               | <b>69,424</b>                 | <b>35,507</b>  |
| <b>Net increase (decrease) in cash and equivalents</b>                             | <b>1,333,899</b>                                   | <b>(1,081,543)</b>   | <b>(294,663)</b>           | <b>(42,307)</b>               | <b>(12,058)</b>                                      |
| Cash and equivalents, beginning of year  | 7,576,165  | 9,140,172            | 1,074,351                  | 17,790,688                    | 727,666  |
| <b>Cash and equivalents, end of year</b>   | <b>\$ 8,910,064</b>                                | <b>\$ 8,058,629</b>  | <b>\$ 779,688</b>          | <b>\$ 17,748,381</b>          | <b>\$ 715,608</b>                                    |
| <b>Reconciliation to cash and cash equivalents on the statement of net assets:</b> |  |                      |                            |                               |  |
| Cash and cash equivalents - unrestricted   | \$ 6,363,082                                       | \$ 2,671,304         | \$ 779,688                 | \$ 9,814,074                  | \$ 715,608   |
| Cash and cash equivalents - restricted   | 2,546,982  | 5,387,325            | ---                        | 7,934,307                     | ---  |
| <b>Total cash and equivalents</b>  | <b>\$ 8,910,064</b>                                | <b>\$ 8,058,629</b>  | <b>\$ 779,688</b>          | <b>\$ 17,748,381</b>          | <b>\$ 715,608</b>                                    |

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2016**  
**(Continued)**

|   | <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>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |  |                      |                            |                               |  |
| Operating income (loss)   | \$ 1,452,866                                       | \$ (1,071,879)       | \$ (311,733)               | \$ 69,254                     | \$ (57,967)  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |  |                      |                            |                               |  |
| Depreciation  | 1,672,565  | 1,347,409            | 665,540                    | 3,685,514                     | ---  |
| Depreciation charged to other accounts  | 115,658  | ---                  | ---                        | 115,658                       | ---  |
| Amortization of prepaid capacity  | ---  | 252,152              | ---                        | 252,152                       | ---  |
| Proceeds from sales of materials  | 10,096   | 128                  | ---                        | 10,224                        | ---  |
| Miscellaneous revenues  | ---  | ---                  | 1,000                      | 1,000                         | ---  |
| Abandonment of CIP  | ---  | 85,771               | ---                        | 85,771                        | ---  |
| Changes in assets and liabilities related to operations:  |  |                      |                            |                               |  |
| Receivables   | (31,708)   | (715,516)            | 75                         | (747,149)                     | (1,480)  |
| Inventory   | 10,895   | 110                  | (37,853)                   | (26,848)                      | ---  |
| Prepaid items   | (75)   | ---                  | ---                        | (75)                          | ---  |
| Due to other funds  | 102,225  | (333,365)            | (223,595)                  | (454,735)                     | 11,882   |
| Accounts payable and accrued liabilities  | (432,705)  | (517,150)            | (130,419)                  | (1,080,274)                   | ---  |
| WRS pension accrual   | 55,633   | 19,081               | 25,619                     | 100,333                       | ---  |
| Compensated absences  | 19,851   | 9,019                | (243)                      | 28,627                        | ---  |
| OPEB obligation   | 23,424   | 4,211                | 657                        | 28,292                        | ---  |
| Unearned revenue  | (674)  | (7,000)              | ---                        | (7,674)                       | ---  |
| <b>Net cash provided (used) by operating activities</b>   | <b>\$ 2,998,051</b>                                | <b>\$ (927,029)</b>  | <b>\$ (10,952)</b>         | <b>\$ 2,060,070</b>           | <b>\$ (47,565)</b>                                   |
| <b>Noncash Capital Activities:</b>  |  |                      |                            |                               |  |
| Utility plant contributions   | \$ 917,408   | \$ 2,777,689         | \$ 2,235,518               | \$ 5,930,615                  | \$ ---   |
| Amortization of debt issuance premiums, discounts and losses on refundings                            | 48,880   | ---                  | (5,756)                    | 43,124                        | ---  |
| Loss on sale of utility plant   | ---  | ---                  | 18,874                     | 18,874                        | ---  |

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 (Agency) Funds**  
**December 31, 2016**

|                           | <b>Fiduciary<br/>Funds</b>  |
|---------------------------|-----------------------------|
| <b>Assets:</b>            |                             |
| Cash and equivalents      | \$ 24,333,019               |
| Taxes receivable          | <u>36,066,406</u>           |
| <b>Total assets</b>       | <u><u>\$ 60,399,425</u></u> |
| <br><b>Liabilities:</b>   |                             |
| Due to other taxing units | \$ <u>60,399,425</u>        |
| <b>Total liabilities</b>  | <u><u>\$ 60,399,425</u></u> |

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

## **NOTES TO FINANCIAL STATEMENTS**



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## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2016

#### **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, 2016

#### **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).

###### ***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, 2016

### **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     | Community Grant                    |
| Fire Department       | Cable TV                           |
| Park Department       | TID #9 EDMF                        |
| Community Development | Solid Waste Collection             |
| Library               | Library Operations and Maintenance |

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

|   |  |
|---|--|
| General Capital Projects                | Tax Incremental Financing District #8  |
| Municipal Facilities and Equipment Fund | Tax Incremental Financing District #9  |
| Tax Incremental Financing District #4   | Tax Incremental Financing District #10 |
| Tax Incremental Financing District #5   | Tax Incremental Financing District #11 |
| Tax Incremental Financing District #6   | Tax Incremental Financing District #12 |
| Tax Incremental Financing District #7   | Special Assessments                    |

##### ***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, 2016

### **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, 2016

### **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, 2016

#### **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 cost, which approximates fair value.

In February 2015, the GASB issues statement No.72 – Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

###### ***Receivables***

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

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

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

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

## VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

### Notes to Financial Statements

December 31, 2016

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

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

###### Property Tax Calendar – 2016 Tax Roll:

|  |                   |
|--|-------------------|
| Levy date  | November 24, 2016 |
| Tax bills mailed   | December 2016     |
| Payment in full or first installment due (real property) | February 2, 2017  |
| Second installment due (real property)                   | July 31, 2017     |
| Personal property taxes due in full                      | February 2, 2017  |
| Tax settlement with other governmental units:            |                   |
| First settlement   | January 16, 2017  |
| Second settlement  | February 20, 2017 |
| Third settlement   | April 17, 2017    |
| Final settlement   | August 21, 2017   |
| Lien date (by County)                                    | September 1, 2017 |
| Tax sale (by County) - 2016 delinquent real estate taxes | October 2020      |

###### ***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 funds 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, 2016

**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, 2016

### **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 obligations are related to 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, 2016 was \$23,991,323.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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.

The Village does not report the Village of Menomonee Falls Business Improvement District (BID) as a discretely presented component unit. Management determined that the BID did not meet the above criteria for being reported as a component unit of the primary government.

## VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

### Notes to Financial Statements

December 31, 2016

#### 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, 2016

### **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 losses on refunding are reported in the statement 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 three items that qualify for reporting in this category. Taxes levied in one year are not available until the next year and, as a result, are reflected in the financial statements as a deferred inflow of resources. These taxes are deferred in the year levied and recognized as revenue in the following year. The Village reports deferred inflows of resources related to Village's pension plan. The Village also reports unavailable revenue related to notes receivable as deferred inflows of resources.

##### **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.

The WRS adopted GASB Statement No. 82, Pension Issues, an amendment of GASB No. 67, No. 68 and No. 73 during the year ended December 31, 2015. Statement No. 82 addressed the presentation of payroll-related measures in the Required Supplementary Information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions. The adjustment to the beginning balances was not significant to the Village and therefore no prior period adjustment was made.

## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2016

## **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. 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, 2016, the Village was obligated for a total of \$93,597,716 in general obligation debt, or 39.59% of the total debt limit.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

Cash and equivalents and investments as shown on the Village's statement of net position are subject to the following risks:

|   | <u>Cash</u>         | <u>Investments</u>   | <u>Total</u>         |
|---|---------------------|----------------------|----------------------|
| Petty Cash                                      | \$ 1,764            | \$ ---               | \$ 1,764             |
| <b>Custodial Risk:</b>                          |                     |                      |                      |
| Demand deposits                                 | 1,732,124           | ---                  | 1,732,124            |
| <b>Custodial and Interest Rate Risk</b>         |                     |                      |                      |
| Local Government Investment Pool (LGIP)         | ---                 | 86,349,000           | 86,349,000           |
| Money market                                    | ---                 | 4,132,231            | 4,132,231            |
| <b>Custodial, Interest Rate and Credit Risk</b> |                     |                      |                      |
| Certificates of deposit                         | ---                 | 538,691              | 538,691              |
| <b>Total</b>                                    | <u>\$ 1,733,888</u> | <u>\$ 91,019,922</u> | <u>\$ 92,753,810</u> |

The Village's cash and equivalents and investments are reported in the financial statements as follows:

|   |                      |
|---|----------------------|
| Statement of net position:                  |                      |
| Cash and equivalents                        | \$ 59,947,793        |
| Investments                                 | 538,691              |
| Restricted cash and equivalents             | 7,934,307            |
| Statement of net position - fiduciary fund: |                      |
| Cash and equivalents                        | 24,333,019           |
| <b>Total</b>                                | <u>\$ 92,753,810</u> |

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits and 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 municipalities. Investments in the LGIP are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the 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 and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2016, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.



**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**3. Detail Notes on Transaction Classes and Accounts (continued)****A. Cash and Equivalents and Investments (continued)**

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

Petty cash is not subject to custodial, interest rate or credit risk.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

**Custodial Risk:** Is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for demand deposits and other investments subject to custodial risk were \$92,752,046 at December 31, 2016 and the bank's carrying value was \$93,328,835, of which \$2,259,110 was fully insured, and \$91,069,725 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

Fluctuating cash flows during the year due to the timing of receipt of tax collections, other revenues, and financing sources may have resulted in temporary uninsured balances significantly exceeding the amounts reported under custodial risk.

**Interest Rate Risk:** Is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. Information regarding the exposure of the Village's investments to this risk, using the segmented time distribution model is as follows:

| Type of Investment                      | Fair Value           | Investment Maturities (in Years) |               |               |                  |
|---|----------------------|----------------------------------|---------------|---------------|------------------|
|   |                      | Less Than<br>1 Year              | 1-5 Years     | 6-10<br>Years | Over<br>10 Years |
| Certificates of deposit                 | \$ 538,691           | \$ 538,691                       | \$ ---        | \$ ---        | \$ ---           |
| Local Government Investment Pool (LGIP) | 86,349,000           | 86,349,000                       | ---           | ---           | ---              |
| Money market                            | 4,132,231            | 4,132,231                        |               |               |                  |
| <b>Total</b>                            | <b>\$ 91,019,922</b> | <b>\$ 91,019,922</b>             | <b>\$ ---</b> | <b>\$ ---</b> | <b>\$ ---</b>    |

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities.



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

**Notes to Financial Statements**  
December 31, 2016

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

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

Presented below is the minimum rating required for each type of investment:

| Type of Investment      | Amount     | Rating as of Year End |        |            |
|-------------------------|------------|-----------------------|--------|------------|
|                         |            | AAA                   | Aa     | Not Rated  |
| Certificates of Deposit | \$ 538,691 | \$ ---                | \$ --- | \$ 538,691 |

The Village invests its funds in accordance with the provisions of the Wisconsin Statutes 66.04(2) and 67.11(2), which are as follows:

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.

Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations. There were no significant violations during the year or legal or contractual provisions of investments or deposits.

The Village categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village does not have any investments that are measured using Level 3 inputs. Investments' fair value measurements are as follows at December 31, 2016:

| Type of Investment                      | Fair Value    |                      |               | Exempt from Disclosure | Total                |
|---|---------------|----------------------|---------------|------------------------|----------------------|
|   | Level 1       | Level 2              | Level 3       |                        |                      |
| Certificates of deposit                 | \$ ---        | \$ ---               | \$ ---        | \$ 538,691             | \$ 538,691           |
| Local Government Investment Pool (LGIP) | ---           | 86,349,000           | ---           | ---                    | 86,349,000           |
| Money market                            | ---           | 4,132,231            | ---           | ---                    | 4,132,231            |
| <b>Total</b>                            | <b>\$ ---</b> | <b>\$ 90,481,231</b> | <b>\$ ---</b> | <b>\$ 538,691</b>      | <b>\$ 91,019,922</b> |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

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

***Governmental Activities***

|                             | <b>Gross<br/>Receivable</b> | <b>Allowance for<br/>Doubtful<br/>Accounts</b> | <b>Net<br/>Receivable</b> | <b>Expected After<br/>December 31,<br/>2017</b> |
|-----------------------------|-----------------------------|--|---------------------------|---|
| Taxes                       | \$ 15,289,822               | \$ 41,362                                      | \$ 15,248,460             | \$ ---  |
| Special charges on tax roll | 1,303,901                   | ---  | 1,303,901                 | ---   |
| Intergovernmental aid       | 872,727                     | ---  | 872,727                   | ---   |
| Accounts                    | 1,735,987                   | 223,615  | 1,512,372                 | 371,000   |
| Notes                       | 555,527                     | ---  | 555,527                   | 413,205   |
| Special assessments         | 972,505                     | ---  | 972,505                   | 900,000   |

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$220,836 and for ambulance billings of \$2,779.

***Business-type Activities***

|                             | <b>Gross<br/>Receivable</b> | <b>Allowance for<br/>Doubtful<br/>Accounts</b> | <b>Net<br/>Receivable</b> | <b>Expected After<br/>December 31,<br/>2017</b> |
|-----------------------------|-----------------------------|--|---------------------------|---|
| Taxes                       | \$ 931,250                  | \$ ---   | \$ 931,250                | \$ ---  |
| Special charges on tax roll | 545,494                     | ---  | 545,494                   | ---   |
| Accounts                    | 3,483,536                   | 30,970   | 3,452,566                 | ---   |

***Fiduciary (Agency) Funds***

|       | <b>Gross<br/>Receivable</b> | <b>Allowance for<br/>Doubtful<br/>Accounts</b> | <b>Net<br/>Receivable</b> | <b>Expected After<br/>December 31,<br/>2017</b> |
|-------|-----------------------------|--|---------------------------|---|
| Taxes | \$ 36,066,406               | \$ ---   | \$ 36,066,406             | \$ ---  |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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> |
|--------------------------|---------------------|---------------|
| Water Utility            | General Fund        | \$ 4,691      |
| Sewer Utility            | General Fund        | 4,113         |
| Storm Water Utility      | General Fund        | 759           |
| Other governmental funds | General Fund        | 685           |
| Water Utility            | Sewer Utility       | 880           |

***Advances***

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to TID #6, TID #7, TID #9 and TID #12 for planning related expenditures, with interest charged at the average LGIP rate plus 1% 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 2016 was .42%.

The Municipal Facilities and Equipment Fund has advanced funds to TID #9 for planning-related expenditures. No interest is being charged until the TID begins to collect increment.

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 Water Utility that was provided to fund operations. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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> |
|--------------------------|--------------------------|---------------|
| Other governmental funds | Other governmental funds | \$ 2,333,245  |
| Other governmental funds | Sewer Utility            | 180,678       |
| Other governmental funds | Storm Water Utility      | 1,389,239     |

***Transfers***

Transfers between governmental funds are summarized as follows:

| <u>Transfers in</u>      | <u>Transfers out</u>     | <u>Amount</u> |
|--------------------------|--------------------------|---------------|
| Other governmental funds | General Fund             | \$ 2,855,542  |
| Other governmental funds | Other governmental funds | 2,683,519     |
| General Fund             | Other governmental funds | 93,830        |
| Debt Service Fund        | Other governmental funds | 6,969,588     |
| Debt Service Fund        | General Fund             | 27,953        |

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 the Debt Service Fund from the general fund were made to fund the general fund's debt service requirements.
- Transfers to the other governmental funds from the General Fund were made in the amounts of \$810,889 for revolving loan payments, \$95,000 to provide funding for an internal pension loan, \$1,400,000 of surplus transferred to the revolving capital fund and \$549,653 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 to the General Fund from other governmental funds were made to in the amounts of \$32,248 from special revenue funds and \$61,582 from TID #6 for the purchase of a property donated to the Village.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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:

- 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<br/>Utility</b> | <b>Water<br/>Utility</b> | <b>Total</b>        |
|---|--------------------------|--------------------------|---------------------|
| Interceptor sewer reserve               | \$ 1,645,584             | \$ ---                   | \$ 1,645,584        |
| Impact fee reserve                      | 2,691,345                | 2,546,982                | 5,238,327           |
| Special redemption reserve              | 77,989                   | ---                      | 77,989              |
| Operation and maintenance reserve       | 852,737                  | ---                      | 852,737             |
| Depreciation reserve                    | 119,670                  | ---                      | 119,670             |
| <b>Total</b>                            | <b>\$ 5,387,325</b>      | <b>\$ 2,546,982</b>      | <b>\$ 7,934,307</b> |

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2016

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

#### E. Capital Assets

Capital asset activity for the year ended December 31, 2016 is summarized as follows:

##### *Governmental Activities*

|  | Balance<br>January<br>1, 2016 | Additions    | Transfers   | Disposals    | Balance<br>December<br>31, 2016 |
|--|-------------------------------|--------------|-------------|--------------|---------------------------------|
| <b>Nondepreciable capital assets:</b>      |                               |              |             |              |                                 |
| Land                                       | \$ 93,955,100                 | \$ 4,589,484 | \$ ---      | \$ (350,060) | \$ 98,194,524                   |
| Construction in progress                   | 7,539,216                     | 2,974,311    | (7,459,264) | (201,520)    | 2,852,743                       |
| <b>Total nondepreciable capital assets</b> | 101,494,316                   | 7,563,795    | (7,459,264) | (551,580)    | 101,047,267                     |
| <b>Depreciable capital assets:</b>         |                               |              |             |              |                                 |
| Land improvements                          | 5,018,753                     | ---          | ---         | (108,906)    | 4,909,847                       |
| Buildings and improvements                 | 39,660,945                    | 69,588       | 34,972      | ---          | 39,765,505                      |
| Equipment and furnishings                  | 18,166,307                    | 1,310,870    | 755,133     | (633,384)    | 19,598,926                      |
| Infrastructure                             | 47,017,654                    | 893,497      | 6,669,159   | (1,431,000)  | 53,149,310                      |
| <b>Total depreciable capital assets</b>    | 109,863,659                   | 2,273,955    | 7,459,264   | (2,173,290)  | 117,423,588                     |
| <b>Less accumulated depreciation:</b>      |                               |              |             |              |                                 |
| Land improvements                          | 2,421,552                     | 236,270      | ---         | (76,234)     | 2,581,588                       |
| Buildings and improvements                 | 13,249,027                    | 947,621      | ---         | ---          | 14,196,648                      |
| Equipment and furnishings                  | 14,548,728                    | 935,818      | ---         | (308,274)    | 15,176,272                      |
| Infrastructure                             | 20,173,934                    | 1,972,496    | ---         | (1,431,000)  | 20,715,430                      |
| <b>Total accumulated depreciation</b>      | 50,393,241                    | 4,092,205    | ---         | (1,815,508)  | 52,669,938                      |
| <b>Net depreciable capital assets</b>      | 59,470,418                    | (1,818,250)  | 7,459,264   | (357,782)    | 64,753,650                      |
| <b>Net total capital assets</b>            | \$ 160,964,734                | \$ 5,745,545 | \$ ---      | \$ (909,362) | \$ 165,800,917                  |

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

|                              |                     |
|------------------------------|---------------------|
| General government           | \$ 444,934          |
| Public safety                | 828,770             |
| Public works                 | 2,344,349           |
| Culture and recreation       | 447,708             |
| Conservation and development | 26,444              |
| <b>Total depreciation</b>    | <u>\$ 4,092,205</u> |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

**E. Capital Assets (continued)**

***Business-type Activities***

|  | <b>Balance<br/>January<br/>1, 2016</b> | <b>Additions</b> | <b>Transfers</b> | <b>Disposals</b> | <b>Balance<br/>December<br/>31, 2016</b> |
|--|--|------------------|------------------|------------------|--|
| <b>Nondepreciable capital assets:</b>                                |  |                  |                  |                  |  |
| Land   | \$ 608,553                             | \$ ---           | \$ ---           | \$ ---           | \$ 608,553                               |
| Construction in progress   | 1,878,775                              | 1,400,477        | (2,614,363)      | (3,708)          | 661,181                                  |
| <b>Total nondepreciable<br/>capital assets</b>                       | 2,487,328                              | 1,400,477        | (2,614,363)      | (3,708)          | 1,269,734                                |
| <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  | 9,353,198                              | 132,644          | 118,949          | (489,593)        | 9,115,199                                |
| Infrastructure   | 175,921,000                            | 6,297,873        | 2,495,414        | (141,857)        | 184,572,430                              |
| <b>Total depreciable<br/>capital assets</b>                          | 196,535,901                            | 6,430,517        | 2,614,363        | (631,450)        | 204,949,332                              |
| <b>Less accumulated depreciation:</b>                                |  |                  |                  |                  |  |
| Land improvements  | 488,379                                | 38,182           | ---              | ---              | 526,560                                  |
| Buildings and improvements   | 4,845,819                              | 373,439          | ---              | ---              | 5,219,257                                |
| Equipment and furnishings  | 5,888,469                              | 422,967          | ---              | (489,593)        | 5,821,842                                |
| Infrastructure   | 53,471,308                             | 2,964,113        | ---              | (121,884)        | 56,313,540                               |
| <b>Total accumulated<br/>depreciation</b>                            | 64,693,975                             | 3,798,701        | ---              | (611,477)        | 67,881,199                               |
| <b>Net depreciable capital assets</b>                                | 131,841,926                            | 2,631,816        | 2,614,363        | (19,974)         | 137,068,133                              |
| <b>Net total capital assets</b>                                      | \$ 134,329,254                         | \$ 4,032,293     | \$ ---           | \$ (23,680)      | \$ 138,337,867                           |
| <b>Depreciation was charged to proprietary functions as follows:</b> |  |                  |                  |                  |  |
| Water Utility  |  |                  |                  |                  | \$ 1,672,565                             |
| Water Utility - allocated  |  |                  |                  |                  | 23,304                                   |
| Sewer Utility  |  |                  |                  |                  | 1,437,292                                |
| Storm Water Utility  |  |                  |                  |                  | 665,540                                  |
| <b>Total depreciation</b>  |  |                  |                  |                  | \$ 3,798,701                             |

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

**Notes to Financial Statements**  
December 31, 2016

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

**F. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2016 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>     | <u>Decreases</u>       | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|--|------------------------------|----------------------|------------------------|---------------------------|--|
| <b>Governmental Activities:</b>                        |                              |                      |                        |                           |  |
| <b>Long-term debt:</b>                                 |                              |                      |                        |                           |  |
| General obligation debt                                | \$ 85,656,905                | \$ 18,705,000        | \$ (20,939,369)        | \$ 83,422,536             | \$ 8,500,863                               |
| <b>Other liabilities:</b>                              |                              |                      |                        |                           |  |
| Accumulated unpaid sick pay                            | <u>3,046,847</u>             | <u>475,295</u>       | <u>(478,653)</u>       | <u>3,043,489</u>          | <u>368,025</u>                             |
| <b>Total governmental<br/>  long-term obligations</b>  | <u>\$ 88,703,752</u>         | <u>\$ 19,180,295</u> | <u>\$ (21,418,022)</u> | <u>\$ 86,466,025</u>      | <u>\$ 8,868,888</u>                        |
| <b>Business-type Activities:</b>                       |                              |                      |                        |                           |  |
| <b>Long-term debt:</b>                                 |                              |                      |                        |                           |  |
| Revenue bonds  | \$ 1,422,408                 | \$ ---               | \$ (171,362)           | \$ 1,251,046              | \$ 108,957                                 |
| General obligation debt                                | <u>10,143,764</u>            | <u>1,190,000</u>     | <u>(1,158,584)</u>     | <u>10,175,180</u>         | <u>1,217,090</u>                           |
| <b>Total long-term debt</b>                            | <u>11,566,172</u>            | <u>1,190,000</u>     | <u>(1,329,945)</u>     | <u>11,426,227</u>         | <u>1,326,047</u>                           |
| <b>Other liabilities:</b>                              |                              |                      |                        |                           |  |
| Accumulated unpaid sick pay                            | <u>463,204</u>               | <u>72,269</u>        | <u>(58,052)</u>        | <u>477,421</u>            | <u>46,597</u>                              |
| <b>Total business-type<br/>  long-term obligations</b> | <u>\$ 12,029,376</u>         | <u>\$ 1,262,269</u>  | <u>\$ (1,387,997)</u>  | <u>\$ 11,903,648</u>      | <u>\$ 1,372,644</u>                        |

The above schedule doesn't include \$1,973,007 of unamortized premiums on issuance, which is included in the governmental activities as bonds and notes on the Statement of Net Position.

The above schedule doesn't include \$151,269 of unamortized premiums on issuance, which is included in the business-type activities as bonds and notes on the Statement of Net Position.

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<br/>Activities</u> | <u>Business-<br/>Type<br/>Activities</u> | <u>Totals</u>       |
|--|------------------------------------|--|---------------------|
| Balance, beginning of year               | \$ 3,046,847                       | \$ 463,204                               | \$ 3,510,051        |
| Sick leave benefit earned – current year | 475,295                            | 72,269                                   | 547,564             |
| Sick leave used – current year           | (320,469)                          | (58,052)                                 | (378,521)           |
| Sick leave paid upon retirement          | <u>(158,184)</u>                   | <u>---</u>                               | <u>(158,184)</u>    |
| Balance, end of year                     | <u>\$ 3,043,489</u>                | <u>\$ 477,421</u>                        | <u>\$ 3,520,910</u> |



**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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<br/>Issue</u>             | <u>Maturity<br/>Date</u> | <u>Average<br/>Coupon<br/>Rate</u> | <u>Original<br/>Indebtedness</u> | <u>Balance<br/>12/31/16</u> |
|--------------------------------------|--------------------------|------------------------------------|----------------------------------|-----------------------------|
| 06/01/07                             | 06/01/17                 | 4.32%                              | \$ 1,750,000                     | \$ 425,000                  |
| 07/01/08                             | 12/01/18                 | 4.10%                              | 3,800,000                        | 1,150,000                   |
| 06/01/09                             | 05/01/19                 | 3.38%                              | 3,320,000                        | 1,375,000                   |
| 06/01/10                             | 06/01/20                 | 3.16%                              | 3,955,000                        | 2,300,000                   |
| 10/05/10                             | 12/01/19                 | 3.06%                              | 11,800,000                       | 4,925,000                   |
| 06/20/11                             | 06/01/21                 | 2.80%                              | 6,830,000                        | 4,475,000                   |
| 10/18/11                             | 10/01/19                 | 2.03%                              | 1,800,000                        | 225,000                     |
| 07/02/12                             | 06/01/22                 | 2.80%                              | 4,610,000                        | 3,475,000                   |
| 07/02/12                             | 03/01/21                 | 3.42%                              | 6,400,000                        | 3,775,000                   |
| 07/02/12                             | 03/01/22                 | 3.34%                              | 7,950,000                        | 5,400,000                   |
| 09/28/12                             | 09/01/19                 | 2.43%                              | 1,850,000                        | 1,650,000                   |
| 06/17/13                             | 06/01/23                 | 2.28%                              | 1,930,000                        | 1,400,000                   |
| 06/17/13                             | 06/01/23                 | 2.99%                              | 2,370,000                        | 2,055,000                   |
| 04/01/14                             | 04/01/18                 | 1.95%                              | 3,825,000                        | 2,025,000                   |
| 06/16/14                             | 06/01/24                 | 2.91%                              | 4,920,000                        | 4,420,000                   |
| 10/30/14                             | 05/01/30                 | 4.00%                              | 8,450,000                        | 8,425,000                   |
| 11/17/14                             | 02/15/22                 | 0.00%                              | 223,622                          | 167,716                     |
| 03/30/15                             | 03/01/25                 | 2.95%                              | 7,850,000                        | 7,550,000                   |
| 03/30/15                             | 03/01/25                 | 3.11%                              | 4,300,000                        | 4,175,000                   |
| 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                        | 3,055,000                   |
| 08/17/15                             | 08/01/19                 | 2.50%                              | 9,975,000                        | 9,975,000                   |
| 05/02/16                             | 05/01/26                 | 2.00%                              | 3,190,000                        | 3,190,000                   |
| 09/01/16                             | 09/01/19                 | 2.00%                              | 1,280,000                        | 1,280,000                   |
| 09/01/16                             | 09/01/19                 | 2.13%                              | 5,500,000                        | 5,500,000                   |
| 11/21/16                             | 06/01/26                 | 2.00%                              | 2,500,000                        | 2,500,000                   |
| 11/21/16                             | 06/01/33                 | 2.99%                              | 7,425,000                        | 7,425,000                   |
| <b>Total general obligation debt</b> |                          |                                    |                                  | <b>\$ 93,597,716</b>        |
| Governmental activity debt           |                          |                                    |                                  | \$ 83,422,536               |
| Business-type activity debt          |                          |                                    |                                  | 10,175,180                  |
| <b>Total general obligation debt</b> |                          |                                    |                                  | <b>\$ 93,597,716</b>        |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

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

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

During the year ended December 31, 2016, the Village paid off three general obligation bonds through current refundings. The refinanced principal of the refundings issued totaled \$13,955,000. As a result of the current refunding the Village increased its future debt service requirements by \$2,982,967, resulting in an economic loss of \$2,982,967.

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, 2016, the Village has used 39.59% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2016:

|                                 |                  |
|---------------------------------|------------------|
| Equalized Value January 1, 2016 | \$ 4,728,377,800 |
|---------------------------------|------------------|

|                                    |                |
|------------------------------------|----------------|
| Debt limit (5% of equalized value) | \$ 236,418,890 |
|------------------------------------|----------------|

**General Obligation Debt by Funding Source:**

|                                      |                      |
|--------------------------------------|----------------------|
| Tax levy                             | \$ 17,282,616        |
| Tipping fees                         | 10,775,000           |
| Special assessments                  | 372,920              |
| TID increments                       | 58,020,000           |
| Utility user fees                    | 7,147,180            |
| <b>Total General Obligation debt</b> | <b>\$ 93,597,716</b> |

|   |         |
|---|---------|
| Ratio of applicable general obligation debt to debt limit | 39.59 % |
|---|---------|

***Revenue Bonds***

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

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

**Notes to Financial Statements**  
December 31, 2016

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

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

***Revenue Bonds (continued)***

Details of revenue bonds outstanding are presented below:

|                                  | <u>Date of<br/>Issue</u> | <u>Maturity<br/>Date</u> | <u>Average<br/>Coupon<br/>Rate</u> | <u>Original<br/>Indebtedness</u> | <u>Balance<br/>12/31/16</u> |
|----------------------------------|--------------------------|--------------------------|------------------------------------|----------------------------------|-----------------------------|
| <b>Business-type Activities:</b> |                          |                          |                                    |                                  |                             |
| Clean Water Fund Loans:          |                          |                          |                                    |                                  |                             |
| Sewer Utility                    | 02/19/01                 | 05/01/20                 | 2.97%                              | \$ 217,231                       | \$ 56,413                   |
|                                  | 08/22/07                 | 05/01/27                 | 2.55%                              | 1,887,778                        | 1,194,633                   |
| <b>Total business-type</b>       |                          |                          |                                    |                                  | <u>\$ 1,251,046</u>         |

***Subsequent Debt Issuances***

In February 2017, the Village Board approved the issuance and sale of \$1,280,000 taxable general obligation refunding promissory notes. The debt was issued on February 22, 2017. The proceeds from the issuance will be used to pay off a previous debt issuance. The loan matures on March 1, 2020, with an average interest rate of 3.38%.

In May 2017, the Village Board approved the issuance and sale of \$14,935,000 general obligation promissory notes. The debt was issued on June 20, 2017. The proceeds from the issuance will be used to fund capital expenditures associated with the 2017 capital budget, including a new public works facility. The loan matures on June 1, 2027, with an average interest rate of 2.64%.

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

**Notes to Financial Statements**  
December 31, 2016

**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      |                      |
| 2017          | \$ 8,500,863            | \$ 2,387,373         | \$ ---             | \$ ---        | \$ 10,888,236        |
| 2018          | 7,750,863               | 2,143,137            | ---                | ---           | 9,894,000            |
| 2019          | 24,236,953              | 1,926,877            | ---                | ---           | 26,163,830           |
| 2020          | 4,847,953               | 1,289,852            | ---                | ---           | 6,137,805            |
| 2021          | 4,922,953               | 1,131,584            | ---                | ---           | 6,054,537            |
| 2022-2026     | 24,262,951              | 3,374,259            | ---                | ---           | 27,634,210           |
| 2027-2031     | 7,275,000               | 832,294              | ---                | ---           | 8,107,294            |
| 2032-3033     | 1,625,000               | 51,382               | ---                | ---           | 1,676,382            |
| <b>Totals</b> | <b>\$ 83,422,536</b>    | <b>\$ 13,136,758</b> | <b>\$ ---</b>      | <b>\$ ---</b> | <b>\$ 96,556,294</b> |

**Business-type Activities:**

| Year          | General Obligation Debt |                     | Revenue Bonds       |                   | Total                |
|---------------|-------------------------|---------------------|---------------------|-------------------|----------------------|
|               | Principal               | Interest            | Principal           | Interest          |                      |
| 2017          | \$ 1,217,090            | \$ 276,837          | \$ 108,957          | \$ 30,687         | \$ 1,631,421         |
| 2018          | 1,267,090               | 232,485             | 111,790             | 27,818            | 1,639,183            |
| 2019          | 1,281,000               | 199,061             | 114,696             | 24,874            | 1,619,631            |
| 2020          | 1,070,000               | 166,695             | 117,678             | 21,853            | 1,376,226            |
| 2021          | 925,000                 | 137,806             | 105,571             | 18,979            | 1,187,356            |
| 2022-2026     | 4,415,000               | 265,797             | 569,587             | 52,632            | 5,303,016            |
| 2027-2031     | ---                     | ---                 | 122,767             | 1,563             | 124,330              |
| 2032-3033     | ---                     | ---                 | ---                 | ---               | ---                  |
| <b>Totals</b> | <b>\$ 10,175,180</b>    | <b>\$ 1,278,681</b> | <b>\$ 1,251,046</b> | <b>\$ 178,406</b> | <b>\$ 12,881,163</b> |

**Total Primary Government:**

| Year          | General Obligation Debt |                      | Anticipation Notes and Revenue Bonds |                   | Total                 |
|---------------|-------------------------|----------------------|--------------------------------------|-------------------|-----------------------|
|               | Principal               | Interest             | Principal                            | Interest          |                       |
| 2017          | \$ 9,717,953            | \$ 2,662,060         | \$ 108,957                           | \$ 30,687         | \$ 12,519,657         |
| 2018          | 9,017,953               | 2,375,622            | 111,790                              | 27,818            | 11,533,183            |
| 2019          | 25,517,953              | 2,125,938            | 114,696                              | 24,874            | 27,783,461            |
| 2020          | 5,917,953               | 1,456,547            | 117,678                              | 21,853            | 7,514,031             |
| 2021          | 5,847,953               | 1,269,390            | 105,571                              | 18,979            | 7,241,893             |
| 2022-2026     | 28,677,951              | 3,637,056            | 569,587                              | 52,632            | 32,937,226            |
| 2027-2031     | 7,275,000               | 832,294              | 122,767                              | 1,563             | 8,231,624             |
| 2032-3033     | 1,625,000               | 51,382               | ---                                  | ---               | 1,676,382             |
| <b>Totals</b> | <b>\$ 93,597,716</b>    | <b>\$ 14,410,289</b> | <b>\$ 1,251,046</b>                  | <b>\$ 178,406</b> | <b>\$ 109,437,457</b> |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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, 2016 is summarized as follows:

|                                       | <b>Balance<br/>January<br/>1, 2016</b> | <b>Additions</b>  | <b>Amortization<br/>Expense<br/>(Benefit)</b> | <b>Balance<br/>December<br/>31, 2016</b> |
|---------------------------------------|--|-------------------|---|--|
| Governmental Activities               | \$ <u>1,848,043</u>                    | \$ <u>395,432</u> | \$ <u>(372,403)</u>                           | \$ <u>1,871,072</u>                      |
| <b>Business-type Activities:</b>      |  |                   |   |  |
| Water Utility                         | \$ 36,932                              | \$ 31,365         | \$ 48,879                                     | \$ 117,176                               |
| Storm Water Utility                   | 39,849                                 | ---               | (5,756)                                       | 34,093                                   |
| <b>Total business-type activities</b> | \$ <u>76,781</u>                       | \$ <u>31,365</u>  | \$ <u>43,123</u>                              | \$ <u>151,269</u>                        |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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                    | \$ 101,047,267      |                |
| Other capital assets net of accumulated depreciation | 64,753,650          |                |
| Less related long-term debt                          | <u>(63,627,449)</u> |                |
| <b>Total net investment in capital assets</b>        |                     | \$ 102,173,468 |

**Restricted for:**

## Capital Projects:

|  |                  |           |
|--|------------------|-----------|
| Park development and land acquisition        | 2,245,689        |           |
| Library facilities                           | 177,209          |           |
| Tax Incremental District projects            | <u>4,048,070</u> |           |
| <b>Total restricted for capital projects</b> |                  | 6,470,968 |

Debt service 66,336

Library operations and maintenance 1,313,944

WRS Pension 4,494,477

## Other:

|                                   |              |           |
|-----------------------------------|--------------|-----------|
| Community development             | 1,304,363    |           |
| Public safety programs            | 240,434      |           |
| Library compensated absences      | 222,269      |           |
| Parks operations                  | <u>6,091</u> |           |
| <b>Total restricted for other</b> |              | 1,773,157 |

Unrestricted 1,691,916

**Total governmental net position** \$ 117,984,266

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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                    | \$ | 1,269,734   |                |
| Other capital assets net of accumulated depreciation |    | 137,068,133 |                |
| Less related long-term debt                          |    | (8,665,390) |                |
| <b>Total net investment in capital assets</b>        |    |             | \$ 129,672,477 |

**Restricted for:**

## Capital Projects:

|  |           |           |
|--|-----------|-----------|
| Interceptor sewer improvements               | 1,645,584 |           |
| Other sewer infrastructure improvements      | 2,691,345 |           |
| Other water infrastructure improvements      | 2,546,982 |           |
| <b>Total restricted for capital projects</b> |           | 6,883,911 |

## WRS Pension

369,675

## Other:

|                                   |         |         |
|-----------------------------------|---------|---------|
| Operation and maintenance – sewer | 852,737 |         |
| Depreciation fund – sewer         | 119,670 |         |
| <b>Total restricted for other</b> |         | 972,407 |

## Unrestricted

11,477,555

**Total business-type net position**\$ 149,376,025

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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                                 | \$ | 77,536    |              |
| Advances to other funds                       |    | 1,812,610 |              |
| Delinquent personal property taxes receivable |    | 6,377     |              |
| Inventory of supplies                         |    | 367,740   |              |
| <b>Total nonspendable</b>                     |    |           | \$ 2,264,263 |

Unassigned

7,421,395

**Total General Fund**

9,685,658

**Debt Service:**

Restricted for debt service

66,336

**Non-major Funds:**

Nonspendable:

|                           |    |           |           |
|---------------------------|----|-----------|-----------|
| Advances to other funds   | \$ | 2,090,552 |           |
| <b>Total nonspendable</b> |    |           | 2,090,552 |

Restricted:

|  |  |           |            |
|--|--|-----------|------------|
| Revolving loans for community development  |  | 811,795   |            |
| Public safety programs                     |  | 240,434   |            |
| Park development and land acquisition      |  | 2,245,689 |            |
| Parks operations                           |  | 6,091     |            |
| Library facilities                         |  | 177,209   |            |
| Library operations and maintenance         |  | 1,313,944 |            |
| Solid waste collection                     |  | 3,369     |            |
| TIF District Improvements and Debt Service |  | 6,304,695 |            |
| <b>Total restricted</b>                    |  |           | 11,103,226 |

Committed:

|                        |  |           |           |
|------------------------|--|-----------|-----------|
| Community grants       |  | 9,973     |           |
| Cable TV programs      |  | 126       |           |
| Capital projects       |  | 9,582,889 |           |
| <b>Total committed</b> |  |           | 9,592,988 |

Assigned:

|                       |  |           |           |
|-----------------------|--|-----------|-----------|
| Capital projects      |  | 5,363,510 |           |
| <b>Total assigned</b> |  |           | 5,363,510 |

Unassigned

(1,798,726)

**Total non-major funds**

\$ 26,251,550



## **VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

### **Notes to Financial Statements**

December 31, 2016

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

##### **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 after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

###### **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, 2016

**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<br/>Adjustment</u> | <u>Variable Fund<br/>Adjustment</u> |
|-------------|---------------------------------|-------------------------------------|
| 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                                  |
| 2015        | 2.9                             | 2                                   |

**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 \$1,068,023 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

| <u>Employee Category</u>           | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General                            | 6.6%            | 6.6%            |
| Executives & Elected Officials     | 6.6%            | 6.6%            |
| Protective with Social Security    | 6.6%            | 9.6%            |
| Protective without Social Security | 6.6%            | 13.4%           |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

At December 31, 2016, the Village reported a liability of \$1,785,211 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the Village's proportion was 0.10986043%, which was a decrease of 0.00197040% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Village recognized pension expense of \$2,160,894.

At December 31, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ 302,007                                    | \$ 3,756,945                                 |
| Changes in assumptions  | 1,249,011                                     | ---  |
| Net difference between projected and actual earnings on pension plan investments                              | 7,309,163                                     | ---  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 152,244                                       | ---  |
| Employer contributions subsequent to the measurement date   | 1,393,883                                     | ---  |
| <b>Total</b>  | <b>\$ 10,406,308</b>                          | <b>\$ 3,756,945</b>                          |

The amount of \$1,393,883 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, 2017. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

| <b>Year Ended<br/>December 31,</b> | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|------------------------------------|---|--|
| 2017                               | \$ 2,341,925                              | \$ (909,188)                             |
| 2018                               | 2,341,925                                 | (909,188)                                |
| 2019                               | 2,341,925                                 | (909,188)                                |
| 2020                               | 1,944,601                                 | (909,188)                                |
| 2021                               | 42,049                                    | (120,193)                                |

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2016

### 4. Other Notes (continued)

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

##### Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|   |                                |
|---|--------------------------------|
| Actuarial Valuation Date:                         | December 31, 2014              |
| Measurement Date of Net Pension Liability (Asset) | December 31, 2015              |
| Actuarial Cost Method:                            | Entry Age                      |
| Asset Valuation Method:                           | Fair Value                     |
| Long-Term Expected Rate of Return:                | 7.2%                           |
| Discount Rate:                                    | 7.2%                           |
| Salary Increases:                                 |                                |
| Inflation   | 3.2%                           |
| Seniority/Merit                                   | 0.2% - 5.6%                    |
| 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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**4. Other Notes (continued)****A. Employee Pension Plan (continued)****Actuarial Assumptions**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

| <b>Core Fund Asset Class</b>     | <b>Current Asset Allocation</b> | <b>Destination Target Asset Allocation</b> | <b>Long-Term Expected Nominal Rate of Return</b> | <b>Long-Term Expected Real Rate of Return</b> |
|----------------------------------|---------------------------------|--|--|---|
| US Equities                      | 27.0%                           | 23%  | 7.6%   | 4.7%  |
| International Equities           | 24.5                            | 22   | 8.5  | 5.6   |
| Fixed Income                     | 27.5                            | 37   | 4.4  | 1.6   |
| Inflation Sensitive Assets       | 10                              | 20   | 4.2  | 1.4   |
| Real Estate                      | 7                               | 7  | 6.5  | 3.6   |
| Private Equity/Debt              | 7                               | 7  | 9.4  | 6.5   |
| Multi-Asset                      | 4                               | 4  | 6.7  | 3.8   |
| Total Core Fund                  | 107                             | 120  | 7.4  | 4.5   |
| <b>Variable Fund Asset Class</b> |                                 |  |  |   |
| US Equities                      | 70%                             | 70%  | 7.6%   | 4.7%  |
| International Equities           | 30                              | 30   | 8.5  | 5.6   |
| Total Variable Fund              | 100                             | 100  | 7.9  | 5.0   |

New England Pension Consultants, Long Term US CPI (Inflation) Forecast: 2.75% ; Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**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.

# VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

## Notes to Financial Statements

December 31, 2016

### 4. Other Notes (continued)

#### A. Actuarial Assumptions (continued)

*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<br/>to Discount<br/>Rate 6.20%</b> | <b>Current<br/>Discount Rate<br/>7.20%</b> | <b>1% Increase To<br/>Discount Rate<br/>8.20%</b> |
|---|---|--|---|
| Village's proportionate share of<br>the net pension liability (asset) | \$12,521,502                                      | \$ 1,785,211                               | \$ (6,600,024)                                    |

*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://eft.wi.gov/publications/cafr.htm>.

#### Payables to the Pension Plan

The Village's portion of payables to the pension plan at December 31, 2016 were \$177,904. This represents contributions earned as of December 31, 2016, but for which payment was not remitted to the pension plan until subsequent to year-end.

#### 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 January 1, 2014, the date of the latest actuarial valuation:

|  |            |
|--|------------|
| Retirees                                 | 19         |
| Active                                   | 162        |
| <b>Number of participating employees</b> | <b>181</b> |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**4. Other Notes (continued)****B. Other Post-Employment Benefits (continued)****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            |    | 60,462                  |
| Adjustment to annual required contribution |    | (60,080)                |
| <b>Annual OPEB cost</b>                    |    | <u>241,892</u>          |
| Contributions made                         |    | (68,345)                |
| <b>Increase in net OPEB obligation</b>     |    | <u>173,547</u>          |
| Net OPEB obligation – beginning of year    |    | 1,511,603               |
| <b>Net OPEB obligation – end of year</b>   | \$ | <u><u>1,685,150</u></u> |

**Trend Information**

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

| <b>Fiscal<br/>Year<br/>Ended</b> | <b>Annual<br/>OPEB Cost</b> | <b>Percentage of<br/>Annual OPEB<br/>Cost Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|----------------------------------|-----------------------------|---|------------------------------------|
| 2014                             | 241,833                     | 54%   | 1,377,797                          |
| 2015                             | 241,860                     | 45%   | 1,511,603                          |
| 2016                             | 241,892                     | 28%   | 1,685,150                          |

**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, 2016

#### 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 \$125,000 per occurrence with \$500,000 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, 2016

**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, 2016, this fund had net position totaling \$728,596 which is available to pay future claims. Additionally, a liability of \$35,832 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<br/>January 1,</u> |    | <u>Claims and<br/>Changes<br/>In Estimates</u> |    | <u>Claim<br/>Payments</u> |    | <u>Balance<br/>December 31,</u> |
|--------------------|----|-------------------------------|----|--|----|---------------------------|----|---------------------------------|
| 2016               | \$ | 187,602                       | \$ | (147,435)                                      | \$ | (4,335)                   | \$ | 35,832                          |
| 2015               |    | 217,950                       |    | (20,780)                                       |    | (9,568)                   |    | 187,602                         |

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, 2016. 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, 2016 is available from the CVMIC offices. As of December 31, 2016, the CVMIC had assets of \$49,487,962 and a policyholders' surplus of \$28,408,568.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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 January 18, 2010, 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 – Falls Parkway. 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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 56,085,164                                  | \$ 29,561,843                                  | \$ 56,085,164                                      | \$ 27,690,031                                      | \$ ---   |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

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 project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On July 20, 2009, the original project plan was amended to include developer grants and a multi-use path. 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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 20,527,977                                  | \$ 15,278,777                                  | \$ 20,527,977                                      | \$ 18,895,913                                      | \$ 4,350,000                                   |

**T.I.D. #6 – Main St Corridor**

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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 26,760,500                                  | \$ 1,420,799                                   | \$ 26,760,500                                      | \$ 13,386,217                                      | \$ 11,967,166                                  |

**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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 11,096,724                                  | \$ 2,484,095                                   | \$ 11,096,724                                      | \$ 2,655,543                                       | \$ 234,952                                     |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**4. Other Notes (continued)****D. Tax Incremental Districts (continued)****T.I.D. #8 – Falls Parkway**

On July 21, 2008, the Village created Tax Incremental District #8 ("TID #8"). TID #8 has a statutory life of 27 years which will expire July 21, 2035. On January 18, 2010, 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 21, 2030. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 58,945,750                                  | \$ 12,960,094                                  | \$ 58,945,750                                      | \$ 37,743,835                                      | \$ 26,960,000                                  |

**T.I.D. #9 – Village Centre / Appleton Ave**

On January 18, 2010, the Village created Tax Incremental District #9 ("TID #9"). TID #9 has a statutory life of 20 years which will expire January 18, 2030. The last date to incur project costs is January 18, 2025. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 23,481,963                                  | \$ 473,732                                     | \$ 23,481,963                                      | \$ 932,388   | \$ 460,189                                     |

**T.I.D. #10 – Woodland Prime**

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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 40,307,876                                  | \$ 3,016,426                                   | \$ 40,307,876                                      | \$ 15,703,439                                      | \$ 14,075,000                                  |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 4,501,500                                   | \$ 483,694                                     | \$ 4,501,500                                       | \$ 906,592   | \$ 525,000                                     |

**T.I.D. #12 – Lilly Rd Industrial**

On September 15, 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, 2016:

| <u>Project Plan<br/>Estimated<br/>Revenues</u> | <u>Cumulative<br/>Revenues<br/>to 12/31/16</u> | <u>Project Plan<br/>Estimated<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures<br/>to 12/31/16</u> | <u>Outstanding<br/>debt as of<br/>12/31/16</u> |
|--|--|--|--|--|
| \$ 4,157,250                                   | \$ 20,633                                      | \$ 4,157,250                                       | \$ 1,333,836                                       | \$ 1,300,303                                   |

**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. 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, 2016

**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. Municipal Revenue Obligations**

The Village has entered into municipal revenue obligations (MRO) with developers in certain tax incremental districts. An MRO is similar to a revenue bond in that it is only payable out of the revenue generated from tax increment (less a provision for administrative and other costs) and is not a general obligation of the Village. Unlike a revenue bond; however, there is no obligation to pay any outstanding balance beyond the maturity date. All MROs accrue interest at 0%, except for the TID #7, which accrues interest at 8.5%. Payments are made in annual installments.

| <b>TID</b> | <b>Principal</b> | <b>Paid in<br/>2016</b> | <b>Total<br/>Paid</b> | <b>Remaining<br/>Obligation</b> | <b>Maturity<br/>Year</b> |
|------------|------------------|-------------------------|-----------------------|---------------------------------|--------------------------|
| 5          | \$3,100,000      | \$265,961               | \$1,298,002           | \$1,801,998                     | 2018                     |
| 7          | 5,100,000        | 329,171                 | 2,257,021             | 7,405,789                       | 2026 *                   |
| 8          | 4,000,000        | ---                     | ---                   | 4,000,000                       | 2035                     |
| 9          | 1,200,000        | ---                     | ---                   | 1,200,000                       | 2030                     |
| 9          | 3,952,860        | ---                     | ---                   | 3,952,860                       | 2030                     |
| 10         | 2,500,000        | 254,761                 | 734,405               | 1,765,595                       | 2024                     |
| 11         | 500,000          | 86,703                  | 294,571               | 208,429                         | 2019                     |

\* Maturity date may be extended at the sole discretion of the Village

**G. Other 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.

Subsequent to year end the Village has entered into multiple construction contracts for the building of a new Department of Public works facility. The total amount of construction contracts amounted to \$14,719,384 as of the report date.

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

**I. 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. Water rates were increased effective January 1, 2017.

**J. 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, 2016. Future minimum lease payments receivable in conjunction with these leases are as follows:

| <b>Year:</b> | <b>Amount</b>     |
|--------------|-------------------|
| 2017         | \$ 32,780         |
| 2018         | 32,780            |
| 2019         | 32,780            |
| 2020         | 13,658            |
| <b>Total</b> | <b>\$ 111,998</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 \$61,627 for the year ended December 31, 2016. Future minimum lease payments receivable in conjunction with these leases are as follows:

| <b>Year:</b> | <b>Amount</b>     |
|--------------|-------------------|
| 2017         | \$ 63,990         |
| 2018         | 66,444            |
| 2019         | 68,992            |
| 2020         | 72,640            |
| 2021         | 74,390            |
| 2022-2023    | 157,460           |
| <b>Total</b> | <b>\$ 503,916</b> |

**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

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

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Payments received on these leases totaled \$178,198 for the year ended December 31, 2016. Future minimum lease payments receivable in conjunction with these leases are as follows:

| <b>Year:</b> | <b>Amount</b>     |
|--------------|-------------------|
| 2017         | \$ 154,883        |
| 2018         | 161,314           |
| 2019         | 167,393           |
| 2020         | 173,717           |
| 2021         | 34,528            |
| 2022         | 35,564            |
| <b>Total</b> | <b>\$ 727,399</b> |

**K. Deficit Fund Balances**

As of December 31, 2016, the following non-major individual funds had deficit fund balances:

| <b>Fund</b>             | <b>Deficit</b> |
|-------------------------|----------------|
| Capital Projects Funds: |                |
| T.I.D. #6               | \$ 1,385,419   |
| T.I.D. #7               | 171,448        |
| T.I.D. #9               | 208,656        |
| T.I.D. #12              | 33,203         |

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

**L. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (July 20, 2017). See note 3.F for disclosure of subsequent debt issuances. See note 4.G for disclosure of subsequent construction commitments made. See note 4.I for disclosure of subsequent water rate increases.



**VILLAGE OF MENOMONEE FALLS**

Waukesha County, Wisconsin

**Notes to Financial Statements**

December 31, 2016

**4. Other Notes (continued)****M. Effect of New Accounting Standards on Financial Statements**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*
- Statement No. 77, *Tax Abatement Disclosures*
- Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73*

The Government Accounting Standards Board has issued Statement No. 75 which will require the Village to accrue their net OPEB liability on their statement of net position, effective for the year ending December 31, 2018. GASB Statement No. 75 defines the liability as the actuarial value of projected benefit payments that is attributable to past periods of employee service.

When they become effective, application of these standards may restate portions of these financial statements.

**N. Excess of Expenditures over Appropriations**

Certain departments in the General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2016:

| <u>Department</u>            | <u>Budgeted<br/>Expenditures</u> | <u>Actual<br/>Expenditures</u> | <u>Excess<br/>Expenditures<br/>Over Budget</u> |
|------------------------------|----------------------------------|--------------------------------|--|
| <b>General Fund:</b>         |                                  |                                |  |
| Public safety                | \$ 14,196,879                    | \$ 14,345,214                  | \$ 148,335                                     |
| Culture and recreation       | 924,850                          | 993,487                        | 68,637   |
| Conservation and development | 1,199,132                        | 1,218,996                      | 19,864   |

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

**Required Supplementary Information**

**Schedule of Funding Progress of Net OPEB Obligation**  
**December 31, 2016**

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Valuation of<br/>Plan Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability (AAL)</u> | <u>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability (UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage<br/>of Covered<br/>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<br/>December 31,</u> | <u>Annual Required<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Percent<br/>Contributed</u> |
|------------------------------------|---|--------------------------------|--------------------------------|
| 2010                               | \$ 578,795                              | \$ 301,784                     | 52.1%                          |
| 2011                               | 606,741                                 | 459,869                        | 75.8%                          |
| 2012                               | 509,519                                 | 445,044                        | 87.3%                          |
| 2013                               | 529,050                                 | 314,927                        | 59.5%                          |
| 2014                               | 241,510                                 | 129,505                        | 53.6%                          |
| 2015                               | 241,510                                 | 108,054                        | 44.7%                          |
| 2016                               | 241,510                                 | 60,080                         | 24.9%                          |

See independent auditors' report.

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

**Schedule of Proportionate Share of the Net Pension Asset (Liability)**

Year Ended December 31, 2016

Wisconsin Retirement System  
Last 10 Fiscal Years\*

|      | <b><u>Village's</u></b>         | <b><u>Village's</u></b>        | <b><u>Village's</u></b> | <b><u>Net Pension</u></b>       | <b><u>Plan Fiduciary</u></b>    |
|------|---------------------------------|--------------------------------|-------------------------|---------------------------------|---------------------------------|
|      | <b><u>Proportion of the</u></b> | <b><u>Share of the Net</u></b> | <b><u>Covered-</u></b>  | <b><u>Asset (Liability)</u></b> | <b><u>Net Position as a</u></b> |
|      | <b><u>Net Pension</u></b>       | <b><u>Pension Asset</u></b>    | <b><u>Employee</u></b>  | <b><u>as a Percentage</u></b>   | <b><u>Percentage of</u></b>     |
|      | <b><u>Asset (Liability)</u></b> | <b><u>(Liability)</u></b>      | <b><u>Payroll</u></b>   | <b><u>of Employee</u></b>       | <b><u>Total Pension</u></b>     |
|      |                                 |                                |                         | <b><u>Payroll</u></b>           | <b><u>Asset (Liability)</u></b> |
| 2016 | 0.1099%                         | \$ (1,785,211)                 | \$ 13,201,573           | 13.52%                          | 98.20%                          |
| 2015 | 0.1120%                         | 2,745,315                      | 12,593,512              | 21.80%                          | 102.74%                         |

\*The amounts presented for each year end are based on measurement dates of the prior year-end.

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

**Schedule of Employer Contributions**

Year Ended December 31, 2016

Wisconsin Retirement System  
Last 10 Fiscal Years\*

|      | <b><u>Contractually</u></b> | <b><u>Contributions in</u></b> | <b><u>Contribution</u></b> | <b><u>Village's</u></b> | <b><u>Contributions as</u></b> |
|------|-----------------------------|--------------------------------|----------------------------|-------------------------|--------------------------------|
|      | <b><u>Required</u></b>      | <b><u>Relation to the</u></b>  | <b><u>Deficiency</u></b>   | <b><u>Covered-</u></b>  | <b><u>a Percentage of</u></b>  |
|      | <b><u>Contributions</u></b> | <b><u>Contractually</u></b>    | <b><u>(Excess)</u></b>     | <b><u>Employee</u></b>  | <b><u>Covered-</u></b>         |
|      |                             | <b><u>Required</u></b>         |                            | <b><u>Payroll</u></b>   | <b><u>Employee</u></b>         |
|      |                             | <b><u>Contributions</u></b>    |                            |                         | <b><u>Payroll</u></b>          |
| 2016 | \$ 1,068,023                | \$ 1,068,023                   | \$ ---                     | \$ 13,201,573           | 8.09%                          |
| 2015 | 1,067,234                   | 1,067,234                      | ---                        | 12,593,512              | 8.47%                          |

\*The amounts presented for each year end are based on measurement dates of the prior year-end.

\*GASB Pronouncement 68 requires the presentation of the last 10 prior years completed under this pronouncement. The 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, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Assets:</b>                                 |                            |                            |
| Cash and equivalents                           | \$ 23,024,013              | \$ 18,965,224              |
| Certificate of deposit                         | 538,691                    | 533,380                    |
| Accounts receivable:                           |                            |                            |
| Taxes  | 5,823,456                  | 6,778,019                  |
| Special charges on the tax roll                | 8,307                      | 6,770                      |
| Intergovernmental aid                          | 283,725                    | 286,689                    |
| Accounts                                       | 848,552                    | 1,114,095                  |
| Due from other funds                           | ---                        | 1,059,132                  |
| Prepaid items                                  | 77,536                     | 73,366                     |
| Inventory                                      | 367,740                    | 355,760                    |
| Land held for sale                             | ---                        | 57,717                     |
| Advance to other governmental funds            | <u>1,812,610</u>           | <u>1,755,545</u>           |
| <b>Total assets</b>                            | 32,784,630                 | 30,985,697                 |
| <b>Liabilities:</b>                            |                            |                            |
| Accounts payable and other accrued liabilities | 3,461,804                  | 1,959,134                  |
| Compensated absences                           | 1,051,858                  | 948,458                    |
| Deposits                                       | 158,957                    | 209,366                    |
| Prepaid rent                                   | 4,078                      | ---                        |
| Unearned revenue                               | 218,657                    | 419,194                    |
| Due to other funds                             | <u>10,248</u>              | <u>---</u>                 |
| <b>Total liabilities</b>                       | 4,905,602                  | 3,536,152                  |
| <b>Deferred Inflows of Resources:</b>          |                            |                            |
| Deferred revenue - subsequent year's taxes     | <u>18,193,370</u>          | <u>17,808,961</u>          |
| <b>Fund Balances:</b>                          |                            |                            |
| Nonspendable                                   | 2,264,263                  | 2,252,876                  |
| Unassigned                                     | <u>7,421,395</u>           | <u>7,387,708</u>           |
| <b>Total fund balances</b>                     | \$ <u><u>9,685,658</u></u> | \$ <u><u>9,640,584</u></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, 2016 and 2015**

|  | <u>2016</u>       | <u>2015</u>       | <u>Change</u>   |
|--|-------------------|-------------------|-----------------|
| <b>Revenues:</b>                           |                   |                   |                 |
| Property taxes                             | \$ 17,622,750     | \$ 17,082,184     | \$ 540,566      |
| Other taxes                                | 252,375           | 257,718           | (5,343)         |
| Licenses and permits                       | 1,791,721         | 1,728,039         | 63,682          |
| Fines and forfeitures                      | 589,394           | 572,763           | 16,631          |
| Intergovernmental                          | 2,892,178         | 3,078,241         | (186,063)       |
| Donations                                  | 8,000             | ---               | 8,000           |
| Charges for services                       | 1,411,740         | 1,261,081         | 150,659         |
| Investment earnings                        | 79,598            | 42,121            | 37,477          |
| Interest on advances to governmental funds | 25,181            | 19,748            | 5,433           |
| Other                                      | 121,180           | 123,503           | (2,323)         |
| <b>Total revenues</b>                      | <u>24,794,117</u> | <u>24,165,398</u> | <u>628,719</u>  |
| <b>Expenditures:</b>                       |                   |                   |                 |
| <b>General Government:</b>                 |                   |                   |                 |
| Village board                              | 55,275            | 44,992            | 10,283          |
| Village manager                            | 78,741            | 62,689            | 16,052          |
| Clerk services                             | 635,660           | 535,849           | 99,811          |
| Human resources                            | 100,885           | 98,712            | 2,173           |
| Assessment of property                     | 182,432           | 204,469           | (22,037)        |
| Building maintenance                       | 360,275           | 422,471           | (62,196)        |
| Insurance and benefits                     | 74,919            | 71,391            | 3,528           |
| Judicial                                   | 242,017           | 196,630           | 45,387          |
| Legal services                             | 351,509           | 360,349           | (8,840)         |
| Financial services                         | 354,062           | 373,201           | (19,139)        |
| Communications and information services    | 995,208           | 1,022,213         | (27,005)        |
| Capital outlay                             | 71,207            | 149,606           | (78,399)        |
| <b>Total general government</b>            | <u>3,502,190</u>  | <u>3,542,572</u>  | <u>(40,382)</u> |
| <b>Public Safety:</b>                      |                   |                   |                 |
| Police                                     | 8,586,853         | 8,064,192         | 522,661         |
| Emergency dispatch                         | 202,478           | 855,940           | (653,462)       |
| Fire                                       | 957,673           | 3,265,676         | (2,308,003)     |
| Fire protection services                   | 1,573,861         | 1,573,861         | ---             |
| Weed control                               | 40,087            | 39,413            | 674             |
| Emergency government                       | 4,339             | 1,718             | 2,621           |
| EMS  | 2,861,676         | 2,302             | 2,859,374       |
| Other protection services                  | 19,425            | 31,531            | (12,106)        |
| Capital outlay                             | 98,822            | 73,153            | 25,669          |
| <b>Total public safety</b>                 | <u>14,345,214</u> | <u>13,907,786</u> | <u>437,428</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, 2016 and 2015**  
**(Continued)**

|   | <u>2016</u>         | <u>2015</u>         | <u>Change</u>    |
|---|---------------------|---------------------|------------------|
| <b>Public Works:</b>                        |                     |                     |                  |
| Street and alley repair                     | \$ 2,955,987        | \$ 2,741,393        | \$ 214,594       |
| Equipment maintenance                       | 464,185             | 426,843             | 37,342           |
| Municipal garages                           | 76,548              | 79,447              | (2,899)          |
| Capital outlay                              | 31,500              | ---                 | 31,500           |
| <b>Total public works</b>                   | <u>3,528,220</u>    | <u>3,247,683</u>    | <u>280,537</u>   |
| <b>Culture and Recreation:</b>              |                     |                     |                  |
| Historical society and museum               | 15,880              | 15,654              | 226              |
| Parks operations                            | 803,801             | 704,509             | 99,292           |
| Parks projects                              | 17,085              | 20,813              | (3,728)          |
| Community quality of life                   | 95,139              | 90,776              | 4,363            |
| Capital outlay                              | 61,582              | ---                 | 61,582           |
| <b>Total culture and recreation</b>         | <u>993,487</u>      | <u>831,752</u>      | <u>161,735</u>   |
| <b>Conservation and Development:</b>        |                     |                     |                  |
| Community development                       | 50,249              | 52,155              | (1,906)          |
| Building inspection                         | 603,058             | 571,916             | 31,142           |
| Engineering                                 | 199,098             | 53,021              | 146,077          |
| Planning                                    | 356,996             | 279,388             | 77,608           |
| Capital outlay                              | 9,595               | ---                 | 9,595            |
| <b>Total conservation and development</b>   | <u>1,218,996</u>    | <u>956,480</u>      | <u>262,516</u>   |
| <b>Total general fund expenditures</b>      | <u>23,588,107</u>   | <u>22,486,273</u>   | <u>1,101,834</u> |
| <b>Excess of revenues over expenditures</b> | 1,206,010           | 1,679,125           | (473,115)        |
| <b>Other Financing Sources (Uses):</b>      |                     |                     |                  |
| Proceeds from sales of capital assets       | 312,116             | 6,848,292           | (6,536,176)      |
| Transfers in                                | 93,830              | 3,560               | 90,270           |
| Transfers from water utility - PILOT        | 1,316,613           | 1,290,385           | 26,228           |
| Transfers out                               | (2,883,495)         | (9,821,362)         | 6,937,867        |
| <b>Net other financing uses</b>             | <u>(1,160,936)</u>  | <u>(1,679,125)</u>  | <u>518,189</u>   |
| <b>Net change in fund balance</b>           | 45,074              | ---                 | 45,074           |
| <b>Fund Balance:</b>                        |                     |                     |                  |
| Beginning of year                           | 9,640,584           | 9,640,584           | ---              |
| <b>End of year</b>                          | <u>\$ 9,685,658</u> | <u>\$ 9,640,584</u> | <u>\$ 45,074</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, 2016**

|   | <u>Adopted<br/>Budget</u> | <u>Amended<br/>Budget</u> | <u>Actual</u>    |
|---|---------------------------|---------------------------|------------------|
| <b>Revenues:</b>                              |                           |                           |                  |
| Property taxes                                | \$ 2,356,722              | \$ 2,356,722              | \$ 2,356,722     |
| Investment earnings                           | 100                       | 100                       | 4,928            |
| <b>Total revenues</b>                         | <u>2,356,822</u>          | <u>2,356,822</u>          | <u>2,361,650</u> |
| <b>Expenditures:</b>                          |                           |                           |                  |
| Principal                                     | 6,984,369                 | 6,984,369                 | 6,984,369        |
| Interest and fiscal charges                   | 2,485,688                 | 2,485,688                 | 2,485,688        |
| Debt issuance costs                           | 245,000                   | 245,000                   | 335,136          |
| <b>Total expenditures</b>                     | <u>9,715,057</u>          | <u>9,715,057</u>          | <u>9,805,193</u> |
| <b>Deficit of revenues under expenditures</b> | (7,358,235)               | (7,358,235)               | (7,443,543)      |
| <b>Other Financing Sources:</b>               |                           |                           |                  |
| Transfers in                                  | 6,967,596                 | 6,967,596                 | 6,997,541        |
| Refunding bonds and notes issued              | 13,955,000                | 13,955,000                | 13,955,000       |
| Principal payments on refunded debt           | (13,955,000)              | (13,955,000)              | (13,955,000)     |
| Bond premiums                                 | 245,000                   | 245,000                   | 395,432          |
| <b>Net other financing sources</b>            | <u>7,212,596</u>          | <u>7,212,596</u>          | <u>7,392,973</u> |
| <b>Net change in fund balance</b>             | (145,639)                 | (145,639)                 | (50,570)         |
| <b>Fund Balance:</b>                          |                           |                           |                  |
| Beginning of year                             | 145,839                   | 145,839                   | 116,906          |
| <b>End of year</b>                            | <u>\$ 200</u>             | <u>\$ 200</u>             | <u>\$ 66,336</u> |

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**COMBINING STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

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

**Combining Balance Sheet - Non-major Governmental Funds**  
**December 31, 2016**

|  | <b>Special<br/>Revenue<br/>Funds</b> | <b>Capital<br/>Projects<br/>Funds</b> | <b>Total<br/>Non-major<br/>Governmental<br/>Funds</b> |
|--|--------------------------------------|---------------------------------------|---|
| <b>Assets:</b>                                   |                                      |                                       |   |
| Cash and equivalents                             | \$ 4,937,879                         | \$ 21,389,883                         | \$ 26,327,762   |
| Accounts receivable:                             |                                      |                                       |   |
| Taxes  | 1,704,878                            | 5,388,852                             | 7,093,730   |
| Special charges on tax roll                      | 1,247,595                            | 47,999                                | 1,295,594   |
| Intergovernmental aid                            | ---                                  | 589,002                               | 589,002   |
| Special assessments                              | ---                                  | 972,505                               | 972,505   |
| Accounts   | 3,369                                | 611,631                               | 615,000   |
| Notes  | 455,527                              | 100,000                               | 555,527   |
| Due from other funds                             | 685                                  | ---                                   | 685   |
| Advance to other governmental funds              | ---                                  | 520,635                               | 520,635   |
| Long-term advances to utilities                  | ---                                  | 1,569,917                             | 1,569,917   |
| <b>Total assets</b>                              | <b>8,349,933</b>                     | <b>31,190,424</b>                     | <b>39,540,357</b>                                     |
| <b>Liabilities:</b>                              |                                      |                                       |   |
| Accounts payable and other accrued liabilities   | 39,562                               | 615,317                               | 654,879   |
| Accrued compensated absences                     | 60,069                               | ---                                   | 60,069  |
| Deposits   | ---                                  | 130,874                               | 130,874   |
| Prepaid rent                                     | ---                                  | 1,172                                 | 1,172   |
| Unearned revenue                                 | ---                                  | 722,714                               | 722,714   |
| Long-term advances from other governmental funds | ---                                  | 2,333,245                             | 2,333,245   |
| <b>Total liabilities</b>                         | <b>99,631</b>                        | <b>3,803,322</b>                      | <b>3,902,953</b>                                      |
| <b>Deferred Inflows of Resources:</b>            |                                      |                                       |   |
| Deferred revenue - subsequent year's taxes       | 2,952,473                            | 5,977,854                             | 8,930,327   |
| Unavailable revenue - notes receivable           | 455,527                              | ---                                   | 455,527   |
| <b>Total deferred inflows of resources</b>       | <b>3,408,000</b>                     | <b>5,977,854</b>                      | <b>9,385,854</b>                                      |
| <b>Fund Balances:</b>                            |                                      |                                       |   |
| Nonspendable                                     | ---                                  | 2,090,552                             | 2,090,552   |
| Restricted                                       | 4,832,203                            | 6,271,023                             | 11,103,226  |
| Committed  | 10,099                               | 9,582,889                             | 9,592,988   |
| Assigned   | ---                                  | 5,263,510                             | 5,263,510   |
| Unassigned                                       | ---                                  | (1,798,726)                           | (1,798,726)   |
| <b>Total fund balances</b>                       | <b>\$ 4,842,302</b>                  | <b>\$ 21,409,248</b>                  | <b>\$ 26,251,550</b>                                  |

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**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, 2016**

|   | <b>Special<br/>Revenue<br/>Funds</b> | <b>Capital<br/>Projects<br/>Funds</b> | <b>Total<br/>Non-major<br/>Governmental<br/>Funds</b> |
|---|--------------------------------------|---------------------------------------|---|
| <b>Revenues:</b>                                  |                                      |                                       |   |
| Property taxes                                    | \$ 1,704,223                         | \$ 4,661,793                          | \$ 6,366,016  |
| Charges for services:                             |                                      |                                       |   |
| Fines and forfeitures                             | 17,817                               | ---                                   | 17,817  |
| Program revenues                                  | 1,371,170                            | ---                                   | 1,371,170   |
| Tipping fees                                      | ---                                  | 2,955,463                             | 2,955,463   |
| Program revenues                                  | ---                                  | 300                                   | 300   |
| Operating grants and contributions:               |                                      |                                       |   |
| Intergovernmental                                 | 146,380                              | 629,842                               | 776,222   |
| Donations   | 19,852                               | ---                                   | 19,852  |
| Capital grants and contributions:                 |                                      |                                       |   |
| Intergovernmental                                 | ---                                  | 7,000                                 | 7,000   |
| Special assessments and interest                  | ---                                  | 39,096                                | 39,096  |
| Contributions from developers                     | ---                                  | 319,919                               | 319,919   |
| Platting fees                                     | 99,000                               | ---                                   | 99,000  |
| Impact fees                                       | 784,443                              | 305,993                               | 1,090,436   |
| Investment earnings                               | 21,626                               | 91,709                                | 113,335   |
| Interest earned on advances to governmental funds | ---                                  | 2,414                                 | 2,414   |
| Interest earned on advances to utilities          | ---                                  | 19,606                                | 19,606  |
| Other revenues                                    | 16,535                               | 14,025                                | 30,560  |
| <b>Total governmental revenues</b>                | <u>4,181,046</u>                     | <u>9,047,160</u>                      | <u>13,228,206</u>                                     |
| <b>Expenditures:</b>                              |                                      |                                       |   |
| Current:  |                                      |                                       |   |
| General government                                | ---                                  | 199,517                               | 199,517   |
| Public safety                                     | 33,257                               | 98,737                                | 131,994   |
| Public works                                      | 1,890,022                            | 1,423,075                             | 3,313,097   |
| Culture and recreation                            | 1,935,338                            | 212,611                               | 2,147,949   |
| Conservation and development                      | 23,124                               | 1,796,412                             | 1,819,536   |
| Interest on advances to governmental funds        | 40                                   | 27,554                                | 27,594  |
| Bond expenses                                     | ---                                  | 13,192                                | 13,192  |
| Capital outlay                                    | 17,385                               | 4,479,875                             | 4,497,260   |
| <b>Total expenditures</b>                         | <u>3,899,166</u>                     | <u>8,250,973</u>                      | <u>12,150,139</u>                                     |
| <b>Excess of revenues over expenditures</b>       | 281,880                              | 796,187                               | 1,078,067   |
| <b>Other Financing Sources (Uses):</b>            |                                      |                                       |   |
| Proceeds from sales of capital assets             | ---                                  | 334,478                               | 334,478   |
| Transfers in                                      | 549,653                              | 4,989,408                             | 5,539,061   |
| Transfers out                                     | (446,927)                            | (9,300,010)                           | (9,746,937)   |
| Bonds and notes issued                            | ---                                  | 4,750,000                             | 4,750,000   |
| <b>Total other financing sources (uses)</b>       | <u>102,726</u>                       | <u>773,876</u>                        | <u>876,602</u>  |
| <b>Net change in fund balances</b>                | 384,606                              | 1,570,063                             | 1,954,669   |
| Fund balance, beginning of year                   | 4,457,696                            | 19,839,185                            | 24,296,881  |
| <b>Fund balance, end of year</b>                  | <u>\$ 4,842,302</u>                  | <u>\$ 21,409,248</u>                  | <u>\$ 26,251,550</u>                                  |

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## 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.

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

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

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

**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.

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

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

VILLAGE OF MENOMOMNEE FALLS  
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Special Revenue Funds  
December 31, 2016

|   | Non-major Special Revenue Funds |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  | Total<br>Non-major<br>Special<br>Revenue<br>Funds |
|---|---------------------------------|----------------------|--------------------|--------------------|--------------------------|-------------------|--------------------|-----------------|---------------|------------------------------|--|------------------|---|
|   | Revolving<br>Loan<br>Fund       | Police<br>Department | Fire<br>Department | Park<br>Department | Community<br>Development | Library           | Community<br>Grant | Teen<br>Court   | Cable TV      | Solid<br>Waste<br>Collection | Library<br>Operations and<br>Maintenance | TID #9<br>EDMF   |   |
| <b>Assets:</b>                                    |                                 |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  |   |
| Cash and equivalents                              | \$ 811,893                      | \$ 179,079           | \$ 52,360          | \$ 6,091           | \$ 2,245,689             | \$ 177,209        | \$ 9,973           | \$ 9,033        | \$ 22,626     | \$ ---                       | \$ 1,389,837                             | \$ 34,089        | \$ 4,937,879                                      |
| Receivables:                                      |                                 |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  |   |
| Taxes   | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | ---                          | 1,704,878                                | ---              | 1,704,878   |
| Special charges on the tax roll                   | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | 1,247,595                    | ---                                      | ---              | 1,247,595   |
| Accounts  | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | 3,369                        | ---                                      | ---              | 3,369   |
| Notes   | 261,121                         | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | ---                          | ---                                      | 194,406          | 455,527   |
| Due from other funds                              | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | ---                          | 685                                      | ---              | 685   |
| <b>Total assets</b>                               | <b>1,073,014</b>                | <b>179,079</b>       | <b>52,360</b>      | <b>6,091</b>       | <b>2,245,689</b>         | <b>177,209</b>    | <b>9,973</b>       | <b>9,033</b>    | <b>22,626</b> | <b>1,250,964</b>             | <b>3,095,400</b>                         | <b>228,495</b>   | <b>8,349,933</b>                                  |
| <b>Liabilities:</b>                               |                                 |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  |   |
| Accounts payable and other<br>accrued liabilities | 98                              | ---                  | ---                | ---                | ---                      | ---               | ---                | 38              | 22,500        | ---                          | 16,509                                   | 417              | 39,562  |
| Accrued compensated absences                      | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | ---                          | 60,069                                   | ---              | 60,069  |
| <b>Total liabilities</b>                          | <b>98</b>                       | <b>---</b>           | <b>---</b>         | <b>---</b>         | <b>---</b>               | <b>---</b>        | <b>---</b>         | <b>38</b>       | <b>22,500</b> | <b>---</b>                   | <b>76,578</b>                            | <b>417</b>       | <b>99,631</b>                                     |
| <b>Deferred Inflows of Resources:</b>             |                                 |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  |   |
| Deferred revenue - subsequent year's tax roll     | ---                             | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | 1,247,595                    | 1,704,878                                | ---              | 2,952,473   |
| Unavailable revenue - notes receivable            | 261,121                         | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---           | ---                          | ---                                      | 194,406          | 455,527   |
| <b>Total deferred inflows of resources</b>        | <b>261,121</b>                  | <b>---</b>           | <b>---</b>         | <b>---</b>         | <b>---</b>               | <b>---</b>        | <b>---</b>         | <b>---</b>      | <b>---</b>    | <b>1,247,595</b>             | <b>1,704,878</b>                         | <b>194,406</b>   | <b>3,408,000</b>                                  |
| <b>Fund Balances:</b>                             |                                 |                      |                    |                    |                          |                   |                    |                 |               |                              |  |                  |   |
| Restricted  | 811,795                         | 179,079              | 52,360             | 6,091              | 2,245,689                | 177,209           | ---                | 8,995           | ---           | 3,369                        | 1,313,944                                | 33,672           | 4,832,203   |
| Committed   | ---                             | ---                  | ---                | ---                | ---                      | ---               | 9,973              | ---             | 126           | ---                          | ---                                      | ---              | 10,099  |
| <b>Total fund balances</b>                        | <b>\$ 811,795</b>               | <b>\$ 179,079</b>    | <b>\$ 52,360</b>   | <b>\$ 6,091</b>    | <b>\$ 2,245,689</b>      | <b>\$ 177,209</b> | <b>\$ 9,973</b>    | <b>\$ 8,995</b> | <b>\$ 126</b> | <b>\$ 3,369</b>              | <b>\$ 1,313,944</b>                      | <b>\$ 33,672</b> | <b>\$ 4,842,302</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, 2016**

**Non-major Special Revenue Funds**

|   | Revolving<br>Loan<br>Fund | Police<br>Department | Fire<br>Department | Park<br>Department | Community<br>Development | Library           | Community<br>Grant | Teen<br>Court   | Cable TV        | Unallocated     | Solid<br>Waste<br>Collection | Library<br>Operations and<br>Maintenance | TID #9<br>EDMF   | Total<br>Non-major<br>Special<br>Revenue<br>Funds |
|---|---------------------------|----------------------|--------------------|--------------------|--------------------------|-------------------|--------------------|-----------------|-----------------|-----------------|------------------------------|--|------------------|---|
| <b>Revenues:</b>  |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Taxes   | \$ ---                    | \$ ---               | \$ ---             | \$ ---             | \$ ---                   | \$ ---            | \$ ---             | \$ ---          | \$ ---          | \$ ---          | \$ ---                       | 1,704,223                                | \$ ---           | \$ 1,704,223                                      |
| Public charges for services:                                  |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Fines and forfeitures   | ---                       | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | ---                          | 17,817                                   | ---              | 17,817  |
| Program revenue   | 25,425                    | 2,704                | 11,464             | ---                | ---                      | ---               | ---                | 700             | 27,417          | ---             | 1,265,304                    | ---                                      | 38,156           | 1,371,170   |
| Operating grants and contributions:                           |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Intergovernmental   | ---                       | 1,685                | 8,511              | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | 76,219                       | 59,965                                   | ---              | 146,380   |
| Donations   | ---                       | 13,897               | 2,695              | ---                | ---                      | 12                | ---                | ---             | ---             | ---             | ---                          | 3,248                                    | ---              | 19,852  |
| Capital grants and contributions:                             |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Platting fees   | ---                       | ---                  | ---                | ---                | 99,000                   | ---               | ---                | ---             | ---             | ---             | ---                          | ---                                      | ---              | 99,000  |
| Impact fees   | ---                       | ---                  | 406,345            | ---                | 378,098                  | ---               | ---                | ---             | ---             | ---             | ---                          | ---                                      | ---              | 784,443   |
| Investment earnings   | ---                       | 608                  | 1,028              | 24                 | 8,464                    | 735               | 40                 | 38              | 126             | ---             | 2,215                        | 8,331                                    | 17               | 21,626  |
| Other revenues  | ---                       | ---                  | ---                | ---                | ---                      | 2,500             | ---                | ---             | ---             | ---             | ---                          | 14,035                                   | ---              | 16,535  |
| <b>Total revenues</b>   | <b>25,425</b>             | <b>18,894</b>        | <b>430,043</b>     | <b>24</b>          | <b>485,562</b>           | <b>3,247</b>      | <b>40</b>          | <b>738</b>      | <b>27,543</b>   | <b>--</b>       | <b>1,343,738</b>             | <b>1,807,619</b>                         | <b>38,173</b>    | <b>4,181,046</b>                                  |
| <b>Expenditures:</b>  |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Current:  |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Public safety   | ---                       | 18,374               | 13,409             | ---                | ---                      | ---               | ---                | 1,474           | ---             | ---             | ---                          | ---                                      | ---              | 33,257  |
| Public works  | ---                       | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | 1,890,022                    | ---                                      | ---              | 1,890,022   |
| Culture, recreation and education                             | ---                       | ---                  | ---                | ---                | ---                      | 6,716             | ---                | ---             | 90,000          | ---             | ---                          | 1,838,622                                | ---              | 1,935,338   |
| Conservation and development                                  | 437                       | ---                  | ---                | ---                | 22,050                   | ---               | ---                | ---             | ---             | ---             | ---                          | ---                                      | 637              | 23,124  |
| Interest on advances from governmental funds                  | ---                       | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | ---                          | ---                                      | 40               | 40  |
| Capital outlay  | ---                       | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | ---                          | 17,385                                   | ---              | 17,385  |
| <b>Total expenditures</b>                                     | <b>437</b>                | <b>18,374</b>        | <b>13,409</b>      | <b>---</b>         | <b>22,050</b>            | <b>6,716</b>      | <b>---</b>         | <b>1,474</b>    | <b>90,000</b>   | <b>---</b>      | <b>1,890,022</b>             | <b>1,856,007</b>                         | <b>677</b>       | <b>3,899,166</b>                                  |
| <b>Excess (deficit) of revenues over (under) expenditures</b> | <b>24,988</b>             | <b>520</b>           | <b>416,634</b>     | <b>24</b>          | <b>463,512</b>           | <b>(3,469)</b>    | <b>40</b>          | <b>(736)</b>    | <b>(62,457)</b> | <b>---</b>      | <b>(546,284)</b>             | <b>(48,388)</b>                          | <b>37,496</b>    | <b>281,880</b>                                    |
| <b>Other Financing Sources (Uses):</b>                        |                           |                      |                    |                    |                          |                   |                    |                 |                 |                 |                              |  |                  |   |
| Transfers in  | ---                       | ---                  | ---                | ---                | ---                      | ---               | ---                | ---             | ---             | ---             | 549,653                      | ---                                      | ---              | 549,653   |
| Transfers out   | ---                       | ---                  | (407,659)          | ---                | (26,439)                 | ---               | ---                | ---             | ---             | (12,829)        | ---                          | ---                                      | ---              | (446,927)   |
| <b>Total other financing sources (uses)</b>                   | <b>---</b>                | <b>---</b>           | <b>(407,659)</b>   | <b>---</b>         | <b>(26,439)</b>          | <b>---</b>        | <b>---</b>         | <b>---</b>      | <b>---</b>      | <b>(12,829)</b> | <b>549,653</b>               | <b>---</b>                               | <b>---</b>       | <b>102,726</b>                                    |
| <b>Net change in fund balances</b>                            | <b>24,988</b>             | <b>520</b>           | <b>8,975</b>       | <b>24</b>          | <b>437,073</b>           | <b>(3,469)</b>    | <b>40</b>          | <b>(736)</b>    | <b>(62,457)</b> | <b>(12,829)</b> | <b>3,369</b>                 | <b>(48,388)</b>                          | <b>37,496</b>    | <b>384,606</b>                                    |
| Fund Balance - beginning of year                              | 786,807                   | 178,559              | 43,385             | 6,067              | 1,808,616                | 180,678           | 9,933              | 9,731           | 62,583          | 12,829          | ---                          | 1,362,332                                | (3,824)          | 4,457,696   |
| <b>Fund Balance - end of year</b>                             | <b>\$ 811,795</b>         | <b>\$ 179,079</b>    | <b>\$ 52,360</b>   | <b>\$ 6,091</b>    | <b>\$ 2,245,689</b>      | <b>\$ 177,209</b> | <b>\$ 9,973</b>    | <b>\$ 8,995</b> | <b>\$ 126</b>   | <b>\$ ---</b>   | <b>\$ 3,369</b>              | <b>\$ 1,313,944</b>                      | <b>\$ 33,672</b> | <b>\$ 4,842,302</b>                               |

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 Center.

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

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

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

**Tax Incremental Financing District #11** - To account for the financing and construction of 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, 2016

|  | <b>Non-major Capital Projects Funds</b> |  |   |   |   |                                     |  |   |  |   |   |                                | <b>Total<br/>Non-major<br/>Capital<br/>Projects<br/>Funds</b> |
|--|---|--|---|---|---|-------------------------------------|--|---|--|---|---|--------------------------------|---|
|  | <b>Capital<br/>Projects</b>             | <b>Municipal<br/>Facilities and<br/>Equipment<br/>Fund</b> | <b>T.I.D. #4<br/>Heritage<br/>Reserve</b> | <b>T.I.D. #5<br/>Westbrook<br/>Corporate<br/>Center</b> | <b>T.I.D. #6<br/>Main St<br/>Corridor</b> | <b>T.I.D. #7<br/>First<br/>Park</b> | <b>T.I.D. #8<br/>Falls<br/>Parkway</b> | <b>T.I.D. #9<br/>Village Centre/<br/>Appleton Ave</b> | <b>T.I.D. #10<br/>Woodland<br/>Prime</b> | <b>T.I.D. #11<br/>Wacker<br/>Neuson</b> | <b>T.I.D. #12<br/>Lilly Rd<br/>Industrial</b> | <b>Special<br/>Assessments</b> |   |
| <b>Assets:</b>                                 |   |  |   |   |   |                                     |  |   |  |   |   |                                |   |
| Cash and equivalents                           | \$ 9,346,388                            | \$ 5,025,638   | \$ 1,871,812                              | \$ 732,864  | \$ 1,747                                  | \$ 63,504                           | \$ 2,650,574                           | \$ 6,473  | \$ 1,387,987                             | \$ 102,102                              | \$ 6,004                                      | \$ 194,790                     | \$ 21,389,883   |
| Receivables:                                   |   |  |   |   |   |                                     |  |   |  |   |   |                                |   |
| Taxes  | ---                                     | ---  | 1,826,186                                 | 1,789,914   | 255,977                                   | 341,419                             | 839,511                                | ---   | 188,420                                  | 48,707                                  | 98,718  | ---                            | 5,388,852   |
| Special charges on the tax roll                | ---                                     | ---  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | 47,999                         | 47,999  |
| Intergovernmental aid                          | ---                                     | ---  | 296,581                                   | 144,266   | 4,092                                     | 392                                 | 6,921                                  | 8,521   | 84,427                                   | 43,802                                  | ---   | ---                            | 589,002   |
| Special assessments                            | ---                                     | ---  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | 972,505                        | 972,505   |
| Accounts                                       | 372,587                                 | 239,044  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 611,631   |
| Notes receivable                               | ---                                     | ---  | ---                                       | ---   | 100,000                                   | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 100,000   |
| Advances to other capital project funds        | ---                                     | 520,635  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 520,635   |
| Advance to utilities                           | ---                                     | 1,569,917  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 1,569,917   |
| <b>Total assets</b>                            | <b>9,718,975</b>                        | <b>7,355,234</b>   | <b>3,994,579</b>                          | <b>2,667,044</b>  | <b>361,816</b>                            | <b>405,315</b>                      | <b>3,497,006</b>                       | <b>14,994</b>   | <b>1,660,834</b>                         | <b>194,611</b>                          | <b>104,722</b>                                | <b>1,215,294</b>               | <b>31,190,424</b>   |
| <b>Liabilities:</b>                            |   |  |   |   |   |                                     |  |   |  |   |   |                                |   |
| Accounts payable and other accrued liabilities | 123,157                                 | ---  | ---                                       | ---   | ---                                       | ---                                 | 468,316                                | 4,940   | ---                                      | ---                                     | 18,904  | ---                            | 615,317   |
| Deposits                                       | 124,874                                 | ---  | ---                                       | ---   | ---                                       | ---                                 | 6,000                                  | ---   | ---                                      | ---                                     | ---   | ---                            | 130,874   |
| Prepaid rent                                   | ---                                     | 1,172  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 1,172   |
| Unearned revenue                               | ---                                     | ---  | ---                                       | ---   | 100,000                                   | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | 622,714                        | 722,714   |
| Due to other funds                             | ---                                     | ---  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | ---   |
| Advances from other capital projects funds     | 480,635                                 | ---  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | 40,000  | ---                                      | ---                                     | ---   | ---                            | 520,635   |
| Advances from municipality                     | ---                                     | ---  | ---                                       | ---   | 1,387,166                                 | 234,952                             | ---                                    | 170,189   | ---                                      | ---                                     | 20,303  | ---                            | 1,812,610   |
| <b>Total liabilities</b>                       | <b>728,666</b>                          | <b>1,172</b>   | <b>---</b>                                | <b>---</b>  | <b>1,487,166</b>                          | <b>234,952</b>                      | <b>474,316</b>                         | <b>215,129</b>  | <b>---</b>                               | <b>---</b>                              | <b>39,207</b>                                 | <b>622,714</b>                 | <b>3,803,322</b>  |
| <b>Deferred Inflows of Resources:</b>          |   |  |   |   |   |                                     |  |   |  |   |   |                                |   |
| Deferred revenue - subsequent year's taxes     | ---                                     | ---  | 2,122,767                                 | 1,934,180   | 260,069                                   | 341,811                             | 846,432                                | 8,521   | 272,847                                  | 92,509                                  | 98,718  | ---                            | 5,977,854   |
| <b>Fund Balances:</b>                          |   |  |   |   |   |                                     |  |   |  |   |   |                                |   |
| Nonspendable                                   | ---                                     | 2,090,552  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 2,090,552   |
| Restricted                                     | ---                                     | ---  | 1,871,812                                 | 732,864   | ---                                       | ---                                 | 2,176,258                              | ---   | 1,387,987                                | 102,102                                 | ---   | ---                            | 6,271,023   |
| Committed                                      | 8,990,309                               | ---  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | 592,580                        | 9,582,889   |
| Assigned                                       | ---                                     | 5,263,510  | ---                                       | ---   | ---                                       | ---                                 | ---                                    | ---   | ---                                      | ---                                     | ---   | ---                            | 5,263,510   |
| Unassigned                                     | ---                                     | ---  | ---                                       | ---   | (1,385,419)                               | (171,448)                           | ---                                    | (208,656)   | ---                                      | ---                                     | (33,203)                                      | ---                            | (1,798,726)   |
| <b>Total fund balances</b>                     | <b>\$ 8,990,309</b>                     | <b>\$ 7,354,062</b>  | <b>\$ 1,871,812</b>                       | <b>\$ 732,864</b>                                       | <b>\$ (1,385,419)</b>                     | <b>\$ (171,448)</b>                 | <b>\$ 2,176,258</b>                    | <b>\$ (208,656)</b>                                   | <b>\$ 1,387,987</b>                      | <b>\$ 102,102</b>                       | <b>\$ (33,203)</b>                            | <b>\$ 592,580</b>              | <b>\$ 21,409,248</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, 2016**

|  | Non-major Capital Projects Funds |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     | Total                            |
|--|----------------------------------|---|----------------------------|--------------------------------------|----------------------------|----------------------|-------------------------|--|---------------------------|--------------------------|--------------------------------|---------------------|----------------------------------|
|  | Capital Projects                 | Municipal Facilities and Equipment Fund | T.I.D. #4 Heritage Reserve | T.I.D. #5 Westbrook Corporate Center | T.I.D. #6 Main St Corridor | T.I.D. #7 First Park | T.I.D. #8 Falls Parkway | T.I.D. #9 Village Centre/ Appleton Ave | T.I.D. #10 Woodland Prime | T.I.D. #11 Wacker Neuson | T.I.D. #12 Lilly Rd Industrial | Special Assessments | Non-major Capital Projects Funds |
| Revenues:  |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Tax increment  | \$ ---                           | \$ ---                                  | \$ 1,778,300               | \$ 1,563,109                         | \$ 209,027                 | \$ 338,221           | \$ 412,091              | \$ ---                                 | \$ 254,761                | \$ 86,341                | \$ 19,943                      | \$ ---              | \$ 4,661,793                     |
| Public charges for services:                           |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Program revenues                                       | 300                              | ---                                     | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 300                              |
| Tipping fees   | ---                              | 2,955,463                               | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 2,955,463                        |
| Operating grants and contributions:                    |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Intergovernmental                                      | ---                              | 6,781                                   | 324,092                    | 154,786                              | 4,854                      | 637                  | 1,685                   | 10,088                                 | 87,149                    | 39,770                   | ---                            | ---                 | 629,842                          |
| Capital grants and contributions:                      |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Intergovernmental                                      | 7,000                            | ---                                     | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 7,000                            |
| Special assessments and interest                       | ---                              | ---                                     | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | 39,096              | 39,096                           |
| Contributions from developers                          | 319,919                          | ---                                     | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 319,919                          |
| Impact fees  | ---                              | ---                                     | ---                        | ---                                  | ---                        | ---                  | 305,993                 | ---                                    | ---                       | ---                      | ---                            | ---                 | 305,993                          |
| Investment earnings                                    | 41,804                           | 12,062                                  | 9,748                      | 5,159                                | 1,293                      | 952                  | 12,064                  | 27                                     | 7,114                     | 565                      | 35                             | 886                 | 91,709                           |
| Interest on advances to governmental funds             | ---                              | 2,414                                   | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 2,414                            |
| Interest on advances to utilities                      | ---                              | 19,606                                  | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 19,606                           |
| Other revenue  | ---                              | 14,025                                  | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 14,025                           |
| Total revenues   | 369,023                          | 3,010,351                               | 2,112,140                  | 1,723,054                            | 215,174                    | 339,810              | 731,833                 | 10,115                                 | 349,024                   | 126,676                  | 19,978                         | 39,982              | 9,047,160                        |
| Expenditures:  |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Prepaid rent   |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Current:   |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| General government                                     | 67,263                           | 17,351                                  | 5,619                      | 4,215                                | 11,488                     | 7,800                | 28,013                  | 30,951                                 | 14,678                    | 5,819                    | 6,320                          | ---                 | 199,517                          |
| Public safety  | ---                              | 97,690                                  | ---                        | ---                                  | ---                        | ---                  | ---                     | 1,047                                  | ---                       | ---                      | ---                            | ---                 | 98,737                           |
| Public works   | 469,732                          | 4,650                                   | 34,154                     | ---                                  | ---                        | ---                  | 891,459                 | 23,080                                 | ---                       | ---                      | ---                            | ---                 | 1,423,075                        |
| Culture, recreation and education                      | 26,489                           | ---                                     | ---                        | ---                                  | ---                        | ---                  | 186,122                 | ---                                    | ---                       | ---                      | ---                            | ---                 | 212,611                          |
| Conservation and development                           | ---                              | 15,325                                  | ---                        | 865,354                              | ---                        | 329,171              | 196,235                 | ---                                    | 303,624                   | 86,703                   | ---                            | ---                 | 1,796,412                        |
| Interest on advances from governmental funds           | 2,414                            | ---                                     | ---                        | ---                                  | 19,752                     | 3,298                | ---                     | 1,910                                  | ---                       | ---                      | 180                            | ---                 | 27,554                           |
| Interest and fiscal charges                            | ---                              | 1,050                                   | ---                        | 957                                  | 1,517                      | ---                  | 6,257                   | 57                                     | 1,117                     | 367                      | 750                            | 1,120               | 13,192                           |
| Capital Outlay   | 1,256,336                        | 2,276,561                               | ---                        | ---                                  | 57,717                     | ---                  | 870,357                 | ---                                    | ---                       | ---                      | 18,904                         | ---                 | 4,479,875                        |
| Total expenditures                                     | 1,822,234                        | 2,412,627                               | 39,773                     | 870,526                              | 90,474                     | 340,269              | 2,178,443               | 57,045                                 | 319,419                   | 92,889                   | 26,154                         | 1,120               | 8,250,973                        |
| Excess (deficit) of revenues over (under) expenditures | (1,453,211)                      | 597,724                                 | 2,072,367                  | 852,528                              | 124,700                    | (459)                | (1,446,610)             | (46,930)                               | 29,605                    | 33,787                   | (6,176)                        | 38,862              | 796,187                          |
| Other Financing Sources (Uses):                        |                                  |   |                            |                                      |                            |                      |                         |  |                           |                          |                                |                     |                                  |
| Proceeds from sales of capital assets                  | ---                              | 334,478                                 | ---                        | ---                                  | ---                        | ---                  | ---                     | ---                                    | ---                       | ---                      | ---                            | ---                 | 334,478                          |
| Transfers in   | 318,433                          | 2,618,548                               | ---                        | ---                                  | ---                        | ---                  | 2,052,427               | ---                                    | ---                       | ---                      | ---                            | ---                 | 4,989,408                        |
| Transfers out  | ---                              | (2,240,000)                             | (2,052,427)                | (1,211,563)                          | (458,794)                  | ---                  | (2,803,332)             | (6,813)                                | (320,292)                 | (10,500)                 | (28,800)                       | (167,489)           | (9,300,010)                      |
| Bonds and notes issued                                 | 2,000,000                        | ---                                     | ---                        | ---                                  | ---                        | ---                  | 2,750,000               | ---                                    | ---                       | ---                      | ---                            | ---                 | 4,750,000                        |
| Total other financing sources (uses)                   | 2,318,433                        | 713,026                                 | (2,052,427)                | (1,211,563)                          | (458,794)                  | ---                  | 1,999,095               | (6,813)                                | (320,292)                 | (10,500)                 | (28,800)                       | (167,489)           | 773,876                          |
| Net change in fund balances                            | 865,222                          | 1,310,750                               | 19,940                     | (359,035)                            | (334,094)                  | (459)                | 552,485                 | (53,743)                               | (290,687)                 | 23,287                   | (34,976)                       | (128,627)           | 1,570,063                        |
| Fund balance, beginning of year                        | 8,125,087                        | 6,043,312                               | 1,851,872                  | 1,091,899                            | (1,051,325)                | (170,989)            | 1,623,773               | (154,913)                              | 1,678,674                 | 78,815                   | 1,773                          | 721,207             | 19,839,185                       |
| Fund balance, end of year                              | \$ 8,990,309                     | \$ 7,354,062                            | \$ 1,871,812               | \$ 732,864                           | \$ (1,385,419)             | \$ (171,448)         | \$ 2,176,258            | \$ (208,656)                           | \$ 1,387,987              | \$ 102,102               | \$ (33,203)                    | \$ 592,580          | \$ 21,409,248                    |

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## **PROPRIETARY FUNDS**

### **Enterprise Funds:**

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

**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, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Assets:</b>                                       |                      |                      |
| <b>Current Assets:</b>                               |                      |                      |
| Cash and equivalents                                 | \$ 6,363,082         | \$ 5,395,636         |
| Receivables:   |                      |                      |
| Special charges on the tax roll                      | 175,972              | 159,940              |
| Utility customers                                    | 1,028,020            | 1,028,714            |
| Other  | 34,734               | 18,364               |
| Due from other funds                                 | 5,571                | 107,796              |
| Prepaid items  | 2,005                | 1,930                |
| Inventory  | 86,698               | 97,593               |
| <b>Total current assets</b>                          | <u>7,696,082</u>     | <u>6,809,973</u>     |
| <b>Noncurrent assets:</b>                            |                      |                      |
| Restricted assets:                                   |                      |                      |
| Net pension asset                                    | ---                  | 128,755              |
| Cash and equivalents - restricted (noncurrent)       | 2,546,982            | 2,180,529            |
| Land and construction in progress                    | 548,955              | 1,022,977            |
| Other capital assets, net of depreciation            | 59,230,317           | 58,168,903           |
| <b>Total noncurrent assets</b>                       | <u>62,326,254</u>    | <u>61,501,164</u>    |
| <b>Total assets</b>                                  | <u>70,022,336</u>    | <u>68,311,137</u>    |
| <b>Deferred outflows of resources:</b>               |                      |                      |
| Deferred outflows related to pensions                | 478,690              | 150,629              |
| Unamortized loss on debt refunding                   | ---                  | 64,044               |
| <b>Total deferred outflows of resources</b>          | <u>478,690</u>       | <u>214,673</u>       |
| <b>Liabilities:</b>                                  |                      |                      |
| <b>Current Liabilities:</b>                          |                      |                      |
| Accounts payable and accrued liabilities             | 64,739               | 493,794              |
| Compensated absences - vacation due within one year  | 95,518               | 86,570               |
| Compensated absences - sick due within one year      | 28,590               | 27,100               |
| Unearned revenue                                     | 123,119              | 123,793              |
| Current portion of general obligation notes and BANS | 670,000              | 610,000              |
| Accrued interest                                     | 31,147               | 31,171               |
| <b>Total current liabilities</b>                     | <u>1,013,113</u>     | <u>1,372,428</u>     |
| <b>Long-Term Liabilities:</b>                        |                      |                      |
| Compensated absences - sick pay                      | 261,218              | 251,805              |
| OPEB obligation                                      | 255,226              | 231,802              |
| Net pension liability                                | 82,120               | ---                  |
| General obligation notes and BANS                    | 6,392,177            | 5,855,976            |
| <b>Total long-term liabilities</b>                   | <u>6,990,741</u>     | <u>6,339,583</u>     |
| <b>Total liabilities</b>                             | <u>8,003,854</u>     | <u>7,712,011</u>     |
| <b>Deferred inflows of resources:</b>                |                      |                      |
| Deferred inflows related to pensions                 | 172,819              | ---                  |
| <b>Net Position:</b>                                 |                      |                      |
| Net investment in capital assets                     | 53,624,832           | 52,725,904           |
| Restricted   | 2,546,982            | 2,180,529            |
| Restricted - WRS pension                             | 223,751              | 279,384              |
| Unrestricted   | 5,928,788            | 5,627,982            |
| <b>Total net position</b>                            | <u>\$ 62,324,353</u> | <u>\$ 60,813,799</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, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Operating Revenues:</b>   |                      |                      |
| Charges for services   | \$ 6,821,982         | \$ 6,838,038         |
| <b>Operating Expenses:</b>   |                      |                      |
| Operation and maintenance  | 2,631,978            | 2,516,612            |
| Administrative expense   | 1,056,553            | 1,061,901            |
| Depreciation expense   | 1,672,565            | 1,605,199            |
| Regulatory commission remainder assessments                                | 8,020                | 5,620                |
| <b>Total operating expenses</b>  | <u>5,369,116</u>     | <u>5,189,332</u>     |
| <b>Operating income</b>  | 1,452,866            | 1,648,706            |
| <b>Nonoperating Revenues (Expenses):</b>                                   |                      |                      |
| Investment earnings  | 35,949               | 8,930                |
| Sale of materials  | 10,096               | 8,686                |
| Gain on retirement of property and plant                                   | ---                  | 5,043                |
| Impact fees  | 662,091              | 769,740              |
| Fiscal charges on debt   | (2,020)              | (2,082)              |
| Amortization of debt issuance premiums, discounts and losses on refundings | (48,880)             | (57,883)             |
| Debt issuance costs  | (23,661)             | (21,386)             |
| Interest on long-term debt   | <u>(176,682)</u>     | <u>(164,062)</u>     |
| <b>Net nonoperating revenues</b>   | <u>456,893</u>       | <u>546,986</u>       |
| <b>Net income before capital contributions</b>                             | 1,909,759            | 2,195,692            |
| Transfers to governmental funds - PILOT                                    | (1,316,613)          | (1,290,385)          |
| Capital contributions  | <u>917,408</u>       | <u>563,713</u>       |
| <b>Net increase in net position</b>  | 1,510,554            | 1,469,020            |
| <b>Net position:</b>   |                      |                      |
| Balance, beginning of year   | 60,813,799           | 59,064,747           |
| Adjustment due to change in accounting principle                           | ---                  | 280,032              |
| Balance, beginning of year as adjusted                                     | <u>60,813,799</u>    | <u>59,344,779</u>    |
| <b>Balance, end of year</b>  | <u>\$ 62,324,353</u> | <u>\$ 60,813,799</u> |

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Cash Flows From Operating Activities:</b>                                       |                            |                            |
| Receipts from customers  | \$ 5,120,271               | \$ 5,196,390               |
| Payments to suppliers  | (2,726,134)                | (2,040,098)                |
| Payments to and on behalf of employees   | (1,266,754)                | (1,211,871)                |
| Internal activity - receipts from other funds                                      | 1,860,572                  | 1,756,562                  |
| Internal activity - payments to other funds  | ---                        | (316,155)                  |
| Other receipts   | 10,096                     | 10,166                     |
| Other payments   | ---                        | (893)                      |
| <b>Net cash provided by operating activities</b>                                   | <u>2,998,051</u>           | <u>3,394,101</u>           |
| <b>Cash Flows From Noncapital Financing Activities</b>                             |                            |                            |
| Transfers to governmental funds - PILOT  | <u>(1,316,613)</u>         | <u>(1,290,385)</u>         |
| <b>Cash Flows From Capital and Related Financing Activities:</b>                   |                            |                            |
| Proceeds from sale of property and plant   | ---                        | 5,043                      |
| Additions to property and plant  | (1,454,557)                | (1,124,044)                |
| Fair value of debt issued  | 1,190,000                  | 1,110,000                  |
| Debt issuance premiums   | 31,365                     | 31,909                     |
| Debt issuance costs  | (23,661)                   | (21,386)                   |
| Principal payments on debt   | (610,000)                  | (645,000)                  |
| Interest on debt   | (176,706)                  | (156,636)                  |
| Fiscal charges on debt   | (2,020)                    | (2,082)                    |
| Impact fees  | 662,091                    | 769,740                    |
| Special assessments collected  | ---                        | 101,217                    |
| <b>Net cash provided (used) by capital and related financing activities</b>        | <u>(383,488)</u>           | <u>68,761</u>              |
| <b>Cash Flows From Investing Activities:</b>                                       |                            |                            |
| Investment earnings  | <u>35,949</u>              | <u>8,930</u>               |
| <b>Net cash provided by investing activities</b>                                   | <u>35,949</u>              | <u>8,930</u>               |
| <b>Net increase in cash and equivalents</b>  | 1,333,899                  | 2,181,407                  |
| Cash and equivalents, beginning of year  | <u>7,576,165</u>           | <u>5,394,758</u>           |
| <b>Cash and equivalents, end of year</b>   | <u><u>\$ 8,910,064</u></u> | <u><u>\$ 7,576,165</u></u> |
| <b>Reconciliation to cash and cash equivalents on the statement of net assets:</b> |                            |                            |
| Cash and cash equivalents - unrestricted   | \$ 6,363,082               | \$ 5,395,636               |
| Cash and cash equivalents - restricted   | 2,546,982                  | 2,180,529                  |
| <b>Total cash and equivalents</b>  | <u><u>\$ 8,910,064</u></u> | <u><u>\$ 7,576,165</u></u> |

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Water Utility**  
**Years Ended December 31, 2016 and 2015**  
**(Continued)**

|   | <u>2016</u>                | <u>2015</u>                |
|---|----------------------------|----------------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b> |                            |                            |
| Operating income  | \$ 1,452,866               | \$ 1,648,706               |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                            |                            |
| Depreciation  | 1,672,565                  | 1,605,199                  |
| Depreciation charged to other accounts  | 115,658                    | 115,088                    |
| Proceeds from sales of materials  | 10,096                     | 8,686                      |
| Changes in assets and liabilities related to operations:                                |                            |                            |
| Receivables   | (31,708)                   | 23,244                     |
| Prepaid items   | (75)                       | (44)                       |
| Inventory   | 10,895                     | (16,214)                   |
| Due from other funds  | 102,225                    | (316,155)                  |
| Accounts payable and accrued liabilities  | (432,705)                  | 235,752                    |
| WRS pension accrual   | 55,633                     | 648                        |
| Compensated absences  | 19,851                     | 61,732                     |
| OPEB obligation   | 23,424                     | 23,101                     |
| Unearned revenue  | (674)                      | 4,358                      |
| <b>Net cash provided by operating activities</b>  | <u><u>\$ 2,998,051</u></u> | <u><u>\$ 3,394,101</u></u> |
| <b>Noncash Capital Activities:</b>  |                            |                            |
| Utility plant contributions   | \$ 917,408                 | \$ 563,713                 |
| Amortization of debt issuance premiums, discounts and losses on refundings              | 48,880                     | 57,883                     |
| 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, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Assets:</b>                                       |                      |                      |
| <b>Current Assets:</b>                               |                      |                      |
| Cash and equivalents                                 | \$ 2,671,304         | \$ 4,147,639         |
| Cash and equivalents - restricted (current)          | 77,989               | 120,400              |
| Receivables:   |                      |                      |
| Special charges on the tax roll                      | 369,522              | 336,222              |
| Utility customers                                    | 1,716,410            | 1,675,858            |
| Other  | 671,519              | 29,855               |
| Due from other funds                                 | 4,113                | ---                  |
| Inventory  | 14,113               | 14,223               |
| <b>Total current assets</b>                          | <u>5,524,970</u>     | <u>6,324,197</u>     |
| <b>Noncurrent Assets:</b>                            |                      |                      |
| Restricted assets:                                   |                      |                      |
| Cash and equivalents (noncurrent)                    | 5,309,336            | 4,872,133            |
| Net pension asset                                    | ---                  | 62,593               |
| Prepaid capacity charge                              | 3,369,284            | 3,621,436            |
| Land and construction in progress                    | 444,866              | 227,261              |
| Other capital assets net of depreciation             | 49,123,193           | 47,550,235           |
| <b>Total noncurrent assets</b>                       | <u>58,246,679</u>    | <u>56,333,658</u>    |
| <b>Total assets</b>                                  | 63,771,649           | 62,657,855           |
| <b>Deferred Outflows of Resources:</b>               |                      |                      |
| Deferred outflows related to pensions                | <u>249,751</u>       | <u>73,227</u>        |
| <b>Liabilities:</b>                                  |                      |                      |
| <b>Current Liabilities:</b>                          |                      |                      |
| Accounts payable and accrued liabilities             | 217,611              | 710,838              |
| Compensated absences - vacation due within one year  | 52,127               | 47,540               |
| Compensated absences - sick due within one year      | 15,162               | 14,520               |
| Unearned revenue                                     | 7,000                | 14,000               |
| Current portion of advance                           | 89,445               | 87,691               |
| Due to other funds                                   | 880                  | 330,132              |
| Current portion of general obligation notes and BANS | 71,090               | 71,090               |
| Current portion of revenue bonds                     | 36,319               | 57,120               |
| Accrued interest                                     | 565                  | 789                  |
| Liabilities payable from restricted assets:          |                      |                      |
| Current portion of revenue bonds                     | 72,638               | 114,241              |
| Accrued interest                                     | 5,351                | 6,159                |
| <b>Total current liabilities</b>                     | <u>568,188</u>       | <u>1,454,120</u>     |
| <b>Long-Term Liabilities:</b>                        |                      |                      |
| Compensated absences - sick pay                      | 133,344              | 129,554              |
| OPEB obligation                                      | 32,371               | 28,160               |
| Net pension liability                                | 42,845               | ---                  |
| Advances from other funds                            | 91,233               | 180,678              |
| General obligation notes and BANS                    | 131,090              | 202,180              |
| Revenue bonds  | 1,142,089            | 1,251,047            |
| <b>Total long-term liabilities</b>                   | <u>1,572,972</u>     | <u>1,791,619</u>     |
| <b>Total liabilities</b>                             | 2,141,160            | 3,245,739            |
| <b>Deferred inflows of resources:</b>                |                      |                      |
| Deferred inflows related to pensions                 | <u>90,167</u>        | <u>---</u>           |
| <b>Net Position:</b>                                 |                      |                      |
| Net investment in capital assets                     | 49,365,879           | 47,447,105           |
| Restricted   | 5,309,336            | 4,872,133            |
| Restricted - WRS pension                             | 116,739              | 135,820              |
| Unrestricted   | 6,998,119            | 7,030,285            |
| <b>Total net position</b>                            | <u>\$ 61,790,073</u> | <u>\$ 59,485,343</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, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Operating Revenues:</b>                       |                      |                      |
| Charges for services                             | \$ 8,418,856         | \$ 8,309,028         |
| <b>Operating Expenses:</b>                       |                      |                      |
| Operation and maintenance                        | 7,155,910            | 7,892,624            |
| Administrative expense                           | 897,533              | 917,762              |
| Depreciation expense                             | 1,437,292            | 1,422,464            |
| <b>Total operating expenses</b>                  | <u>9,490,735</u>     | <u>10,232,850</u>    |
| <b>Operating loss</b>                            | (1,071,879)          | (1,923,822)          |
| <b>Nonoperating Revenues (Expenses):</b>         |                      |                      |
| General property taxes                           | ---                  | 300,000              |
| Investment earnings                              | 29,553               | 8,926                |
| Sale of materials                                | 128                  | 1,083                |
| Miscellaneous revenues                           | 18,000               | 25,778               |
| Private lateral repair                           | (299,973)            | ---                  |
| Intergovernmental                                | 299,742              | ---                  |
| Gain on retirement of property and plant         | ---                  | 3,841                |
| Donated rent                                     | (18,000)             | (18,000)             |
| Fiscal charges on debt                           | (250)                | (100)                |
| Interest on long-term debt                       | (41,621)             | (48,995)             |
| Impact fees                                      | 616,708              | 665,805              |
| Interest on advances                             | (5,367)              | (7,087)              |
| <b>Net nonoperating revenues</b>                 | <u>598,920</u>       | <u>931,251</u>       |
| <b>Net loss before capital contributions</b>     | <u>(472,959)</u>     | <u>(992,571)</u>     |
| <b>Capital Contributions:</b>                    |                      |                      |
| Capital contributions                            | 2,777,689            | 494,525              |
| <b>Increase (decrease) in net position</b>       | <u>2,304,730</u>     | <u>(498,046)</u>     |
| <b>Net Position:</b>                             |                      |                      |
| <b>Balance, beginning of year</b>                | \$ 59,485,343        | \$ 59,847,254        |
| Adjustment due to change in accounting principle | ---                  | 136,135              |
| <b>Balance, beginning of year as adjusted</b>    | <u>59,485,343</u>    | <u>59,983,389</u>    |
| <b>Balance, end of year</b>                      | <u>\$ 61,790,073</u> | <u>\$ 59,485,343</u> |

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Cash Flows From Operating Activities:</b>                                       |                            |                            |
| Receipts from customers  | \$ 7,702,704               | \$ 8,345,344               |
| Payments to suppliers  | (7,363,366)                | (7,913,985)                |
| Payments to and on behalf of employees   | (770,000)                  | (770,588)                  |
| Internal activity - receipts from other funds                                      | ---                        | 122,768                    |
| Internal activity - payments to other funds  | (496,495)                  | (165,958)                  |
| Other receipts   | 128                        | 8,861                      |
| <b>Net cash used by operating activities</b>                                       | <u>(927,029)</u>           | <u>(373,558)</u>           |
| <b>Cash Flows From Noncapital Financing Activities</b>                             |                            |                            |
| Lateral repair program   | (231)                      | ---                        |
| <b>Net cash used by noncapital financing activities</b>                            | <u>(231)</u>               | <u>---</u>                 |
| <b>Cash Flows From Capital and Related Financing Activities:</b>                   |                            |                            |
| Proceeds from sale of property and plant   | ---                        | 3,841                      |
| Additions to property and plant  | (422,131)                  | (212,109)                  |
| Principal payments on debt   | (242,452)                  | (237,737)                  |
| Interest on debt   | (42,653)                   | (49,981)                   |
| Fiscal charges on debt   | (250)                      | (100)                      |
| Advances from municipality   | (87,691)                   | (85,971)                   |
| Interest on advances   | (5,367)                    | (7,087)                    |
| General property taxes   | ---                        | 300,000                    |
| Impact fees  | 616,708                    | 665,805                    |
| Special assessments collected  | ---                        | 194,599                    |
| <b>Net cash provided (used) by capital and related financing activities</b>        | <u>(183,836)</u>           | <u>571,260</u>             |
| <b>Cash Flows From Investing Activities:</b>                                       |                            |                            |
| Investment earnings  | 29,553                     | 8,926                      |
| <b>Net cash provided by investing activities</b>                                   | <u>29,553</u>              | <u>8,926</u>               |
| <b>Net increase (decrease) in cash and equivalents</b>                             | (1,081,543)                | 206,628                    |
| Cash and equivalents, beginning of year  | <u>9,140,172</u>           | <u>8,933,544</u>           |
| <b>Cash and equivalents, end of year</b>   | <u><u>\$ 8,058,629</u></u> | <u><u>\$ 9,140,172</u></u> |
| <b>Reconciliation to cash and cash equivalents on the statement of net assets:</b> |                            |                            |
| Cash and cash equivalents - unrestricted   | \$ 2,671,304               | \$ 4,147,639               |
| Cash and cash equivalents - restricted   | 5,387,325                  | 4,992,533                  |
| <b>Total cash and equivalents</b>  | <u><u>\$ 8,058,629</u></u> | <u><u>\$ 9,140,172</u></u> |

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Sewer Utility**  
**Years Ended December 31, 2016 and 2015**  
**(Continued)**

|   | <u>2016</u>                | <u>2015</u>                |
|---|----------------------------|----------------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided by</b> |                            |                            |
| <b>Operating Activities:</b>                                      |                            |                            |
| Operating loss  | \$ (1,071,879)             | \$ (1,923,822)             |
| Adjustments to reconcile operating loss to net cash               |                            |                            |
| used by operating activities:                                     |                            |                            |
| Depreciation  | 1,347,409                  | 1,332,508                  |
| Amortization of prepaid capacity                                  | 252,152                    | 252,152                    |
| Miscellaneous revenues  | ---                        | 7,778                      |
| Abandonment of CIP  | 85,771                     | 54,691                     |
| Proceeds from sales of materials                                  | 128                        | 1,083                      |
| Changes in assets and liabilities related to operations:          |                            |                            |
| Receivables   | (715,516)                  | 39,276                     |
| Inventory   | 110                        | 2,456                      |
| Due from other funds  | (333,365)                  | 122,768                    |
| Accounts payable and accrued liabilities                          | (517,150)                  | (325,849)                  |
| WRS pension accrual   | 19,081                     | 315                        |
| Unearned revenue  | (7,000)                    | (7,000)                    |
| Compensated absences  | 9,019                      | 65,950                     |
| OPEB obligation   | 4,211                      | 4,136                      |
| <b>Net cash used by operating activities</b>                      | <b>\$ <u>(927,029)</u></b> | <b>\$ <u>(373,558)</u></b> |
| <br><b>Noncash Capital Activities:</b>                            |                            |                            |
| Utility plant contributions                                       | \$ 2,777,689               | \$ 494,525                 |
| Gain on sale of utility plant                                     | ---                        | 3,841                      |

See independent auditors' report.

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

**Comparative Statements of Net Position - Storm Water Utility**  
**December 31, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Assets:</b>                                       |                      |                      |
| <b>Current Assets:</b>                               |                      |                      |
| Cash and equivalents                                 | \$ 779,688           | \$ 1,074,351         |
| Receivables:   |                      |                      |
| Taxes  | 931,250              | 931,250              |
| Other  | 1,883                | 1,958                |
| Due from other funds                                 | 759                  | ---                  |
| Inventory  | 43,564               | 5,711                |
| <b>Total current assets</b>                          | <u>1,757,144</u>     | <u>2,013,270</u>     |
| <b>Noncurrent Assets:</b>                            |                      |                      |
| Restricted assets:                                   |                      |                      |
| Net pension asset                                    | ---                  | 25,257               |
| Land and construction in progress                    | 275,913              | 1,237,090            |
| Other capital assets, net of depreciation            | 28,714,623           | 26,122,788           |
| <b>Total noncurrent assets</b>                       | <u>28,990,536</u>    | <u>27,385,135</u>    |
| <b>Total assets</b>                                  | 30,747,680           | 29,398,405           |
| <b>Deferred Outflows of Resources</b>                |                      |                      |
| Deferred outflows related to pensions                | 62,438               | 29,547               |
| <b>Liabilities:</b>                                  |                      |                      |
| <b>Current Liabilities:</b>                          |                      |                      |
| Accounts payable and accrued liabilities             | 2,806                | 139,930              |
| Deposits   | 50,000               | 50,000               |
| Compensated absences - vacation due within one year  | 14,424               | 13,549               |
| Compensated absences - sick due within one year      | 2,845                | 2,114                |
| Due to other funds                                   | ---                  | 222,836              |
| Current portion of general obligation notes and BANS | 476,000              | 477,494              |
| Accrued interest                                     | 9,232                | 10,782               |
| <b>Total current liabilities</b>                     | <u>555,307</u>       | <u>916,705</u>       |
| <b>Long-Term Liabilities:</b>                        |                      |                      |
| Compensated absences - sick pay                      | 36,262               | 38,111               |
| OPEB obligation                                      | 17,115               | 16,458               |
| Net pension liability                                | 10,711               | ---                  |
| Advances from other funds                            | 1,389,239            | 1,000,000            |
| General obligation notes and BANS                    | 2,586,093            | 3,067,849            |
| <b>Total long-term liabilities</b>                   | <u>4,039,420</u>     | <u>4,122,418</u>     |
| <b>Total liabilities</b>                             | 4,594,727            | 5,039,123            |
| <b>Deferred inflows of resources:</b>                |                      |                      |
| Deferred revenue - subsequent year's taxes           | 931,250              | 931,250              |
| Deferred inflows related to pensions                 | 22,542               | ---                  |
| <b>Total deferred inflows of resources</b>           | <u>953,792</u>       | <u>931,250</u>       |
| <b>Net Position:</b>                                 |                      |                      |
| Net investment in capital assets                     | 26,681,766           | 23,814,535           |
| Restricted - WRS pension                             | 29,185               | 54,804               |
| Unrestricted   | (1,449,352)          | (411,760)            |
| <b>Total net position</b>                            | <u>\$ 25,261,599</u> | <u>\$ 23,457,579</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, 2016 and 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>Operating Revenues:</b>   |                      |                      |
| General property taxes   | \$ 931,250           | \$ 931,250           |
| Charges for services   | 45,841               | 40,213               |
| <b>Total operating revenues</b>  | <u>977,091</u>       | <u>971,463</u>       |
| <b>Operating Expenses:</b>   |                      |                      |
| Operation and maintenance  | 377,920              | 371,903              |
| Administrative expense   | 245,364              | 298,607              |
| Depreciation expense   | 665,540              | 612,450              |
| <b>Total operating expenses</b>  | <u>1,288,824</u>     | <u>1,282,960</u>     |
| <b>Operating loss</b>  | (311,733)            | (311,497)            |
| <b>Nonoperating Revenues (Expenses):</b>                                   |                      |                      |
| Investment earnings  | 3,922                | 982                  |
| Miscellaneous revenues   | 1,000                | 1,000                |
| Loss on retirement of property and plant                                   | (18,874)             | (145)                |
| Fiscal charges on debt   | (695)                | (815)                |
| Amortization of debt issuance premiums, discounts and losses on refundings | 5,756                | 5,756                |
| Interest on long-term debt   | (96,635)             | (109,852)            |
| Interest on advances   | (14,239)             | ---                  |
| <b>Net nonoperating expenses</b>   | <u>(119,765)</u>     | <u>(103,074)</u>     |
| <b>Net loss before capital contributions</b>                               | (431,498)            | (414,571)            |
| Capital contributions  | <u>2,235,518</u>     | <u>572,176</u>       |
| <b>Increase in net position</b>  | 1,804,020            | 157,605              |
| <b>Net Position:</b>   |                      |                      |
| Balance, beginning of year   | <u>23,457,579</u>    | <u>23,299,974</u>    |
| <b>Balance, end of year</b>  | <u>\$ 25,261,599</u> | <u>\$ 23,457,579</u> |

See independent auditors' report.

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

**Comparative Statements of Cash Flows - Storm Water Utility**  
**Years Ended December 31, 2016 and 2015**

|  | <u>2016</u>              | <u>2015</u>                |
|--|--------------------------|----------------------------|
| <b>Cash Flows From Operating Activities:</b>                     |                          |                            |
| Receipts from customers  | \$ 45,916                | \$ 39,911                  |
| Payments to suppliers  | (274,767)                | 52,514                     |
| Payments to and on behalf of employees                           | (490,756)                | (598,670)                  |
| Internal activity - receipts from other funds                    | ---                      | 81,942                     |
| Internal activity - payments to other funds                      | (223,595)                | ---                        |
| Other receipts   | <u>932,250</u>           | <u>932,250</u>             |
| <b>Net cash provided (used) by operating activities</b>          | <u>(10,952)</u>          | <u>507,947</u>             |
| <b>Cash Flows From Noncapital Financing Activities</b>           |                          |                            |
| Advances from Municipality                                       | <u>389,239</u>           | <u>1,000,000</u>           |
| <b>Net cash provided by noncapital financing activities</b>      | <u>389,239</u>           | <u>1,000,000</u>           |
| <b>Cash Flows From Capital and Related Financing Activities:</b> |                          |                            |
| Proceeds from sale of property and plant                         | 1,099                    | ---                        |
| Additions to property and plant                                  | (87,358)                 | (774,368)                  |
| Principal payments on debt                                       | (477,494)                | (442,494)                  |
| Interest on debt   | (98,185)                 | (111,125)                  |
| Fiscal charges on debt   | (695)                    | (815)                      |
| Interest on advances   | <u>(14,239)</u>          | <u>---</u>                 |
| <b>Net cash used by capital and related financing activities</b> | <u>(676,872)</u>         | <u>(1,328,802)</u>         |
| <b>Cash Flows From Investing Activities:</b>                     |                          |                            |
| Investment earnings  | <u>3,922</u>             | <u>982</u>                 |
| <b>Net cash provided by investing activities</b>                 | <u>3,922</u>             | <u>982</u>                 |
| <b>Net increase (decrease) in cash and equivalents</b>           | (294,663)                | 180,127                    |
| Cash and equivalents, beginning of year                          | <u>1,074,351</u>         | <u>894,224</u>             |
| <b>Cash and equivalents, end of year</b>                         | <u><u>\$ 779,688</u></u> | <u><u>\$ 1,074,351</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, 2016 and 2015**  
**(Continued)**

|  | <u>2016</u>               | <u>2015</u>              |
|--|---------------------------|--------------------------|
| <b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>        |                           |                          |
| Operating loss   | \$ (311,733)              | \$ (311,497)             |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: |                           |                          |
| Depreciation   | 665,540                   | 612,450                  |
| Miscellaneous revenues   | 1,000                     | 998                      |
| Changes in assets and liabilities related to operations:                                     |                           |                          |
| Receivables  | 75                        | (301)                    |
| Inventory  | (37,853)                  | 4,296                    |
| Due to or from other funds   | (223,595)                 | 81,942                   |
| Accounts payable and accrued liabilities   | (130,419)                 | 113,807                  |
| WRS pension accrual  | 25,619                    | 128                      |
| Compensated absences   | (243)                     | 4,952                    |
| OPEB obligation  | 657                       | 1,172                    |
| <b>Net cash provided (used) by operating activities</b>                                      | <u><u>\$ (10,952)</u></u> | <u><u>\$ 507,947</u></u> |
| <b>Noncash Capital Activities:</b>   |                           |                          |
| Utility plant contributions  | \$ 2,235,518              | \$ 572,176               |
| Amortization of debt issuance premiums, discounts and losses on refundings                   | (5,756)                   | (5,756)                  |
| Loss on retirement of property and plant   | 18,874                    | 145                      |

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

**Comparative Statements of Net Position - Risk Management Fund**  
**December 31, 2016 and 2015**

|                                  | <u>2016</u>       | <u>2015</u>       |
|----------------------------------|-------------------|-------------------|
| <b>Assets:</b>                   |                   |                   |
| Cash and equivalents             | \$ 715,608        | \$ 727,666        |
| Receivables                      | 48,820            | 47,340            |
| Due from other funds             | <u>---</u>        | <u>11,882</u>     |
| <b>Total assets</b>              | 764,428           | 786,888           |
| <b>Liabilities:</b>              |                   |                   |
| Incurred but not reported claims | <u>35,832</u>     | <u>187,602</u>    |
| <b>Total liabilities</b>         | 35,832            | 187,602           |
| <b>Net Position:</b>             |                   |                   |
| Unrestricted                     | 728,596           | 599,286           |
| <b>Total net position</b>        | <u>\$ 728,596</u> | <u>\$ 599,286</u> |

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

**Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund**  
**Years Ended December 31, 2016 and 2015**

|                                  | <u>2016</u>       | <u>2015</u>       |
|----------------------------------|-------------------|-------------------|
| <b>Operating Revenues:</b>       |                   |                   |
| Charges for services             | \$ ---            | \$ ---            |
| <b>Operating Expenses:</b>       | <u>57,967</u>     | <u>58,305</u>     |
| <b>Operating loss</b>            | (57,967)          | (58,305)          |
| <b>Nonoperating Revenues:</b>    |                   |                   |
| Investment earnings              | 2,895             | 853               |
| Dividend on investment in CVMIC  | 32,612            | 29,351            |
| Miscellaneous                    | <u>151,770</u>    | <u>30,348</u>     |
| <b>Net nonoperating revenues</b> | <u>187,277</u>    | <u>60,552</u>     |
| <b>Increase in net assets</b>    | 129,310           | 2,247             |
| <b>Net Position:</b>             |                   |                   |
| Balance, beginning of year       | 599,286           | 597,039           |
| <b>Balance, end of year</b>      | <u>\$ 728,596</u> | <u>\$ 599,286</u> |

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

**Comparative Statements of Cash Flows - Risk Management Fund**  
**Years Ended December 31, 2016 and 2015**

|  | <u>2016</u>               | <u>2015</u>              |
|--|---------------------------|--------------------------|
| <b>Cash Flows From Operating Activities:</b>   |                           |                          |
| Payments to suppliers  | \$ (53,632)               | \$ 29,871                |
| Internal activity - receipts from other funds  | 11,882                    | 10,466                   |
| Other payments   | 145,955                   | (30,348)                 |
| Other receipts   | <u>(151,770)</u>          | <u>19,125</u>            |
| <b>Net cash provided (used) by operating activities</b>                                      | <u>(47,565)</u>           | <u>29,114</u>            |
| <b>Cash Flows From Investing Activities:</b>   |                           |                          |
| Investment earnings  | <u>35,507</u>             | <u>30,204</u>            |
| <b>Net cash provided by investing activities</b>   | <u>35,507</u>             | <u>30,204</u>            |
| <b>Net increase (decrease) in cash and equivalents</b>                                       | (12,058)                  | 59,318                   |
| Cash and equivalents, beginning of year  | <u>727,666</u>            | <u>668,348</u>           |
| <b>Cash and equivalents, end of year</b>   | <u><u>\$ 715,608</u></u>  | <u><u>\$ 727,666</u></u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</b>   |                           |                          |
| Operating loss   | \$ (57,967)               | \$ (58,305)              |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: |                           |                          |
| Changes in assets and liabilities related to operations:                                     |                           |                          |
| Receivables  | (1,480)                   | (1,655)                  |
| Prepaid items  | ---                       | 78,608                   |
| Due to/from other funds  | <u>11,882</u>             | <u>10,466</u>            |
| <b>Net cash provided (used) by operating activities</b>                                      | <u><u>\$ (47,565)</u></u> | <u><u>\$ 29,114</u></u>  |

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## **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, 2016**

|                           | <u><b>Taxing<br/>Jurisdictions</b></u> | <u><b>Community<br/>Development<br/>Authority</b></u> | <u><b>Total<br/>Fiduciary<br/>Funds</b></u> |
|---------------------------|--|---|---|
| <b>Assets:</b>            |  |   |   |
| Cash and equivalents      | \$ 24,333,019                          | \$ ---  | \$ 24,333,019                               |
| Taxes receivable          | 36,066,406                             | ---   | 36,066,406                                  |
| <b>Total assets</b>       | <u><u>\$ 60,399,425</u></u>            | <u><u>\$ ---</u></u>                                  | <u><u>\$ 60,399,425</u></u>                 |
| <br><b>Liabilities:</b>   |  |   |   |
| Due to other taxing units | \$ 60,399,425                          | \$ ---  | \$ 60,399,425                               |
| <b>Total liabilities</b>  | <u><u>\$ 60,399,425</u></u>            | <u><u>\$ ---</u></u>                                  | <u><u>\$ 60,399,425</u></u>                 |

See independent auditors' report.

**VILLAGE OF MENOMONEE FALLS**

**Waukesha County, Wisconsin**

**Statement of Changes in Assets and Liabilities - Fiduciary Funds**  
**Year Ended December 31, 2016**

|  | <u>Balance<br/>January 1,<br/>2016</u> | <u>Additions</u>      | <u>Reductions</u>       | <u>Balance<br/>December 31,<br/>2016</u> |
|--|--|-----------------------|-------------------------|--|
| <b><u>Taxing Jurisdiction Fund</u></b>             |  |                       |                         |  |
| <b>Assets:</b>                                     |  |                       |                         |  |
| Cash and equivalents                               | \$ 22,261,041                          | \$ 61,772,730         | \$ (59,700,752)         | \$ 24,333,019                            |
| Taxes receivable                                   | <u>37,439,711</u>                      | <u>60,399,425</u>     | <u>(61,772,730)</u>     | <u>36,066,406</u>                        |
| <b>Total assets</b>                                | <u>\$ 59,700,752</u>                   | <u>\$ 122,172,155</u> | <u>\$ (121,473,482)</u> | <u>\$ 60,399,425</u>                     |
| <b>Liabilities:</b>                                |  |                       |                         |  |
| Due to other taxing units                          | <u>\$ 59,700,752</u>                   | <u>\$ 60,399,425</u>  | <u>\$ (59,700,752)</u>  | <u>\$ 60,399,425</u>                     |
| <b><u>Community Development Authority Fund</u></b> |  |                       |                         |  |
| <b>Assets:</b>                                     |  |                       |                         |  |
| Cash and equivalents                               | \$ ---                                 | \$ 263,885            | \$ (263,885)            | \$ ---                                   |
| Notes receivable                                   | <u>263,885</u>                         | <u>---</u>            | <u>(263,885)</u>        | <u>---</u>                               |
| <b>Total assets</b>                                | <u>\$ 263,885</u>                      | <u>\$ 263,885</u>     | <u>\$ (527,770)</u>     | <u>\$ ---</u>                            |
| <b>Liabilities:</b>                                |  |                       |                         |  |
| Accounts payable                                   | \$ 218                                 | \$ ---                | \$ (218)                | \$ ---                                   |
| Due to Community Development Authority             | <u>263,667</u>                         | <u>263,885</u>        | <u>(527,552)</u>        | <u>---</u>                               |
| <b>Total liabilities</b>                           | <u>\$ 263,885</u>                      | <u>\$ 263,885</u>     | <u>\$ (527,770)</u>     | <u>\$ ---</u>                            |

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**OTHER SUPPLEMENTARY  
INFORMATION**

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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2016

| Fund/Issue                                      | Date of Issue | Average Coupon Rate | Principal Due | Interest Due  | Original Amount | Balance Outstanding January 1, 2016 | New Issues          | Payments              | Balance Outstanding December 31, 2016 | Interest Paid 2016 | Principal Due 2017  | Interest Due 2017 |
|---|---------------|---------------------|---------------|---------------|-----------------|-------------------------------------|---------------------|-----------------------|---------------------------------------|--------------------|---------------------|-------------------|
| <b>General Fund :</b>                           |               |                     |               |               |                 |                                     |                     |                       |                                       |                    |                     |                   |
| 2006 G.O. Notes                                 | 09/01/06      | 4.21%               | 06/01         | 06/01 & 12/01 | 2,045,000       | \$ 438,500                          | \$ ---              | \$ (438,500)          | \$ ---                                | \$ 8,770           | \$ ---              | \$ ---            |
| 2007 G.O. Notes                                 | 06/01/07      | 4.32%               | 06/01         | 06/01 & 12/01 | 1,590,000       | 643,000                             | ---                 | (234,000)             | 409,000                               | 23,013             | 409,000             | 8,947             |
| 2008 G.O. Notes                                 | 07/01/08      | 4.16%               | 06/01         | 06/01 & 12/01 | 2,185,000       | 1,385,000                           | ---                 | (445,000)             | 940,000                               | 48,169             | 420,000             | 29,200            |
| 2009 G.O. Notes                                 | 06/01/09      | 3.38%               | 05/01         | 05/01 & 11/01 | 2,128,000       | 1,005,200                           | ---                 | (251,300)             | 753,900                               | 30,250             | 251,300             | 21,769            |
| 2010 G.O. Notes                                 | 06/01/10      | 3.12%               | 06/01         | 06/01 & 12/01 | 2,385,000       | 1,765,000                           | ---                 | (141,000)             | 1,624,000                             | 55,602             | 291,000             | 48,758            |
| 2011 G.O. Notes                                 | 06/20/11      | 2.80%               | 06/01         | 06/01 & 12/01 | 4,445,000       | 3,540,000                           | ---                 | (340,000)             | 3,200,000                             | 97,315             | 430,000             | 88,970            |
| 2012 G.O. Notes                                 | 07/02/12      | 2.90%               | 06/01         | 06/01 & 12/01 | 1,335,000       | 1,265,000                           | ---                 | (105,000)             | 1,160,000                             | 34,487             | 105,000             | 31,337            |
| 2014 G.O. Notes                                 | 06/05/14      | 2.91%               | 06/01         | 06/01 & 12/01 | 2,000,000       | 2,000,000                           | ---                 | ---                   | 2,000,000                             | 60,000             | ---                 | 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             | ---                 | 57,000            |
| 2016 G.O. Notes                                 | 05/02/16      | 2.00%               | 01-May        | 05/01 & 11/01 | 2,000,000       | ---                                 | 2,000,000           | ---                   | 2,000,000                             | ---                | 60,000              | 59,288            |
| <b>Total General Fund</b>                       |               |                     |               |               |                 | <u>\$ 14,041,700</u>                | <u>\$ 2,000,000</u> | <u>\$ (1,954,800)</u> | <u>\$ 14,086,900</u>                  | <u>\$ 442,631</u>  | <u>\$ 1,966,300</u> | <u>\$ 405,269</u> |
| <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    | \$ 4,475,000                        | \$ ---              | \$ (700,000)          | \$ 3,775,000                          | \$ 144,000         | \$ 700,000          | \$ 130,000        |
| 2012 GO Refunding #82                           | 07/02/12      | 3.34%               | 03/01         | 03/01 & 09/01 | 7,950,000       | 6,200,000                           | ---                 | (800,000)             | 5,400,000                             | 190,000            | 825,000             | 173,750           |
| 2014 G.O. Notes                                 | 06/05/14      | 2.91%               | 06/01         | 06/01 & 12/01 | 2,000,000       | 1,800,000                           | ---                 | (200,000)             | 1,600,000                             | 42,125             | 200,000             | 42,000            |
| 2014 G.O. Notes                                 | 11/17/14      | 0.00%               | 02/15         | N/A           | 223,622         | 195,669                             | ---                 | (27,953)              | 167,716                               | ---                | 27,953              | ---               |
| <b>Total Municipal Facilities Fund</b>          |               |                     |               |               |                 | <u>\$ 12,670,669</u>                | <u>\$ ---</u>       | <u>\$ (1,727,953)</u> | <u>\$ 10,942,716</u>                  | <u>\$ 376,125</u>  | <u>\$ 1,752,953</u> | <u>\$ 345,750</u> |
| <b>Special Assessment Fund:</b>                 |               |                     |               |               |                 |                                     |                     |                       |                                       |                    |                     |                   |
| 2006 G.O. Notes                                 | 09/01/06      | 4.21%               | 06/01         | 06/01 & 12/01 | 250,059         | \$ 25,006                           | \$ ---              | \$ (25,006)           | \$ ---                                | \$ 500             | \$ ---              | \$ ---            |
| 2008 G.O. Notes                                 | 07/01/08      | 4.16%               | 06/01         | 06/01 & 12/01 | 160,000         | 32,000                              | ---                 | (16,000)              | 16,000                                | 1,050              | 16,000              | 350               |
| 2008 G.O. Notes                                 | 07/01/08      | 4.03%               | 06/01         | 06/01 & 12/01 | 589,100         | 176,730                             | ---                 | (58,910)              | 117,820                               | 6,111              | 58,910              | 3,534             |
| 2009 G.O. Notes                                 | 06/01/09      | 3.38%               | 05/01         | 05/01 & 11/01 | 177,000         | 70,800                              | ---                 | (17,700)              | 53,100                                | 2,131              | 17,700              | 1,533             |
| 2010 G.O. Notes                                 | 06/01/10      | 3.12%               | 06/01         | 06/01 & 12/01 | 190,000         | 95,000                              | ---                 | (19,000)              | 76,000                                | 2,783              | 19,000              | 2,190             |
| 2011 G.O. Notes                                 | 06/20/11      | 2.75%               | 06/01         | 06/01 & 12/01 | 110,000         | 70,000                              | ---                 | (10,000)              | 60,000                                | 1,849              | 10,000              | 1,634             |
| 2012 G.O. Notes                                 | 07/02/12      | 2.76%               | 06/01         | 06/01 & 12/01 | 70,000          | 55,000                              | ---                 | (5,000)               | 50,000                                | 1,450              | 5,000               | 1,300             |
| <b>Total Special Assessment Fund</b>            |               |                     |               |               |                 | <u>\$ 524,536</u>                   | <u>\$ ---</u>       | <u>\$ (151,616)</u>   | <u>\$ 372,920</u>                     | <u>\$ 15,874</u>   | <u>\$ 126,610</u>   | <u>\$ 10,541</u>  |
| <b>TID District #5:</b>                         |               |                     |               |               |                 |                                     |                     |                       |                                       |                    |                     |                   |
| 2012 GO Notes                                   | 07/02/12      | 2.79%               | 06/01         | 06/01 & 12/01 | 900,000         | \$ 750,000                          | \$ ---              | \$ (75,000)           | \$ 675,000                            | \$ 19,688          | \$ 75,000           | \$ 17,438         |
| 2012 Refi #104 to Long Term                     | 09/28/12      | 2.43%               | 09/01         | 03/01 & 09/01 | 1,850,000       | 1,750,000                           | ---                 | (100,000)             | 1,650,000                             | 42,125             | 300,000             | 40,125            |
| 2014 Go Notes Refund #87                        | 03/17/14      | 1.95%               | 04/01         | 04/01 & 10/01 | 3,825,000       | 2,950,000                           | ---                 | (925,000)             | 2,025,000                             | 49,750             | 1,000,000           | 30,500            |
| <b>Total TID District #5</b>                    |               |                     |               |               |                 | <u>\$ 5,450,000</u>                 | <u>\$ ---</u>       | <u>\$ (1,100,000)</u> | <u>\$ 4,350,000</u>                   | <u>\$ 111,563</u>  | <u>\$ 1,375,000</u> | <u>\$ 88,063</u>  |

See independent auditors' report.



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

**Schedule of Long-Term Obligations**  
Year Ended December 31, 2016

| <u>Fund/Issue</u>             | <u>Date of Issue</u> | <u>Average Coupon Rate</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Original Amount</u> | <u>Balance Outstanding January 1, 2016</u> | <u>New Issues</u>   | <u>Payments</u>       | <u>Balance Outstanding December 31, 2016</u> | <u>Interest Paid 2016</u> | <u>Principal Due 2017</u> | <u>Interest Due 2017</u> |
|-------------------------------|----------------------|----------------------------|----------------------|---------------------|------------------------|--|---------------------|-----------------------|--|---------------------------|---------------------------|--------------------------|
| <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                 | \$ ---                    | \$ ---                   |
| 2013 GO Refund 111            | 09/30/13             | 2.00%                      | 10/01                | 04/01 & 10/01       | 875,000                | 875,000                                    | ---                 | (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                                  | ---                 | (25,000)              | 8,425,000                                    | 332,313                   | 25,000                    | 332,000                  |
| 2016 G.O. Notes - Refinance   | 09/01/16             | 2.00%                      | 09/01                | 03/01 & 09/01       | 1,280,000              | ---  | 1,280,000           | ---                   | 1,280,000                                    | ---                       | ---                       | 25,600                   |
| 2016 G.O. Notes - Refinance   | 09/01/16             | 2.13%                      | 09/01                | 03/01 & 09/01       | 875,000                | ---  | 875,000             | ---                   | 875,000                                      | ---                       | ---                       | 18,594                   |
| <b>Total TID District #6</b>  |                      |                            |                      |                     |                        | <u>\$ 10,605,000</u>                       | <u>\$ 2,155,000</u> | <u>\$ (2,180,000)</u> | <u>\$ 10,580,000</u>                         | <u>\$ 372,213</u>         | <u>\$ 25,000</u>          | <u>\$ 376,194</u>        |
| <b>TID District #8:</b>       |                      |                            |                      |                     |                        |  |                     |                       |  |                           |                           |                          |
| 2010 G.O. Notes               | 10/05/10             | 3.07%                      | 10/01                | 04/01 & 10/01       | \$ 11,800,000          | \$ 6,425,000                               | \$ ---              | \$ (1,400,000)        | \$ 5,025,000                                 | \$ 212,000                | \$ 1,525,000              | \$ 171,750               |
| 2011 G.O. Notes               | 10/18/11             | 2.03%                      | 10/01                | 04/01 & 10/01       | 1,800,000              | 325,000                                    | ---                 | (200,000)             | 125,000                                      | 9,313                     | 125,000                   | 5,312                    |
| 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)           | ---  | 82,513                    | ---                       | ---                      |
| 2015 G.O. Notes               | 03/16/15             | 3.11%                      | 03/01                | 03/01 & 09/01       | 4,300,000              | 4,300,000                                  | ---                 | (125,000)             | 4,175,000                                    | 179,596                   | 175,000                   | 123,156                  |
| 2015 G.O. Notes               | 03/16/15             | 2.95%                      | 03/01                | 03/01 & 09/01       | 7,850,000              | 7,850,000                                  | ---                 | (300,000)             | 7,550,000                                    | 309,189                   | 150,000                   | 212,438                  |
| 2016 G.O. Notes               | 11/21/16             | 2.00%                      | 06/01                | 06/01 & 12/01       | 2,500,000              | ---  | 2,500,000           | ---                   | 2,500,000                                    | ---                       | ---                       | 51,389                   |
| 2016 G.O. Notes               | 11/21/16             | 2.99%                      | 06/01                | 06/01 & 12/01       | 7,425,000              | ---  | 7,425,000           | ---                   | 7,425,000                                    | ---                       | ---                       | 224,248                  |
| <b>Total TID District #8</b>  |                      |                            |                      |                     |                        | <u>\$ 26,235,000</u>                       | <u>\$ 9,925,000</u> | <u>\$ (9,200,000)</u> | <u>\$ 26,960,000</u>                         | <u>\$ 797,005</u>         | <u>\$ 1,975,000</u>       | <u>\$ 792,687</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>      |                      |                            |                      |                     |                        |  |                     |                       |  |                           |                           |                          |
| 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                 | \$ ---                    | \$ ---                   |
| 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                   | ---                       | 249,375                  |
| 2016 G.O. Refunding Bonds     | 09/01/16             | 2.13%                      | 09/01                | 03/01 & 09/01       | 4,100,000              | ---  | 4,100,000           | ---                   | 4,100,000                                    | ---                       | ---                       | 87,125                   |
| <b>Total TID District #10</b> |                      |                            |                      |                     |                        | <u>\$ 14,075,000</u>                       | <u>\$ 4,100,000</u> | <u>\$ (4,100,000)</u> | <u>\$ 14,075,000</u>                         | <u>\$ 320,292</u>         | <u>\$ ---</u>             | <u>\$ 336,500</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                 | \$ ---                    | \$ ---                   |
| 2016 G.O. Refunding Bonds     | 09/01/16             | 2.13%                      | 09/01                | 03/01 & 09/01       | 525,000                | ---  | 525,000             | ---                   | 525,000                                      | ---                       | ---                       | 11,156                   |
|                               |                      |                            |                      |                     |                        | <u>525,000</u>                             | <u>525,000</u>      | <u>(525,000)</u>      | <u>525,000</u>                               | <u>10,500</u>             | <u>---</u>                | <u>11,156</u>            |
| <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                                 | \$ 28,800                 | \$ 1,280,000              | \$ 14,400                |

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS  
Waukesha County, Wisconsin

Schedule of Long-Term Obligations  
Year Ended December 31, 2016

| Fund/Issue                         | Date of Issue | Average Coupon Rate | Principal Due | Interest Due  | Original Amount | Balance Outstanding January 1, 2016 | New Issues           | Payments               | Balance Outstanding December 31, 2016 | Interest Paid 2016  | Principal Due 2017  | Interest Due 2017   |
|------------------------------------|---------------|---------------------|---------------|---------------|-----------------|-------------------------------------|----------------------|------------------------|---------------------------------------|---------------------|---------------------|---------------------|
| <b>Water Utility :</b>             |               |                     |               |               |                 |                                     |                      |                        |                                       |                     |                     |                     |
| 2010 G.O. Notes                    | 06/01/10      | 3.12%               | 06/01         | 06/01 & 12/01 | 790,000         | \$ 420,000                          | \$ ---               | \$ (80,000)            | \$ 340,000                            | \$ 12,385           | \$ 80,000           | \$ 9,885            |
| 2011 G.O. Notes                    | 06/20/11      | 2.71%               | 06/01         | 06/01 & 12/01 | 830,000         | 530,000                             | ---                  | (80,000)               | 450,000                               | 13,742              | 85,000              | 11,965              |
| 2012 G.O. Notes                    | 07/02/12      | 2.70%               | 06/01         | 06/01 & 12/01 | 1,155,000       | 835,000                             | ---                  | (115,000)              | 720,000                               | 21,144              | 115,000             | 17,694              |
| 2013 G.O. Notes                    | 06/17/13      | 2.99%               | 06/01         | 06/01 & 12/01 | 1,120,000       | 1,020,000                           | ---                  | (50,000)               | 970,000                               | 29,200              | 50,000              | 28,200              |
| 2013 G.O. Refunding Bonds          | 06/17/13      | 2.28%               | 06/01         | 06/01 & 12/01 | 1,930,000       | 1,580,000                           | ---                  | (180,000)              | 1,400,000                             | 32,500              | 200,000             | 30,300              |
| 2014 G.O. Notes                    | 06/05/14      | 2.91%               | 06/01         | 06/01 & 12/01 | 920,000         | 870,000                             | ---                  | (50,000)               | 820,000                               | 24,150              | 50,000              | 23,150              |
| 2015 G.O. Notes                    | 05/04/15      | 2.83%               | 05/01         | 05/01 & 11/01 | 1,110,000       | 1,110,000                           | ---                  | (55,000)               | 1,055,000                             | 43,585              | 55,000              | 27,937              |
| 2016 G.O. Refunding Bonds          | 09/01/16      | 2.13%               | 09/01         | 03/01 & 09/01 | 525,000         | ---                                 | 1,190,000            | ---                    | 1,190,000                             | ---                 | 35,000              | 35,284              |
| <b>Total Water Utility</b>         |               |                     |               |               |                 | <b>\$ 6,365,000</b>                 | <b>\$ 1,190,000</b>  | <b>\$ (610,000)</b>    | <b>\$ 6,945,000</b>                   | <b>\$ 176,706</b>   | <b>\$ 670,000</b>   | <b>\$ 184,415</b>   |
| <b>Sewer Utility:</b>              |               |                     |               |               |                 |                                     |                      |                        |                                       |                     |                     |                     |
| 2001 Clean Water Fund Loans        | 12/17/01      | 3.21%               | 05/01         | 05/01 & 11/01 | \$ 791,035      | \$ 65,165                           | \$ ---               | \$ (65,165)            | \$ ---                                | \$ 1,045            | \$ ---              | \$ ---              |
| 2001 Clean Water Fund Loans        | 02/19/01      | 2.97%               | 05/01         | 05/01 & 11/01 | \$ 217,231      | 69,513                              | ---                  | (13,100)               | 56,413                                | 1,870               | 13,490              | 1,475               |
| 2007 Clean Water Fund Loans        | 08/22/07      | 2.55%               | 05/01         | 05/01 & 11/01 | 1,880,476       | 1,287,730                           | ---                  | (93,097)               | 1,194,633                             | 31,613              | 95,467              | 29,212              |
| 2008 G.O. Notes                    | 07/01/08      | 4.03%               | 06/01         | 06/01 & 12/01 | 460,900         | 138,270                             | ---                  | (46,090)               | 92,180                                | 4,782               | 46,090              | 2,766               |
| 2011 G.O. Notes                    | 06/20/11      | 2.61%               | 06/01         | 06/01 & 12/01 | 235,000         | 135,000                             | ---                  | (25,000)               | 110,000                               | 3,343               | 25,000              | 2,806               |
| <b>Total Sewer Utility</b>         |               |                     |               |               |                 | <b>\$ 1,695,678</b>                 | <b>\$ ---</b>        | <b>\$ (242,452)</b>    | <b>\$ 1,453,226</b>                   | <b>\$ 42,653</b>    | <b>\$ 180,047</b>   | <b>\$ 36,259</b>    |
| <b>Storm Water Utility:</b>        |               |                     |               |               |                 |                                     |                      |                        |                                       |                     |                     |                     |
| 2006 G.O. Notes                    | 09/01/06      | 4.21%               | 06/01         | 06/01 & 12/01 | \$ 364,941      | \$ 36,494                           | \$ ---               | \$ (36,494)            | \$ ---                                | \$ 730              | \$ ---              | \$ ---              |
| 2009 G.O. Notes                    | 06/01/09      | 3.38%               | 05/01         | 05/01 & 11/01 | 1,015,000       | 699,000                             | ---                  | (131,000)              | 568,000                               | 21,900              | 156,000             | 17,057              |
| 2010 G.O. Notes                    | 06/01/10      | 3.12%               | 06/01         | 06/01 & 12/01 | 590,000         | 320,000                             | ---                  | (60,000)               | 260,000                               | 9,455               | 60,000              | 7,580               |
| 2011 G.O. Notes                    | 06/20/11      | 2.71%               | 06/01         | 06/01 & 12/01 | 1,210,000       | 775,000                             | ---                  | (120,000)              | 655,000                               | 20,025              | 125,000             | 17,388              |
| 2012 G.O. Notes                    | 07/02/12      | 2.70%               | 06/01         | 06/01 & 12/01 | 740,000         | 535,000                             | ---                  | (75,000)               | 460,000                               | 13,525              | 75,000              | 11,275              |
| 2013 G.O. Notes                    | 06/17/13      | 2.99%               | 06/01         | 06/01 & 12/01 | 1,250,000       | 1,140,000                           | ---                  | (55,000)               | 1,085,000                             | 32,550              | 60,000              | 31,400              |
| <b>Total Storm Water Utility</b>   |               |                     |               |               |                 | <b>\$ 3,505,494</b>                 | <b>\$ ---</b>        | <b>\$ (477,494)</b>    | <b>\$ 3,028,000</b>                   | <b>\$ 98,185</b>    | <b>\$ 476,000</b>   | <b>\$ 84,700</b>    |
| <b>Total long-term obligations</b> |               |                     |               |               |                 | <b>\$ 97,223,077</b>                | <b>\$ 19,895,000</b> | <b>\$ (22,269,315)</b> | <b>\$ 94,848,762</b>                  | <b>\$ 2,799,360</b> | <b>\$ 9,826,910</b> | <b>\$ 2,692,747</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><br>These schedules contain trend information to help the reader understand how the Village’s financial performance and condition have changed over time.   | 114 - 126             |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the Village’s most significant revenue source, the property tax.  | 127 - 131             |
| <b>Debt Capacity</b><br>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.                            | 132 - 137             |
| <b>Demographic and Economic Information</b><br>These schedules present demographic and economic indicators to help the reader understand the environment within which the Village’s financial activities take place.                                     | 138 - 139             |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the Village’s financial report relates to the services the Village provides and the activities it performs. | 140 - 142             |

**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>2016</u>           | <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>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities:</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 102,173,468        | \$ 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         |
| Restricted   | 14,118,882            | 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             |
| Unrestricted                                       | 1,691,916             | (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            |
| <b>Total governmental activities net position</b>  | <u>\$ 117,984,266</u> | <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>  |
| <b>Business-type activities:</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 129,672,477        | \$ 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        |
| Restricted   | 8,225,993             | 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            |
| Unrestricted                                       | 11,477,555            | 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             |
| <b>Total business-type activities net position</b> | <u>\$ 149,376,025</u> | <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> |
| <b>Primary government:</b>                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 231,845,945        | \$ 220,760,439        | \$ 227,438,187        | \$ 215,663,450        | \$ 211,358,322        | \$ 220,417,094        | \$ 215,904,341        | \$ 212,148,197        | \$ 192,820,321        | \$ 189,466,832        |
| Restricted   | \$ 22,344,875         | \$ 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         |
| Unrestricted                                       | 13,169,471            | 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            |
| <b>Total primary government net position</b>       | <u>\$ 267,360,291</u> | <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> |

See independent auditors' report.

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

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

|  | <u>2016</u>          | <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>          |
|--|----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Governmental activities:</b>                          |                      |                     |                     |                       |                     |                     |                     |                     |                     |                      |
| Total expenses   | \$ 38,813,296        | \$ 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        |
| Total program revenues                                   | 16,754,738           | 14,661,773          | 17,259,857          | 10,064,114            | 13,102,142          | 10,498,182          | 10,237,660          | 16,953,433          | 10,077,758          | 13,845,474           |
| <b>Net program expense</b>                               | <u>(22,058,558)</u>  | <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>  |
| Total general revenues and other changes in net position | 30,127,155           | 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           |
| Prior period adjustment                                  | ---                  | 5,499,742           | 121,324             | (923,763)             | ---                 | ---                 | ---                 | ---                 | ---                 | ---                  |
| <b>Change in net position</b>                            | <u>8,068,597</u>     | <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>     |
| <b>Business-type activities:</b>                         |                      |                     |                     |                       |                     |                     |                     |                     |                     |                      |
| Total expenses   | 16,889,816           | 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           |
| Total program revenues                                   | 22,496,093           | 18,253,238          | 20,301,675          | 16,654,785            | 16,736,310          | 16,110,592          | 16,642,735          | 15,558,718          | 17,340,658          | 18,716,083           |
| <b>Net program revenue</b>                               | <u>5,606,277</u>     | <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>     |
| Total general revenues and other changes in net position | 13,027               | 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            |
| Prior period adjustment                                  | ---                  | 471,099             | ---                 | (4,692,718)           | ---                 | ---                 | ---                 | ---                 | ---                 | ---                  |
| <b>Change in net position</b>                            | <u>5,619,304</u>     | <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>     |
| <b>Total primary government</b>                          |                      |                     |                     |                       |                     |                     |                     |                     |                     |                      |
| <b>Change in net position</b>                            | <u>\$ 13,687,901</u> | <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> |

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)**

|  | <u>2016</u>          | <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>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                             | \$ 4,222,904         | \$ 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         |
| Public Safety                                  | 16,128,775           | 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           |
| Public works                                   | 9,181,890            | 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            |
| Culture and recreation                         | 3,618,566            | 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            |
| Conservation and development                   | 3,322,732            | 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            |
| Loss on retirement of capital assets           | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | 58,698               | ---                  | ---                  |
| Interest on advances from utilities            | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | 6,388                | 35,394               | 72,379               |
| Interest on long-term debt                     | 2,338,429            | 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            |
| <b>Total governmental activities expenses</b>  | <u>38,813,296</u>    | <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>    |
| <b>Business-type activities:</b>               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sewer Utility                                  | 9,855,946            | 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            |
| Water Utility                                  | 5,620,359            | 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            |
| Storm Water Utility                            | 1,413,511            | 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            |
| <b>Total business-type activities expenses</b> | <u>16,889,816</u>    | <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>    |
| <b>Total primary government expenses</b>       | <u>\$ 55,703,112</u> | <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> |

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

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

|  | <u>2016</u>          | <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>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services                                   | \$ 7,953,646         | \$ 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         |
| Operating grants and contributions                     | 3,211,421            | 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            |
| Capital grants and contributions                       | 5,589,671            | 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            |
| <b>Total governmental activities program revenues</b>  | <u>16,754,738</u>    | <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>    |
| <b>Business-type activities:</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services                                   | 15,286,679           | 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           |
| Capital grants and contributions                       | 7,209,414            | 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            |
| <b>Total business-type activities program revenues</b> | <u>\$ 22,496,093</u> | <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> |

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>2016</u>          | <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>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government   | \$ 633,606           | \$ 555,285           | \$ 539,299           | \$ 580,904           | \$ 566,574           | \$ 523,965           | \$ 478,962           | \$ 461,226           | \$ 369,566           | \$ 334,312           |
| Public safety  | 1,795,184            | 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            |
| Public works   | 4,247,237            | 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            |
| Culture and recreation                                     | 62,504               | 123,286              | 122,347              | 122,973              | 120,513              | 124,526              | 127,391              | 108,368              | 323,646              | 48,565               |
| Conservation and development                               | 1,215,115            | 1,240,042            | 900,213              | 707,409              | 667,551              | 642,507              | 707,274              | 500,104              | 653,426              | 935,587              |
| <b>Total governmental activities charges for services</b>  | <u>7,953,646</u>     | <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>     |
| <b>Business-type activities:</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sewer Utility  | 8,418,856            | 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            |
| Water Utility  | 6,821,982            | 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            |
| Storm Water Utility  | 45,841               | 40,213               | 28,633               | 27,926               | 28,260               | 32,237               | 33,596               | 33,834               | 40,907               | 58,680               |
| <b>Total business-type activities charges for services</b> | <u>15,286,679</u>    | <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>    |
| <b>Total primary government charges for services</b>       | <u>\$ 23,240,325</u> | <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> |

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>2016</u>         | <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>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental activities:</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government  | \$ 2,000            | \$ ---              | \$ ---              | \$ ---              | \$ ---              | \$ ---              | \$ ---              | \$ ---              | \$ ---              | \$ ---              |
| Public safety   | 637,730             | 900,570             | 586,717             | 440,209             | 487,864             | 311,550             | 242,256             | 302,725             | 211,964             | 178,992             |
| Public works  | 2,031,294           | 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           |
| Culture and recreation  | 63,225              | 61,116              | 42,057              | 28,177              | 41,352              | 34,814              | 44,121              | 45,431              | 34,995              | 39,688              |
| Conservation and development  | 477,172             | 665,528             | 480,141             | 75,972              | 107,075             | 60,950              | 48,081              | 204,826             | 229,911             | 710,781             |
| <b>Total governmental activities operating grants and contributions</b> | <u>\$ 3,211,421</u> | <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> |

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>2016</u>          | <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>         |
|--|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental activities:</b>  |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| General government   | \$ 178,616           | \$ 103,000          | \$ 4,269,900         | \$ ---              | \$ ---              | \$ 5,000            | \$ 14,569           | \$ ---              | \$ ---              | \$ ---              |
| Public safety  | ---                  | ---                 | ---                  | ---                 | 107,000             | ---                 | ---                 | 60,000              | ---                 | ---                 |
| Public works   | 5,236,347            | 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           |
| Culture and recreation   | ---                  | ---                 | ---                  | ---                 | ---                 | ---                 | ---                 | ---                 | 861                 | (338)               |
| Conservation and development   | 174,708              | ---                 | ---                  | ---                 | 3,400               | ---                 | ---                 | ---                 | ---                 | ---                 |
| <b>Total governmental activities capital grants and contributions</b>  | <u>5,589,671</u>     | <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>    |
| <b>Business-type activities:</b>                                       |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| Sewer Utility  | 3,394,397            | 1,160,330           | 1,606,521            | 308,582             | 373,943             | 454,450             | 981,360             | 278,529             | 492,911             | 1,553,881           |
| Water Utility  | 1,579,499            | 1,333,453           | 2,583,029            | 367,561             | 709,702             | 543,002             | 830,793             | 287,657             | 1,137,181           | 1,343,390           |
| Storm Water Utility  | 2,235,518            | 572,176             | 1,433,798            | 1,079,191           | ---                 | 215,867             | ---                 | 14,813              | 341,627             | 940,757             |
| <b>Total business-type activities capital grants and contributions</b> | <u>7,209,414</u>     | <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>    |
| <b>Total primary government capital grants and contributions</b>       | <u>\$ 12,799,085</u> | <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> |

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)**

|  | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 | 2007                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes  | \$ 27,932,557        | \$ 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        |
| Grants and contributions not restricted to specific programs                             | 1,360,274            | 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            |
| Impact fees  | 305,993              | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  |
| Investments earnings   | 223,544              | 100,583              | 71,074               | 65,991               | 118,049              | 120,702              | 151,238              | 234,227              | 1,052,148            | 2,126,362            |
| Interest on advances to utilities  | 19,606               | 7,087                | 12,849               | 19,171               | 25,232               | 22,082               | 38,824               | 31,048               | 34,537               | 39,037               |
| Gain (loss) on retirement of capital assets  | ---                  | 149,057              | ---                  | (192,379)            | (4,138,753)          | 13,182               | 32,391               | ---                  | 56,912               | 33,175               |
| Debt payments received   | ---                  | ---                  | ---                  | ---                  | 213,716              | ---                  | ---                  | ---                  | ---                  | ---                  |
| Developer incentives returned  | ---                  | ---                  | ---                  | 2,000,000            | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  |
| Other revenues   | 285,181              | 134,443              | 178,027              | 118,125              | 81,500               | 97,446               | 65,883               | 62,511               | 57,072               | 37,380               |
| <b>Total governmental activities general revenues and other changes in net position</b>  | <b>30,127,155</b>    | <b>29,366,482</b>    | <b>29,150,007</b>    | <b>29,435,874</b>    | <b>23,482,235</b>    | <b>27,235,395</b>    | <b>27,064,017</b>    | <b>26,319,742</b>    | <b>25,950,816</b>    | <b>26,137,010</b>    |
| <b>Business-type activities:</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes  | 931,250              | 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            |
| Transfers - PILOT  | (1,316,613)          | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  |
| Investments earnings   | 69,424               | 18,838               | 13,602               | 14,561               | 24,509               | 27,662               | 41,540               | 124,673              | 567,393              | 1,105,838            |
| Interest on advances to governmental funds   | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | 6,388                | 35,394               | 72,379               |
| Gain (loss) on retirement of capital assets  | ---                  | ---                  | ---                  | 5,178                | (1,575)              | 24,135               | 4,678                | 147                  | (21,138)             | 497                  |
| Other revenues   | 328,966              | 36,547               | 33,735               | 33,453               | 63,185               | 56,575               | 40,950               | 14,598               | 2,255                | 926                  |
| <b>Total business-type activities general revenues and other changes in net position</b> | <b>13,027</b>        | <b>1,286,635</b>     | <b>1,278,587</b>     | <b>1,284,442</b>     | <b>1,317,369</b>     | <b>1,339,622</b>     | <b>1,300,158</b>     | <b>1,340,891</b>     | <b>1,761,439</b>     | <b>2,331,385</b>     |
| <b>Total primary government general revenues and other changes in net position</b>       | <b>\$ 30,140,182</b> | <b>\$ 30,653,117</b> | <b>\$ 30,428,594</b> | <b>\$ 30,720,316</b> | <b>\$ 24,799,604</b> | <b>\$ 28,575,017</b> | <b>\$ 28,364,175</b> | <b>\$ 27,660,633</b> | <b>\$ 27,712,255</b> | <b>\$ 28,468,395</b> |

See independent auditors' report.

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

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

|   | <u>2016</u>          | <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>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund:</b>                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 2,264,263         | \$ 2,252,876         | \$ 2,375,001         | \$ 2,189,844         | \$ 2,498,367         | \$ 2,391,707         | \$ ---               | \$ ---               | \$ ---               | \$ ---               |
| Restricted                                | ---                  | ---                  | ---                  | ---                  | 91,526               | 11,094               | ---                  | ---                  | ---                  | ---                  |
| Unassigned                                | 7,421,395            | 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            |
| Unreserved                                | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | 6,076,505            | 6,034,369            | 5,870,188            | 6,374,783            |
| <b>Total general fund</b>                 | <u>9,685,658</u>     | <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>     |
| <b>All Other Governmental Funds:</b>      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | 2,090,552            | 1,881,590            | 1,232,169            | 15,369,451           | 15,985,377           | 17,818,086           | ---                  | ---                  | ---                  | ---                  |
| Restricted                                | 11,169,562           | 10,819,886           | 8,961,001            | 10,579,623           | 17,177,241           | 11,860,659           | ---                  | ---                  | ---                  | ---                  |
| Committed                                 | 9,592,988            | 8,918,811            | 2,995,623            | 4,114,678            | 1,043,079            | 6,311,798            | ---                  | ---                  | ---                  | ---                  |
| Assigned                                  | 5,263,510            | 4,174,551            | 4,487,089            | 3,215,701            | 7,399,395            | 534,957              | ---                  | ---                  | ---                  | ---                  |
| Unassigned                                | (1,798,726)          | (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           |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue funds                     | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | 6,485,333            | 91,966               | 304,130              | 23,631               |
| Capital Projects funds                    | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | (230,554)            | 3,429,420            | 5,917,809            | 5,742,738            |
| <b>Total all other governmental funds</b> | <u>26,317,886</u>    | <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>    |
| <b>Total all governmental funds</b>       | <u>\$ 36,003,544</u> | <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> |

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>2016</u>         | <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>         |
|--|---------------------|---------------------|------------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|--------------------|---------------------|
| Revenues   | \$ 40,383,973       | \$ 40,435,293       | \$ 38,641,760          | \$ 38,062,033         | \$ 37,617,444       | \$ 36,384,093       | \$ 35,084,872        | \$ 34,781,784       | \$ 35,239,380      | \$ 37,612,321       |
| Expenditures   | <u>45,543,439</u>   | <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>   |
| <b>Deficiency of revenues<br/>under expenditures</b>                 | <u>(5,159,466)</u>  | <u>(16,354,102)</u> | <u>(22,209,575)</u>    | <u>(5,499,941)</u>    | <u>(20,663,868)</u> | <u>(13,194,014)</u> | <u>(19,860,823)</u>  | <u>(5,755,589)</u>  | <u>(7,233,679)</u> | <u>(1,084,155)</u>  |
| Other financing sources (uses) and other<br>Changes in fund balances | 7,108,639           | 24,266,735          | 5,806,432              | 341,875               | 23,360,672          | 13,308,673          | 38,188,044           | 5,443,025           | 7,211,144          | 738,975             |
| Prior period adjustment  | ---                 | 5,499,742           | 121,324                | (923,763)             | ---                 | ---                 | ---                  | ---                 | ---                | ---                 |
| <b>Total change in fund balance</b>                                  | <u>\$ 1,949,173</u> | <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> |

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)**

|                               | <b>2016</b>          | <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>          |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes                         | \$ 26,597,863        | \$ 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        |
| Special assessment & interest | 39,096               | 208,782              | 192,256              | 95,737               | 178,285              | 195,095              | 156,193              | 271,814              | 303,739              | 370,858              |
| Licenses and permits          | 1,791,721            | 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            |
| Fines and penalties           | 607,211              | 609,413              | 563,671              | 744,985              | 649,989              | 648,116              | 755,247              | 662,503              | 661,095              | 611,749              |
| Intergovernmental aid         | 3,675,400            | 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            |
| Program revenues              | 1,371,170            | 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              |
| Other charges for service     | 4,367,503            | 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            |
| Interest income               | 197,861              | 72,211               | 42,985               | 48,315               | 70,775               | 89,279               | 120,726              | 222,381              | 1,073,689            | 2,110,216            |
| Interest on advances          | 47,201               | 27,703               | 32,280               | 237,966              | 241,269              | 104,066              | 112,724              | 84,728               | 85,392               | 69,525               |
| Developer incentives returned | ---                  | ---                  | ---                  | 2,000,000            | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  |
| Other revenue                 | 1,688,947            | 1,606,920            | 1,423,275            | 750,477              | 462,596              | 329,325              | 250,485              | 506,822              | 1,064,781            | 835,741              |
| <b>Total revenues</b>         | <b>\$ 40,383,973</b> | <b>\$ 40,435,293</b> | <b>\$ 38,641,760</b> | <b>\$ 38,062,033</b> | <b>\$ 37,617,444</b> | <b>\$ 36,384,093</b> | <b>\$ 35,084,872</b> | <b>\$ 34,781,784</b> | <b>\$ 35,239,380</b> | <b>\$ 37,612,321</b> |

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>2016</b>          | <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>          |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government             | \$ 3,630,500         | \$ 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         |
| Public safety                  | 14,378,386           | 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           |
| Public works                   | 6,809,817            | 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            |
| Culture and recreation         | 3,079,854            | 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            |
| Conservation and development   | 3,028,937            | 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            |
| Uncollectible accounts         | ---                  | ---                  | 5,261,620            | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  | ---                  |
| Interest on advances           | 27,594               | 20,616               | 19,431               | 218,795              | 216,037              | 81,984               | 73,900               | 60,068               | 86,249               | 102,867              |
| Debt issuance costs            | 348,328              | 409,700              | 324,699              | 200,271              | 393,613              | 205,922              | 692,884              | 90,750               | 68,243               | 11,500               |
| Capital outlay                 | 4,769,966            | 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            |
| Debt service:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Principal                      | 6,984,369            | 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            |
| Interest and fiscal charges    | 2,485,688            | 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            |
| <b>Total expenditures</b>      | <b>\$ 45,543,439</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>Noncapital expenditures</b> | <b>23.23%</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>        |

Source: Comprehensive Annual Financial Reports

Note: Noncapital expenditures percentage is calculated as follows: debt service / (total expenditures - capital outlay)

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)**

|   | <b>2016</b>         | <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>       |
|---|---------------------|----------------------|---------------------|-------------------|----------------------|----------------------|----------------------|---------------------|---------------------|-------------------|
| Operating transfers in                      | \$ 12,630,432       | \$ 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     |
| Operating transfers out                     | (12,630,432)        | (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)      |
| Transfers - PILOT                           | 1,316,613           | 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           |
| Residual equity transfer                    | ---                 | ---                  | ---                 | ---               | ---                  | ---                  | ---                  | ---                 | ---                 | ---               |
| Proceeds (loss) from sale of capital assets | 646,594             | 6,997,349            | (55,294)            | 41,906            | ---                  | 13,182               | 32,391               | 87,106              | 66,341              | 41,560            |
| Fair market of bond/notes issued            | 4,750,000           | 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         |
| Fair market of refunding bonds issued       | 13,955,000          | 9,975,000            | 12,275,000          | 6,780,000         | ---                  | ---                  | 4,080,000            | ---                 | ---                 | ---               |
| Payment to refunding escrow agent           | (13,955,000)        | (10,025,000)         | (12,325,000)        | (15,154,270)      | (8,600,000)          | ---                  | ---                  | ---                 | ---                 | ---               |
| Debt issuance premiums                      | 395,432             | 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>\$ 7,108,639</u> | <u>\$ 24,266,735</u> | <u>\$ 5,806,432</u> | <u>\$ 341,875</u> | <u>\$ 23,360,672</u> | <u>\$ 13,308,673</u> | <u>\$ 38,188,044</u> | <u>\$ 5,443,025</u> | <u>\$ 7,211,144</u> | <u>\$ 738,975</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**

| As of<br>January 1 | Real Property     |                           | Personal Property |                           | Total<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate | Total Taxable<br>Equalized<br>Value | Assessment<br>Ratio |
|--------------------|-------------------|---------------------------|-------------------|---------------------------|----------------------------|-----------------------------|-------------------------------------|---------------------|
|                    | Assessed<br>Value | Estimated<br>Actual Value | Assessed<br>Value | Estimated<br>Actual Value |                            |                             |                                     |                     |
| 2016               | \$ 4,548,546,260  | \$ 4,550,377,900          | \$ 174,516,280    | \$ 177,999,900            | \$ 4,723,062,540           | \$ 5.17                     | \$ 4,728,377,800                    | 0.9989              |
| 2015               | 4,427,051,360     | 4,424,078,642             | 159,081,780       | 158,974,958               | 4,586,133,140              | 5.20                        | 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              | 5.20                        | 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              |

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|                                 |                                |
|---------------------------------|--------------------------------|
| Menomonee Falls School District | \$ 3,652,673,690               |
| Hamilton Sussex School District | <u>1,070,388,850</u>           |
| <b>Total assessed value</b>     | <b><u>\$ 4,723,062,540</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)<br>Assessed Property Value |                               |                                |                  | (2)<br>Residential<br>Construction |               | (2)<br>Nonresidential<br>Construction |               |
|------|--------------------------------|-------------------------------|--------------------------------|------------------|------------------------------------|---------------|---------------------------------------|---------------|
|      | Residential                    | Commercial &<br>Manufacturing | Agricultural,<br>Swamp & Other | Total            | Number of<br>Permits               | Value         | Number of<br>Permits                  | Value         |
| 2016 | \$ 3,084,284,360               | \$ 1,447,556,700              | \$ 16,705,200                  | \$ 4,548,546,260 | 740                                | \$ 47,560,000 | 146                                   | \$ 70,020,000 |
| 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    |

(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<br>Fiscal<br>Year | Village Direct Rates |   |                                  |                           |                         |                 | Overlapping Rates     |                    |  |  |  | Net Tax Rate            |  |  |
|-----------------------|----------------------|---|----------------------------------|---------------------------|-------------------------|-----------------|-----------------------|--------------------|--|--|--|-------------------------|--|--|
|                       | Basic<br>Rate        | General<br>Obligation<br>Debt Service<br>Rate | Library<br>Operations<br>& Maint | Sewer<br>Capital<br>Costs | Storm<br>Water<br>Costs | Total<br>Direct | State of<br>Wisconsin | Waukesha<br>County | Menomonee<br>Falls<br>School<br>District | Sussex<br>Hamilton<br>School<br>District | Waukesha<br>County<br>Technical<br>College | School<br>Tax<br>Credit | Menomonee<br>Falls<br>School<br>District | Sussex<br>Hamilton<br>School<br>District |
| 2017                  | \$ 4.12              | \$ 0.49                                       | \$ 0.36                          | \$ ---                    | \$ 0.20                 | \$ 5.17         | \$ 0.17               | \$ 2.00            | \$ 11.69                                 | \$ 8.93                                  | \$ 0.37                                    | \$ (1.80)               | \$ 17.60                                 | \$ 14.84                                 |
| 2016                  | 4.12                 | 0.51  | 0.37                             | ---                       | 0.20                    | 5.20            | 0.17                  | 2.04               | 11.60                                    | 9.60                                     | 0.38                                       | (1.87)                  | 17.52                                    | 15.52                                    |
| 2015                  | 4.02                 | 0.52  | 0.38                             | 0.07                      | 0.21                    | 5.20            | 0.17                  | 2.06               | 11.41                                    | 9.66                                     | 0.38                                       | (1.66)                  | 17.56                                    | 15.81                                    |
| 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                                    |

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 2016 and 2007**

| Name                                | Nature of Business             | 2016                    |  |      | 2007                    |  |      |
|-------------------------------------|--------------------------------|-------------------------|--|------|-------------------------|--|------|
|                                     |                                | Assessed Valuation      | Percentage of Total Assessed Valuation | Rank | Assessed Valuation      | Percentage of Total Assessed Valuation | Rank |
| Kohl's Department Stores            | Retail, corporate headquarters | \$ 129,704,350          | 2.75%                                  | 1    | \$ 86,150,880           | 2.07%                                  | 1    |
| Woodland Prime LLC                  | Property management            | 29,583,000              | 0.63%                                  | 2    | 30,006,600              | 0.72%                                  | 2    |
| Harley Davidson                     | Manufacturer of motorcycles    | 28,740,600              | 0.61%                                  | 3    | 23,746,500              | 0.57%                                  | 3    |
| Ryan X LLC                          | Property development           | 28,556,200              | 0.60%                                  | 4    | ---                     | ---                                    |      |
| NHMC Land LLC                       | Real estate                    | 22,722,700              | 0.48%                                  | 5    | ---                     | ---                                    |      |
| Woodmans Food Market                | Supermarket                    | 20,377,470              | 0.43%                                  | 6    | ---                     | ---                                    |      |
| Burke Business Park                 | Property development           | 18,261,900              | 0.39%                                  | 7    | 17,112,400              | 0.41%                                  | 6    |
| Eaton Corporation                   | Power products and management  | 17,941,700              | 0.38%                                  | 8    | ---                     | ---                                    |      |
| Wells Fargo Financial               | Finance                        | 17,273,040              | 0.37%                                  | 9    | 20,591,930              | 0.50%                                  | 5    |
| Waste Management                    | Solid waste management         | 15,965,620              | 0.34%                                  | 10   | 15,709,320              | 0.38%                                  | 8    |
| Centerpoint Properties Trust        | Property development           | ---                     | ---                                    |      | 22,784,200              | 0.55%                                  | 4    |
| R-K of Waukesha                     | Various commercial             | ---                     | ---                                    |      | 15,686,390              | 0.38%                                  | 9    |
| Arandell Corp                       | Publishing                     | ---                     | ---                                    |      | 14,778,600              | 0.36%                                  | 10   |
| Gillville LLC                       | Real estate                    | ---                     | ---                                    |      | 16,300,700              | 0.39%                                  | 7    |
| <b>Total, ten largest taxpayers</b> |                                | 329,126,580             | 6.98%                                  |      | 262,867,520             | 6.33%                                  |      |
| <b>Total, other taxpayers</b>       |                                | 4,393,935,960           | 93.02%                                 |      | 3,891,822,170           | 93.67%                                 |      |
| <b>Total assessed valuations</b>    |                                | <u>\$ 4,723,062,540</u> | <u>100.00%</u>                         |      | <u>\$ 4,154,689,690</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<br>Year | Taxes<br>Levied | Collected Within<br>the Year Levied for |                       | Subsequent<br>Collections | Totals Collected to Date |                       |
|--------------|-----------------|---|-----------------------|---------------------------|--------------------------|-----------------------|
|              |                 | Amount                                  | Percentage<br>of Levy |                           | Amount                   | Percentage<br>of Levy |
| 2016         | \$ 28,355,892   | \$ 11,315,400                           | 39.90%                | \$ ---                    | \$ 11,315,400            | 39.90%                |
| 2015         | 27,266,228      | 10,119,445                              | 37.11%                | 17,144,377                | 27,263,822               | 99.99%                |
| 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      | 4,310,434                               | 17.39%                | 20,471,284                | 24,781,718               | 99.98%                |
| 2007         | 23,487,638      | 4,645,832                               | 19.78%                | 18,837,918                | 23,483,750               | 99.98%                |

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<br>Primary<br>Government | Percentage of      |                   | Per<br>Capita |
|------|--|------------------------------------|---------------------------------|---|---------------------------------|--------------------------------|--|--------------------------------|--------------------|-------------------|---------------|
|      | General<br>Obligation<br>Bonds & Notes | Bond/Note<br>Anticipation<br>Notes | Clean<br>Water<br>Fund<br>Loans | Utility<br>Mortgage<br>Revenue<br>Bonds | Clean<br>Water<br>Fund<br>Loans | General<br>Obligation<br>Notes | Utility<br>Mortgage<br>Revenue<br>BANS |                                | Personal<br>Income | Property<br>Value |               |
| 2016 | \$ 83,422,536                          | \$ ---                             | \$ ---                          | \$ ---                                  | \$ 1,251,046                    | \$ 10,175,180                  | \$ ---                                 | \$ 94,848,762                  | 4.02%              | 2.01%             | \$ 2,570      |
| 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         |

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<br>Bonded<br>Debt | Bonded<br>Debt<br>Supported by<br>Revenues | Tax Obligation Bonded Debt |  |               | Ratio of Net<br>Bonded Debt<br>to Equalized<br>Value | Net<br>Bonded<br>Debt Per<br>Capita |
|------|-------------------------|--|----------------------------|--|---------------|--|-------------------------------------|
|      |                         |  | Gross                      | Designated<br>Funds for<br>Debt<br>Service | Net           |  |                                     |
| 2016 | \$ 93,597,716           | \$ 76,315,100                              | \$ 17,282,616              | \$ 66,336                                  | \$ 17,216,280 | 0.36%  | \$ 466                              |
| 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                                 |

Source: Comprehensive Annual Financial Reports

See independent auditors' report.



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

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

| Year | Operating Revenue | Operating Expenses (A) | Operating Income | Debt Service Requirements |           |            | Coverage (C) |
|------|-------------------|------------------------|------------------|---------------------------|-----------|------------|--------------|
|      |                   |                        |                  | Principal (B)             | Interest  | Total      |              |
| 2016 | \$ 9,083,014      | \$ 8,053,443           | \$ 1,029,571     | \$ 171,362                | \$ 37,871 | \$ 209,233 | 4.9207       |
| 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                   | 43,958    | 206,021    | 2.5763       |
| 2013 | 8,720,703         | 8,745,565              | (24,862)         | 249,495                   | 49,943    | 299,438    | (0.0830)     |
| 2012 | 8,994,807         | 8,745,692              | 249,115          | 242,322                   | 57,223    | 299,545    | 0.8316       |
| 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       |

(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> |                 |
| 2016        | \$ 7,530,118          | \$ | 5,013,164           | \$ 2,516,954  | \$ ---                           | \$ ---          | \$ ---       | ---             |
| 2015        | 7,630,437             |    | 3,584,133           | 4,046,304     | ---                              | ---             | ---          | ---             |
| 2014        | 6,936,849             |    | 3,594,305           | 3,342,544     | ---                              | ---             | ---          | ---             |
| 2013        | 6,829,451             |    | 3,594,987           | 3,234,464     | 2,735,000                        | 67,660          | 2,802,660    | 1.1541          |
| 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          |

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, 2016**

|  |                         |
|--|-------------------------|
| <b>Equalized value of real and personal property</b>                           | <b>\$ 4,728,377,800</b> |
| Debt limit, five percent of equalized valuation                                | \$ 236,418,890          |
| Total obligation bonds and notes applicable to debt limit at December 31, 2016 | <u>(93,597,716) *</u>   |
| <b>Remaining legal debt margin</b>   | <b>\$ 142,821,174</b>   |
| <b>* Includes:</b>   |                         |
| Sewer Utility portion of G.O. notes  | \$ 202,180              |
| Water Utility portion of G.O. notes  | 6,945,000               |
| Storm Water Utility portion of G.O. notes                                      | 3,028,000               |
| 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> |
| 2016                   | \$ | 236,418,890  | \$ 93,597,716        | \$ 142,821,174      | 39.59%                           |
| 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%                           |

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

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

**Computation of Direct and Overlapping Debt**  
**December 31, 2016**

|                                   | <u>Total<br/>Direct<br/>Debt</u> |                | <u>Applicable to Village Residents</u> |
|-----------------------------------|----------------------------------|----------------|--|
|                                   |                                  | <u>Percent</u> | <u>Amount</u>                          |
| <b>Direct debt</b>                | \$ <u>83,422,536</u>             | 100.00%        | \$ <u>83,422,536</u>                   |
| Overlapping Debt:                 |                                  |                |  |
| Menomonee Falls School District   | \$ 53,815,000                    | 97.49%         | \$ 52,464,244                          |
| Hamilton School District          | 4,020,000                        | 32.43%         | 1,303,686                              |
| Waukesha County                   | 78,130,000                       | 8.56%          | 6,687,928                              |
| Waukesha County Technical College | <u>26,840,000</u>                | 8.36%          | <u>2,243,824</u>                       |
| <b>Total overlapping debt</b>     | <u>162,805,000</u>               |                | <u>62,699,682</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<br/>Village of<br/>Menomonee<br/>Falls (4)</u> |
|-------------|-----------------------|---|----------------------------|-------------------------------|------------------------------|-------------------------------|--|
|             |                       | <u>Village of<br/>Menomonee<br/>Falls</u> | <u>Waukesha<br/>County</u> | <u>State of<br/>Wisconsin</u> | <u>Waukesha<br/>County</u>   | <u>State of<br/>Wisconsin</u> |  |
| 2016        | 36,907                | 3.6 %                                     | 3.6 %                      | 4.1 %                         | \$ 63,995                    | \$ 47,275                     | \$ 2,361,863,465   |
| 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  |

(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 2016 and 2007**

| <u><b>Employer</b></u>                                  | <u><b>Number of Employees</b></u> |                    |
|---|-----------------------------------|--------------------|
|   | <u><b>2016</b></u>                | <u><b>2007</b></u> |
| Kohls Corporation                                       | 4,936                             | 4,000              |
| Froedtert Health (formerly Community Memorial Hospital) | 1,536                             | 1,456              |
| Harley Davidson   | 1,000                             | 1,000              |
| FIS Management Services LLC (formerly Metavante)        | 720                               | ---                |
| Arandell Schmidt  | 625                               | 750                |
| Menomonee Falls School District                         | 570                               | 975                |
| Wells Fargo Financial                                   | 531                               | 729                |
| Wacker Neuson Corporation                               | 502                               | 424                |
| Bradley Corporation                                     | 370                               | 366                |
| Briggs & Stratton Corporation                           | 301                               | ---                |
| Alto-Schaam   | 277                               | 355                |
| Linden Grove  | 250                               | ---                |
| Village of Menomonee Falls                              | 240                               | 245                |
| Maysteel  | ---                               | 291                |
| Citation Custom Products                                | ---                               | 234                |

**Sources:**

Employer list and related employee data from debt issuance Official Statement  
Employment in 2007 obtained from HSE report as of February 2007 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       |            |            |            |            |            |            |            |            |            |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                       | 2016       | 2015       | 2014       | 2013       | 2012       | 2011       | 2010       | 2009       | 2008       | 2007       |
| General government and administration | 25         | 25         | 35         | 33         | 34         | 33         | 33         | 34         | 36         | 41         |
| Public Safety                         | 137        | 133        | 95         | 96         | 96         | 100        | 100        | 104        | 105        | 104        |
| Public Works                          | 20         | 20         | 20         | 21         | 22         | 26         | 26         | 30         | 32         | 34         |
| Culture and recreation                | 24         | 23         | 25         | 25         | 25         | 27         | 27         | 25         | 29         | 30         |
| Conservation and Development          | 16         | 16         | 14         | 13         | 13         | 14         | 14         | 18         | 17         | 22         |
| Sanitary Sewer                        | 3          | 3          | 4          | 4          | 5          | 4          | 4          | 6          | 5          | 4          |
| Water Utility                         | 15         | 14         | 14         | 14         | 15         | 17         | 17         | 17         | 15         | 16         |
| Storm Water Utility                   | ---        | ---        | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| <b>Totals</b>                         | <u>240</u> | <u>234</u> | <u>208</u> | <u>207</u> | <u>211</u> | <u>222</u> | <u>222</u> | <u>235</u> | <u>240</u> | <u>252</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>2016</b> | <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>General Government:</b>                |             |             |             |             |             |             |             |             |             |             |
| Number of employees                       | 25          | 25          | 35          | 33          | 34          | 33          | 33          | 34          | 36          | 41          |
| Registered voters                         | 26,373      | 23,888      | 24,735      | 24,083      | 24,206      | 24,539      | 25,180      | 24,697      | 24,697      | 23,670      |
| <b>Public Safety:</b>                     |             |             |             |             |             |             |             |             |             |             |
| Police:                                   |             |             |             |             |             |             |             |             |             |             |
| Number of stations                        | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Number of employees                       | 71          | 71          | 64          | 64          | 66          | 67          | 69          | 70          | 70          | 69          |
| Crimes                                    | 1,022       | 1,027       | 991         | 905         | 846         | 1,038       | 1,053       | 1,121       | 1,401       | 691         |
| Number of violations/enforcement          | 16,249      | 17,208      | 15,059      | 17,630      | 18,475      | 19,221      | 21,797      | 22,039      | 18,189      | 17,047      |
| Accidents                                 | 789         | 763         | 765         | 717         | 700         | 780         | 510         | 557         | 877         | 928         |
| Fire:                                     |             |             |             |             |             |             |             |             |             |             |
| Number of stations                        | 5           | 5           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Number of employees                       | 55          | 50          | 18          | 20          | 18          | 22          | 21          | 21          | 22          | 22          |
| Number of fires                           | 55          | 69          | 54          | 64          | 80          | 73          | 60          | 73          | 78          | 75          |
| Rescue and EMS                            | 2,708       | 2,479       | 2,306       | 2,128       | 2,063       | 2,033       | 1,852       | 1,812       | 1,904       | 1,761       |
| Hazardous conditions                      | 99          | 100         | 106         | 83          | 74          | 91          | 96          | 103         | 100         | 96          |
| Service call                              | 390         | 371         | 296         | 239         | 251         | 320         | 341         | 255         | 235         | 173         |
| Good intent call                          | 122         | 102         | 71          | 80          | 106         | 125         | 119         | 114         | 106         | 104         |
| False alarm and false call                | 269         | 245         | 206         | 198         | 191         | 185         | 201         | 264         | 254         | 259         |
| Dispatch:                                 |             |             |             |             |             |             |             |             |             |             |
| Number of employees                       | 10          | 11          | 13          | 12          | 12          | 12          | 13          | 13          | 13          | 13          |
| Number of event calls                     | 42,425      | 44,058      | 40,881      | 40,059      | 43,268      | 41,928      | 43,027      | 65,562      | 65,562      | 65,562      |
| <b>Public Works:</b>                      |             |             |             |             |             |             |             |             |             |             |
| Number of employees                       | 20          | 20          | 20          | 21          | 22          | 26          | 26          | 30          | 32          | 34          |
| Miles of streets and roads-Village owned  | 215         | 211         | 209         | 208         | 207         | 207         | 207         | 207         | 207         | 206         |
| Miles - All roads, State, County, Village | 241         | 236         | 234         | 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)**

|  | 2016        | 2015        | 2014        | 2013       | 2012       | 2011       | 2010       | 2009       | 2008       | 2007       |
|--|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Culture and recreation:</b>         |             |             |             |            |            |            |            |            |            |            |
| Library:                               |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | 19          | 19          | 19          | 19         | 19         | 21         | 21         | 16         | 16         | 18         |
| Volumes                                | 136,261     | 134,864     | 137,946     | 139,932    | 136,259    | 141,577    | 124,337    | 123,099    | 138,427    | 146,998    |
| E-Volumes *                            | 189,525     | 174,660     | 152,975     | 103,097    | 39,063     | N/A        | N/A        | N/A        | N/A        | N/A        |
| Circulation                            | 344,279     | 337,449     | 365,898     | 374,917    | 334,305    | 351,023    | 371,600    | 381,864    | 364,541    | 369,263    |
| Parks:                                 |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | 5           | 6           | 6           | 6          | 5          | 5          | 6          | 4          | 8          | 9          |
| Number of parks                        | 22          | 16          | 16          | 16         | 16         | 11         | 11         | 8          | 8          | 8          |
| Acres of parkland - Village owned      | 814         | 1,165       | 1,165       | 1,165      | 1,165      | 1,525      | 1,525      | 1,508      | 1,508      | 1,506      |
| Acres of parkland - County owned       | 458         | 321         | 321         | 321        | 321        | 321        | 321        | 544        | 544        | 544        |
| <b>Conservation and Development:</b>   |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | 16          | 16          | 14          | 13         | 13         | 14         | 14         | 18         | 17         | 22         |
| Number of permits issued               | 886         | 865         | 861         | 865        | 734        | 720        | 745        | 516        | 636        | 791        |
| Permit value                           | 117,580,000 | 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 |
| <b>Water Utility:</b>                  |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | 15          | 14          | 14          | 14         | 15         | 17         | 17         | 17         | 15         | 16         |
| Number of customers                    | 12,194      | 12,118      | 12,029      | 11,979     | 11,911     | 11,853     | 11,802     | 11,755     | 11,707     | 11,641     |
| Gallons pumped annually (in thousands) | 1,266,342   | 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  |
| 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                     | 2,896       | 2,868       | 2,818       | 2,804      | 2,790      | 2,777      | 2,780      | 2,773      | 2,692      | 2,675      |
| Miles of mains                         | 230         | 226         | 225         | 221        | 221        | 218        | 218        | 220        | 216        | 215        |
| <b>Sewer Utility:</b>                  |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | 3           | 3           | 4           | 4          | 5          | 4          | 4          | 6          | 5          | 4          |
| Number of customers                    | 11,668      | 11,568      | 11,536      | 11,508     | 11,462     | 11,407     | 11,571     | 10,853     | 10,824     | 10,771     |
| Gallons pumped annually (in thousands) | 847,902     | 836,712     | 825,492     | 839,355    | 890,894    | 843,689    | 808,422    | 853,332    | 888,214    | 903,862    |
| Number of lift stations                | 10          | 11          | 11          | 11         | 10         | 10         | 10         | 8          | 8          | 8          |
| Miles of main                          | 222         | 219         | 218         | 216        | 213        | 213        | 212        | 212        | 208        | 208        |
| <b>Storm Water Utility:</b>            |             |             |             |            |            |            |            |            |            |            |
| Number of employees                    | ---         | ---         | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Number of retention basins             | 13          | 13          | 13          | 10         | 10         | 10         | 10         | 10         | 10         | 10         |
| Miles of storm main                    | 153         | 148         | 147         | 145        | 143        | 142        | 141        | 140        | 126        | 126        |

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.