

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2009

Prepared by Financial Services Department
Mary M. Datka, CPA, CPM - Director

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2009

Table of Contents

	<u>Page(s)</u>
Introduction:	
Transmittal Letter	1-4
Organizational Chart	5
Directory of Officials	6
Certificate of Achievement - Financial Reporting	7
Financial Section:	
Independent Auditors' Report	8-9
Management's Discussion and Analysis (required supplementary information)	10-24
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	27
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	28
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund	31
Statement of Net Assets - Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	34-35
Statement of Net Assets - Fiduciary Fund	36
Notes to Financial Statements	37-77
Required Supplementary Information	
Schedule of Funding Progress of Net OPEB Obligation	78
Combining and Individual Fund Statements and Schedules:	
Comparative Balance Sheets - General Fund	79
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund	80-81
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service Fund	82
Combining Balance Sheet - Non-major Governmental Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	84
Combining Balance Sheet - Special Revenue Funds	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	86
Combining Balance Sheet - Capital Projects Funds	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds	88
Comparative Statements of Net Assets - Sewer Utility	89
Comparative Statements of Revenues, Expenses and Changes in Net Assets - Sewer Utility	90
Comparative Statements of Cash Flows - Sewer Utility	91-92

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2009

Table of Contents
(Continued)

	<u>Page(s)</u>
Financial Section (Continued):	
Combining and Individual Fund Statements and Schedules (Continued):	
Comparative Statements of Net Assets - Water Utility	93
Comparative Statements of Revenues, Expenses and Changes in Net Assets - Water Utility	94
Comparative Statements of Cash Flows - Water Utility	95-96
Comparative Statements of Net Assets - Storm Water Utility	97
Comparative Statements of Revenues, Expenses and Changes in Net Assets - Storm Water Utility	98
Comparative Statements of Cash Flows - Storm Water Utility	99-100
Comparative Statements of Net Assets - Risk Management Fund	101
Comparative Statements of Revenues, Expenses and Changes in Net Assets - Risk Management Fund	102
Comparative Statements of Cash Flows - Risk Management Fund	103
Statement of Changes in Assets and Liabilities - Agency Fund	104
Other Supplementary Information:	
Schedule of Long-term Obligations	105-106
Statistical Section:	
Net Assets by Component	107
Changes in Net Assets - Summary	108
Changes in Net Assets - Expenses by Function	109
Changes in Net Assets - Summary of Program Revenues by Type	110
Changes in Net Assets - Charges for Services by Function	111
Changes in Net Assets - Operating Grants and Contributions by Function	112
Changes in Net Assets - Capital Grants and Contributions by Function	113
Changes in Net Assets - General Revenues and Other Changes in Net Assets	114
Fund Balances - Governmental Funds	115
Changes in Fund Balances - Governmental Funds - Summary	116
Changes in Fund Balances - Governmental Funds - Revenues	117
Changes in Fund Balances - Governmental Funds - Expenditures	118
Changes in Fund Balances - Governmental Funds - Revenues - Other Financing Sources (Uses) and Other Changes in Fund Balance	119
Assessed and Estimated Actual Value of Taxable Property	120
Property Value and Construction Data	121
Property Tax Rates per \$1,000 of Assessed Value	122
Ten Largest Assessed Valuations	123
Property Tax Levies and Collections	124
Ratio of Outstanding Debt by Type to Personal Income and Property Value	125
Ratio of General Outstanding Debt to Equalized Valuation and Debt Per Capita	126
Sewer Utility Revenue Bond Coverage	127
Water Utility Revenue Bond Coverage	128
Computation of Legal Debt Margin	129
Computation of Direct and Overlapping Debt	130
Demographic and Economic Statistics	131
Principal Employers	132
Full Time Equivalent Employees by Function	133
Operating Indicators and Information About Capital Assets by Function/Department	134-135

INTRODUCTION



Village of Menomonee Falls
W156 N8480 Pilgrim Road
Menomonee Falls, WI 53051-3140
Telephone: (262) 532-4200

June 3, 2010

Citizens of Menomonee Falls
Members of the Board of Trustees

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, the Comprehensive Annual Financial Report of the Village of Menomonee Falls for the fiscal year ended December 31, 2009 is hereby submitted.

As indicated above, state law requires that the Village's financial records be audited annually by independent certified public accountants. Based upon the recommendation of the Financial Services Department and the approval of the Village Board, the Village retained the services of Reilly, Penner & Benton, LLP to perform its audit. Based upon audit procedures performed, Reilly, Penner & Benton, LLP concluded that the Village's financial statements for the year ended December 31, 2009 are fairly presented in accordance with GAAP. The auditor's opinion is included in the first section in the financial section of this report.

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

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

THE REPORT

The Financial Report is presented in three sections; introductory, financial, and statistical:

- The introductory section contains this letter of transmittal, an organization chart, and a directory of officials.
- The financial section includes the Independent Auditors' Opinion Letter, Management's Discussion and Analysis (MD&A), basic financial statements, notes to the financial statements, and combining and individual fund statements/schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. The Village's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement MD&A, and should be read in conjunction with it.
- The statistical section includes various financial and demographic information presented on a multi-year basis.

VILLAGE PROFILE

The Village of Menomonee Falls is located in Waukesha County directly northwest of the City of Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the Village of Menomonee Falls covers approximately 33.3 square miles and has a population of 34,600 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

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

The Village provides typical municipal services including: police, fire and emergency dispatch and ambulance services; public works activities such as highway and street maintenance, refuse and recycling collection; recreational activities such as parks, public library and historical center; community development activities including planning and zoning enforcement, economic development, and general administrative and financial services. The Village operates water, sewer and storm water utilities as enterprise funds. Risk management services for property liability are accounted for in the Village's internal service fund.

For financial reporting purposes, all funds involved in the provision of these services are included if the Village is financially accountable. Financial accountability is determined by several different factors including fiscal dependence, ability to impose its will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal status. After careful evaluation, the Village has included in this financial report all funds of the Village, including the Sewer, Water, and Storm Water Utilities, as well as one discretely presented component unit, the Community Development Authority (CDA).

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The Village's accounting records for governmental and agency funds are based upon the modified accrual basis, with revenues recorded when available and measurable and expenditures recorded when the services and goods are received and the liabilities are incurred. Accounting records for the Village's utilities are maintained on the accrual basis.

In developing the Village's overall accounting system, consideration was given to the adequacy of the internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial resources for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Village Board policy provides for adoption of an annual budget prepared by management. The budget, as adopted by the Board, is intended to appropriate expenditures on a program or functional basis. The Village Manager is granted authority to allow the expenditure level for a specific department to exceed the budget amount, provided that the overall program or functional appropriation is not exceeded. Amendments to the adopted General Fund Budget require the approval of the Village Board.

The annual capital budget summarizes long range plans for infrastructure and major equipment purchases. The adopted capital budget is the basis for debt issuance. The Village works closely with financial advisors from Hutchinson, Schockey, Erley & Company in the management of overall debt. The Village maintains an Aa3 general obligation rating. Additional information related to Village debt can be found in Footnote 3-F.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the financial environment within which the Village operates.

LOCAL ECONOMY

The Village has been impacted by the economic down turn. Revenues from development have slowed, and earnings on investment income are negligible compared to prior years. The State of Wisconsin Economic Outlook predicts a slow recovery. Management believes that past conservative budget practices, such as maintaining a healthy General Fund balance, allow the Village not only to weather current difficulties but to react quickly to development opportunities. We also believe that the Village's economic diversity with strong manufacturing and commercial sectors help to mitigate the effect of economic downturns on the Village of Menomonee Falls. Corporations located within Menomonee Falls include Harley-Davidson and Kohl's Corporation, both Fortune 500 companies.

Total Village equalized values increased 69% over the last ten years. The rate of growth, however, has declined since 2005 due primarily to the economic down turn. The 2009 values decreased approximately 1% due primarily to the removal of two large buildings in preparation for TID redevelopment.

The Village continues to use Tax Incremental Financing Districts (TIDs) as catalysts for major development and redevelopment. The Village currently has the following six operating tax incremental districts:

TID #2	Rehabilitation of Village Centre	Construction completed
TID #4	Heritage Reserve	Construction completed/Plan amended in 2009
TID #5	Westbrook Corporate Park	A new 230,000 square foot food store is currently under construction. Construction of a new commercial office building is planned.
TID #6	Rehabilitation of Main Street Corridor	Construction of a Radison Hotel is expected to resume in 2010. Additional information is provided in Footnote 4K.
TID #7	First Park	Warehouse construction completed.
TID #8	Rehabilitation of Hwy 41/45 Corridor	Planning, engineering in progress for demolition of an industrial building and infrastructure along the main highway in preparation for commercial redevelopment
TID#9	Proposed redevelopment of Appleton Avenue Corridor	Planning in progress. Additional information is provided in Footnote 4D.

LONG RANGE PLANNING

Current economic conditions have required a reassessment of operational efficiencies. As a result, the work force has been reduced from 255 full time equivalents (FTE) in 2001 to 224 in 2009, and nine more FTE reductions are planned for 2010. The reductions were the result of attrition and layoffs. The Village is also designing a central public works facility to streamline operations for street and parks operations. Construction should begin in summer of 2010. In addition, the Village has reached an agreement with the Menomonee Falls School District in which the Village will lease space to the School District for their central office operations. Future consolidation of support services is possible.

LONG RANGE PLANNING (continued)

The Village continually updates its long-range development and financial plans. The local road improvement program is based upon assessment of local road conditions together with the age and condition of the underlying utility infrastructure. In addition, the Village recently updated its Overall Economic Development Plan, Comprehensive Outdoor Recreation Plan, and Impact fee studies, which provide a basis for the development of new parks, utility structures and fire stations. A Revolving Capital Loan program provides departments with an interest-free method of funding large equipment and vehicle purchases.

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. In the case of utility mortgage revenue bonds, certain cash reserves are required. During the current year, the Sewer Utility responded to a down-grade of its mortgage revenue bonds by defeasing the largest of those bonds. Future financial statements will reflect the impact of the defeasance.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Menomonee Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

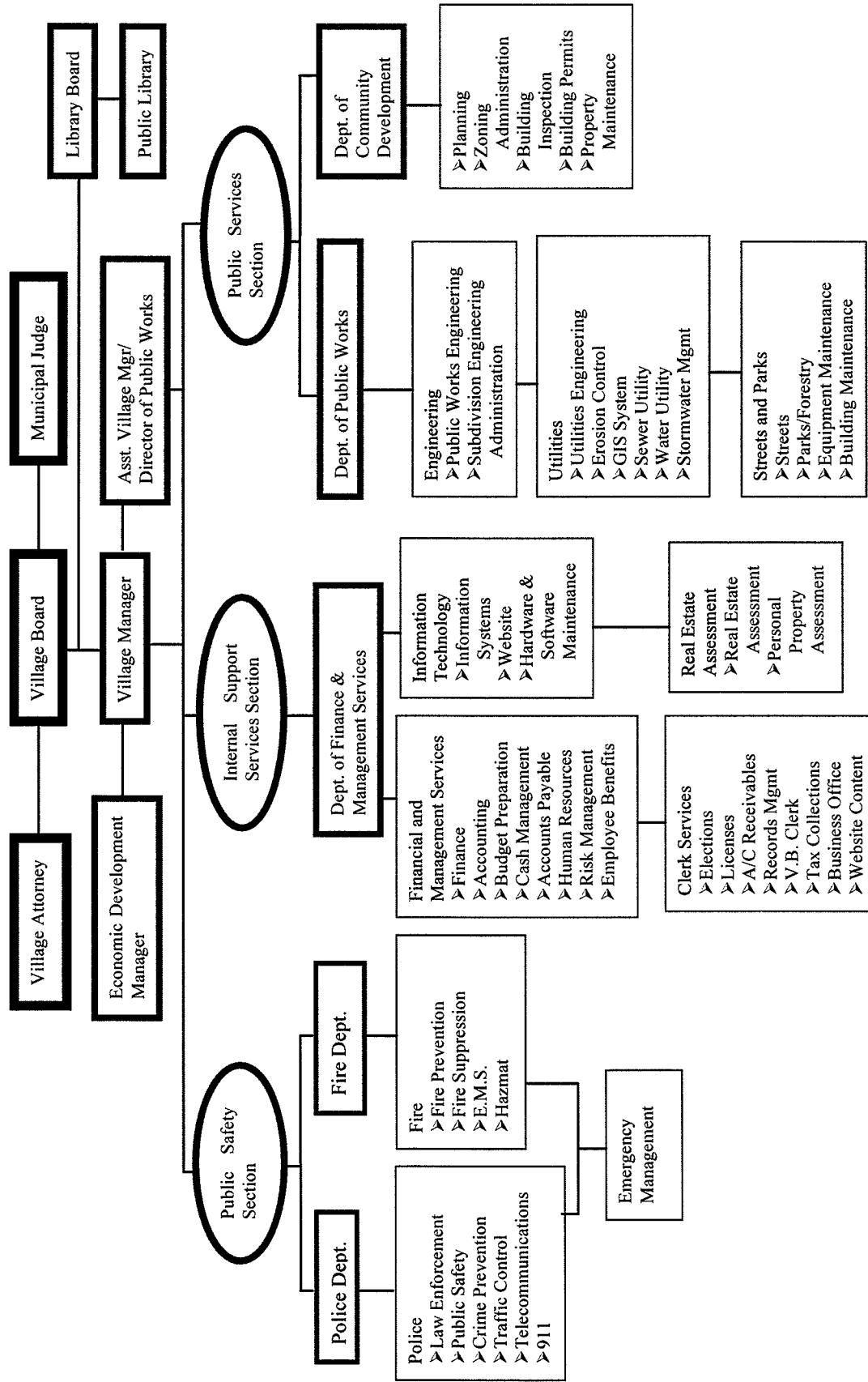


Mary M. Datka, CPA, CPM

Director of Financial and Management Services

VILLAGE OF MENOMONEE FALLS

Functional Organization Chart



VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Directory of Officials
As of December 31, 2009

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
Randall R. Newman	President	April 2012
Michael K. McDonald	Trustee	April 2010
Jeffrey R. Steliga	Trustee	April 2010
Sharon K. Ellis	Trustee	April 2011
Dennis M. Farrell	Trustee	April 2011
James A. Jeskewitz	Trustee	April 2011
Stephen C. Raymonds	Trustee	April 2010

Certified Public Accountants:

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

Bond Counsel:

Quarles & Brady, Milwaukee, Wisconsin

Financial Advisor:

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

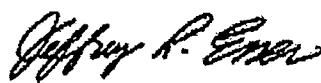
Village of Menomonee Falls
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

A handwritten signature in black ink.

President

A handwritten signature in black ink.

Executive Director

FINANCIAL SECTION

Richard A. Raymaker
Steven C. Barney
Steven R. Volz
Daniel R. Brophy
Thomas G. Wieland
Michael W. Van Wagenen



Reilly, Penner & Benton LLP
Certified Public Accountants & Consultants

Celebrating Over 100 Years of Client Service

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Menomonee Falls' management. Our responsibility is to express opinions on these financial statements based on our audit.

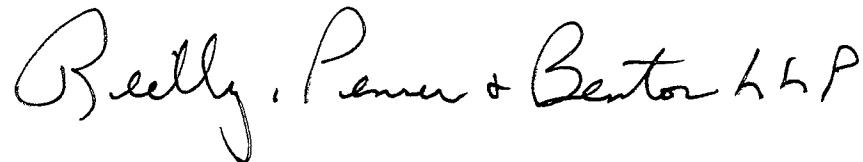
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 10 through 24 and other required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Menomonee Falls' basic financial statements. The introductory section, combining and individual fund financial statements and schedules and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2009 combining and individual fund financial statements and schedules and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2009 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, The Village of Menomonee Falls' basic financial statements for the year ended December 31, 2008, which are not presented with the accompanying financial statements. In our report dated June 5, 2009, we expressed unqualified opinions of the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the 2008 data included in the other supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2008, taken as a whole.

The "Introduction" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Menomonee Falls, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on such information.

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

June 03, 2010
Milwaukee, Wisconsin

Management's Discussion and Analysis

Management's Discussion and Analysis provides management's overview and analysis of the Village's basic financial statements for the year ended December 31, 2009. 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 25.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 25 and 26) 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 27. 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 25. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

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

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

- Governmental Activities include most of the Village's basic services, including the police, fire, street maintenance, parks, library, and general administration. These services are supported primarily by property taxes, user fees, and state and federal grants.
- Business-type activities include the Water, Sewer and Storm Water Utilities. The Village charges a fee to customers to help cover all or most of the cost of water and sanitary sewer utility services. The Village funds storm water activities primarily through property taxes.

The Statement of Net Assets and the Statement of Activities also include the financial information for a component unit of the Village, the Community Development Authority, a legally separate entity, over which the Village exercises significant control. Financial information for this entity is reported separately from the financial information of the primary government. Separately issued financial statements for this entity may be obtained from the Financial Services Department of the Village.

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

The analysis of the Village's major funds begins on page 27, 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. A reconciliation 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. The Village charges fees to customers for water and sewer services. Storm water related services are funded by property taxes. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Village uses an internal service fund (the other component of proprietary funds) to report self-insurance activities.

- Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are therefore not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is an agency fund which is used to record assets collected on behalf of other taxing units.

- Notes to the Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 37 of this report.

- Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information can be found on page 78 of this report. Combining and individual fund statements and schedules begin on page 79 of this report.

Government-wide Financial Analysis

Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Menomonee Falls, assets exceeded liabilities by \$240,907,784 as of December 31, 2009. The largest portion of the Village's net assets (85%) 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.

Net Assets (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Assets:						
Capital assets	\$ 135.3	\$ 128.5	\$ 129.5	\$ 129.0	\$ 264.8	\$ 257.5
Other assets	58.7	58.5	28.7	35.1	87.4	93.6
Total assets	<u>194.0</u>	<u>187.0</u>	<u>158.2</u>	<u>164.1</u>	<u>352.2</u>	<u>351.1</u>
Liabilities:						
Long-term liabilities	64.8	65.5	11.3	15.3	76.1	80.8
Other liabilities	31.4	30.4	3.8	5.1	35.2	35.5
Total liabilities	<u>96.2</u>	<u>95.9</u>	<u>15.1</u>	<u>20.4</u>	<u>111.3</u>	<u>116.3</u>
Net Assets:						
Invested in capital assets, net of related debt	82.9	67.5	121.1	120.3	204.0	187.8
Restricted	9.9	8.3	13.1	13.5	23.0	21.8
Unrestricted	5.0	15.3	8.9	9.9	13.9	25.2
Total net assets	<u>\$ 97.8</u>	<u>\$ 91.1</u>	<u>\$ 143.1</u>	<u>\$ 143.7</u>	<u>\$ 240.9</u>	<u>\$ 234.8</u>

Changes in Net Assets

Net assets of the Village of Menomonee Falls increased \$6,166,635, or 2.6%.

Net assets of governmental activities totaled \$97,851,209 as of December 31, 2009, an increase of \$6,776,457, or 7.4%. Unrestricted net assets of governmental activities totaling \$5,034,116 may be used to finance day-to-day activities. Restricted assets include \$2,779 for debt service and \$9,961,833 for specific purposes.

Net assets of business activities totaled \$143,056,575 as of December 31, 2009. Business-type net assets totaling \$13,067,810 are restricted for debt service, operations and maintenance, capital projects and depreciation. The Village may use the unrestricted net assets totaling \$8,893,049 to finance continuing operations and capital projects of the utilities.

Government-wide Financial Analysis (Continued)

Change in Net Assets (Continued)

All governmental revenues other than program revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Changes in Net Assets

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 6.3	\$ 6.5	\$ 15.0	\$ 15.4	\$ 21.3	\$ 21.9
Operating grants and contributions	2.7	2.0	-	-	2.7	2.0
Capital grants and contributions	8.0	1.6	0.6	2.0	8.6	3.6
General revenues:						
Property taxes	24.7	23.6	1.2	1.2	25.9	24.8
Unrestricted grants and contributions	1.3	1.2	-	-	1.3	1.2
Investment earnings	0.2	1.1	0.1	0.6	0.3	1.7
Other revenues	0.1	0.1	-	-	0.1	0.1
Total revenues	43.3	36.1	16.9	19.2	60.2	55.3
Expenses:						
General government	4.0	4.2	-	-	4.0	4.2
Public safety	13.7	13.3	-	-	13.7	13.3
Public works	8.1	10.0	-	-	8.1	10.0
Culture and recreation	3.5	3.2	-	-	3.5	3.2
Conservation and development	4.1	6.0	-	-	4.1	6.0
Loss on retirement of assets	0.1	-	-	-	0.1	-
Interest on long-term debt	3.0	2.9	-	-	3.0	2.9
Sewer Utility	-	-	9.3	9.2	9.3	9.2
Water Utility	-	-	6.4	6.4	6.4	6.4
Storm Water Utility	-	-	1.3	1.3	1.3	1.3
Loss on debt defeasance	-	-	0.5	-	0.5	-
Total expenses	36.5	39.6	17.5	16.9	54.0	56.5
Increase (decrease) in net assets	6.8	(3.5)	(0.6)	2.3	6.2	(1.2)
Net assets, beginning of year	91.1	94.6	143.7	141.4	234.8	236.0
Net assets, end of year	\$ 97.9	\$ 91.1	\$ 143.1	\$ 143.7	\$ 241.0	\$ 234.8

Government-wide Financial Analysis (Continued)

Governmental Activities

Governmental activities increased net assets by \$6,776,457. Significant changes in revenues and expenses were as follows:

Revenues:

Property tax revenue increased \$1,205,587 (5.1%). Taxes levied for debt service increased by \$362,760 from 2008. The balance of the tax increases were used for operations and tax incremental districts.

Charges for services totaled \$6,302,663, a decrease of \$164,388 (2.5%) from 2008. A significant portion of the decrease is due to the decline in development, both residential and commercial, which directly affects permits and fees.

Operating grants and contributions totaled \$2,680,384, an increase of \$674,787 (34%) from 2008. New contributions and grants included \$120,970 from Kohl's Department Stores for Fire and Police purposes, and \$20,000 Community Development Block Grant for development of the Overall Economic Development Plan.

Capital grants and contributions totaled \$7,970,386, an increase of \$6,365,276 (396%) from 2008. Infrastructure contributed to the Village totaled \$7,531,302.

Expenses:

Governmental expenses totaled \$36,496,718, a decrease of \$3,073,659 (8.4%) from 2008.

The Village paid a developer incentive totaling \$3,100,000 for the location of corporate headquarters in TID #5, Westbrook Corporate Park.

The Village is aggressively dealing with street and road deterioration, spending \$3,710,159 in 2009 on road repairs. Funding for the repairs came from the tax levy and debt issuance.

Governmental expenses included \$3,406,402 in depreciation expense.

An additional \$282,576 in post-retirement health care benefits was recorded as required by Governmental Accounting Standards Board (GASB) Statement #45.

Government-wide Financial Analysis (Continued)

Business-Type Activities

Business-type activities, which include the operations of the sewer, water and storm water utilities, accounted for a decrease of \$609,822 in the Village's net assets. Total operating expenses exceeded revenues by \$1,445,884. The deficit was partially offset by general revenues totaling \$836,062.

Sewer Utility

The Sewer Utility reported a net operating loss of \$67,149 for 2009, a \$398,626 decrease from the \$331,477 income reported in 2008. Overall 2009 decrease in net assets totaled \$312,004 compared with the increase in net assets of \$1,067,128 reported in 2008. Revenue decreases accounted for 37% of the decrease in overall net income. Charges for services decreased \$228,690, investment earnings decreased \$281,013, and capital contributions decreased \$250,539. The Sewer Utility also recorded a net book loss on defeasance of debt in the amount of \$504,829. Most of the loss on defeasance is the result of final amortization of bond discounts and issuance costs. See Note 3F for information regarding the debt defeasance. The Sewer Utility capitalized \$ 2,344,812 of improvements during 2009.

Operating expenses totaled \$8,856,402, an increase of \$169,936 (2%). The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD).

Sewer Utility Activity Summary (in millions of dollars)

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Charges for services	\$ 8.8	\$ 9.0	\$ (0.2)
Operating expenses	<u>8.8</u>	<u>8.7</u>	<u>0.1</u>
Operating income	-	0.3	(0.3)
Nonoperating income	0.2	0.4	(0.2)
Capital contributions	-	0.3	(0.3)
Special item, loss on debt defeasance	(0.5)	-	(0.5)
Net income (loss)	(0.3)	1.0	(1.3)
Net assets, beginning of year	66.7	65.7	1.0
Net assets, end of year	\$ 66.4	\$ 66.7	\$ (0.3)

Government-wide Financial Analysis (Continued)

Business-Type Activities (Continued)

Water Utility

The Water Utility reported net operating income of \$207,839 for 2009, a 53.9% decrease from the \$450,708 reported in 2008. Overall 2009 increase in net assets totaled \$89,213, significantly below the \$1,303,959 reported in 2008. The decrease in net income is due primarily to a decrease of \$888,586 in developer contributions from projects. Investment earnings decreased \$150,732. The Water Utility capitalized \$1,174,925 of improvements during 2009. The Water Utility maintained user rates at the 2008 level during 2009, and has subsequently applied to the Public Service Commission for a rate increase.

Operating revenues of the Water Utility totaled \$6,154,632 for 2009, a decrease of \$155,457 (2.5%) since 2008. Operating expenses totaled \$5,946,793, an increase of \$87,412 (1.5%). The Village purchases water from Milwaukee Water Works and supplements with water from Village deep wells.

Water Utility Activity Summary (in millions of dollars)

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Charges for services	\$ 6.2	\$ 6.3	\$ (0.1)
Operating expenses	6.0	5.9	0.1
Operating income	<u>0.2</u>	<u>0.4</u>	<u>(0.2)</u>
Nonoperating income	(0.2)	(0.1)	(0.1)
Capital contributions	0.1	1.0	(0.9)
Net income	<u>0.1</u>	<u>1.3</u>	<u>(1.2)</u>
Net assets, beginning of year	54.1	52.8	1.3
Net assets, end of year	<u>\$ 54.2</u>	<u>\$ 54.1</u>	<u>\$ 0.1</u>

Government-wide Financial Analysis (Continued)

Business-Type Activities (Continued)

Storm Water Utility

The Storm Water Utility reported a net operating loss of \$346,079 for 2009, a \$31,287 improvement over the \$377,366 loss reported in 2008. The overall 2009 decrease in net assets totaled \$387,031, or \$262,660 more than the decrease in net assets of \$124,371 reported in 2008. The decrease in net income is due primarily to a decrease of \$326,814 in capital contributions. The Storm Water Utility capitalized \$376,345 of improvements during 2009. The Storm Water Utility is funded primarily through property taxes.

Operating revenues of the Storm Water Utility totaled \$928,919 for 2009, an increase of \$10,477 (0.1%) over 2008. Operating expenses totaled \$1,274,998, a slight decrease of \$20,810 (1.6%).

Storm Water Utility Activity Summary (in millions of dollars)

Operating loss	(0.3)	(0.4)	0.1
Nonoperating expense	(0.1)	(0.1)	-
Capital contributions	-	0.3	(0.3)
Net income loss	(0.4)	(0.2)	(0.2)
Net assets, beginning of year	22.7	22.9	(0.2)
Net assets, end of year	<u>\$ 22.3</u>	<u>\$ 22.7</u>	<u>\$ (0.4)</u>

Fund Financial Analysis

Fund financial reporting, beginning on page 27, focuses on short-term spendable resources and fund balances available for future use.

Governmental Funds

As of December 31, 2009, Village governmental funds reported a combined fund balance of \$26,442,938, \$312,564 (1.2%) lower than last year's total of \$26,755,502.

General Fund

The fund balance of the General Fund amounted to \$8,095,332, the same as the prior year. The General Fund fund balance equates to 32% of the 2010 budgeted expenditures.

Revenues:

Revenues for the General Fund are primarily property taxes. Significant changes in General Fund revenues are as follows:

Earnings on investments decreased \$462,482 (78.5%) due to the current market decline.

Collections of property taxes related to prior years amounted to \$178,797.

Expenditures:

General Fund expenditures were \$955,702 less than expected. A portion of the favorable result was due to unanticipated employee retirements. Additional savings were noted in fuel and telephone service due to more efficient methods of operations.

In addition to operating expenditures, the Village Board authorized the transfer to the Capital Projects Funds for the following:

Fire Station #3 Parking lot repaving	\$ 135,156
Future capital equipment	400,000

Debt Service Fund

The Debt Service Fund balance decreased \$3,074 to \$2,779. Annual debt service requirements were met primarily by property taxes levied of \$3,369,604 and transfers from other funds of \$5,414,601.

Fund Financial Analysis (Continued)

Governmental Funds (Continued)

Special Revenue Funds

Special revenue fund balances experienced a net increase of \$520,779. The major reasons for the increase are as follows:

The Community Development Fund increased \$142,063, due primarily to the collection of impact and park platting fees totaling \$184,751. The accumulated fund balance will be used to fund land acquisition and construction of park facilities.

Cable Television Fund decreased \$213,876 due to a contractual payment to the provider, Cable Access Corporation.

Library operations revenues exceeded expenditures by \$111,390.

Municipal Facilities Fund increased \$416,163 primarily due to a transfer from the General Capital Projects Fund in the amount of \$250,000.

Capital Projects Funds

Capital projects fund balances decreased \$830,269. Major transactions are summarized as follows:

The General Capital Projects Fund decreased \$1,076,702 due to primarily to the on-going street, sidewalk and curb & gutter replacement program.

TID #4, Heritage Reserve, increased \$882,150, due to an increase in tax increments in the amount of \$410,246 and reduction in debt service upon refinancing of bond anticipation notes.

TID #5, Westbrook Corporate Park, experienced an increase amounting to \$196,649. The District issued \$3,100,000 in Municipal Revenue Obligations to finance a developer's incentive.

TID #6, Main Street Redevelopment, decreased \$104,274 due to investment capital stagnation during 2009. Negotiations have resumed on the hotel development, with construction expected in 2010. See Note 4K for debt issuance information subsequent to year end.

TID #7, First Park, decreased \$46,418. Tax increments were delayed because the construction of a warehouse was completed after establishing the assessed values on January 1, 2009.

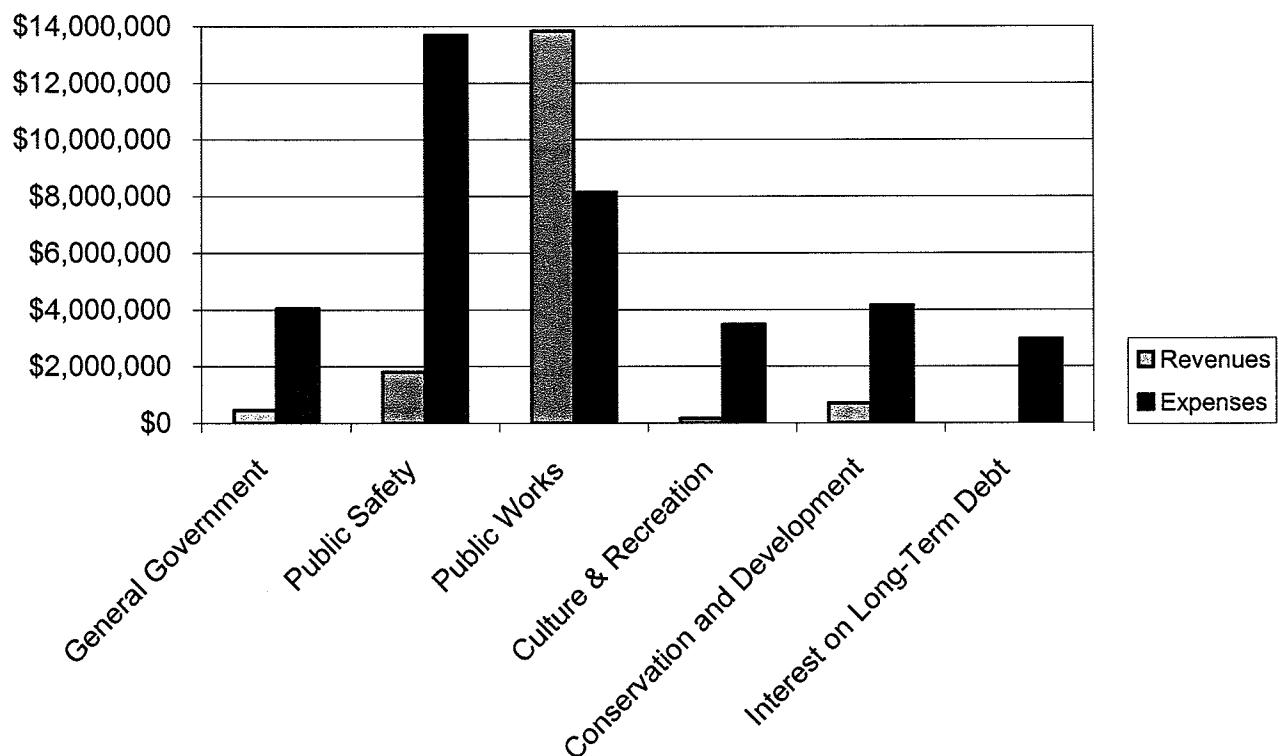
TID #8 - Richfield Way, decreased \$110,476. Richfield Way is still in the design and engineering phase of the project.

Special Assessments fund decreased \$671,227 due to transfers for debt service and to the General Fund.

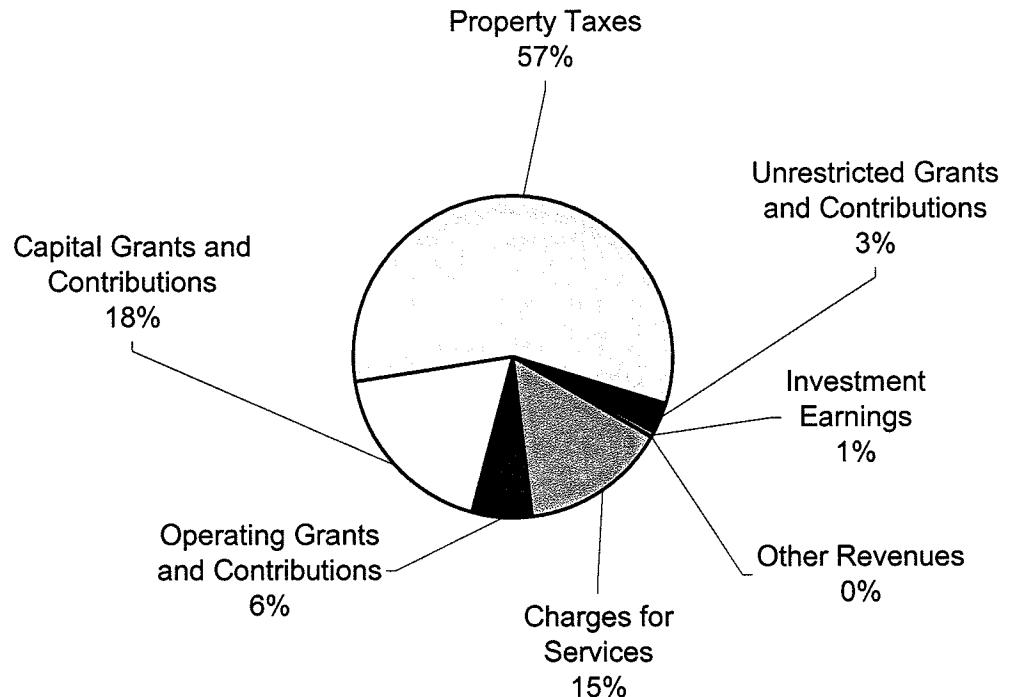
Proprietary Funds

The Sewer, Water and Storm Water Utilities were discussed in the Governmental-wide Analysis on pages 15-17.

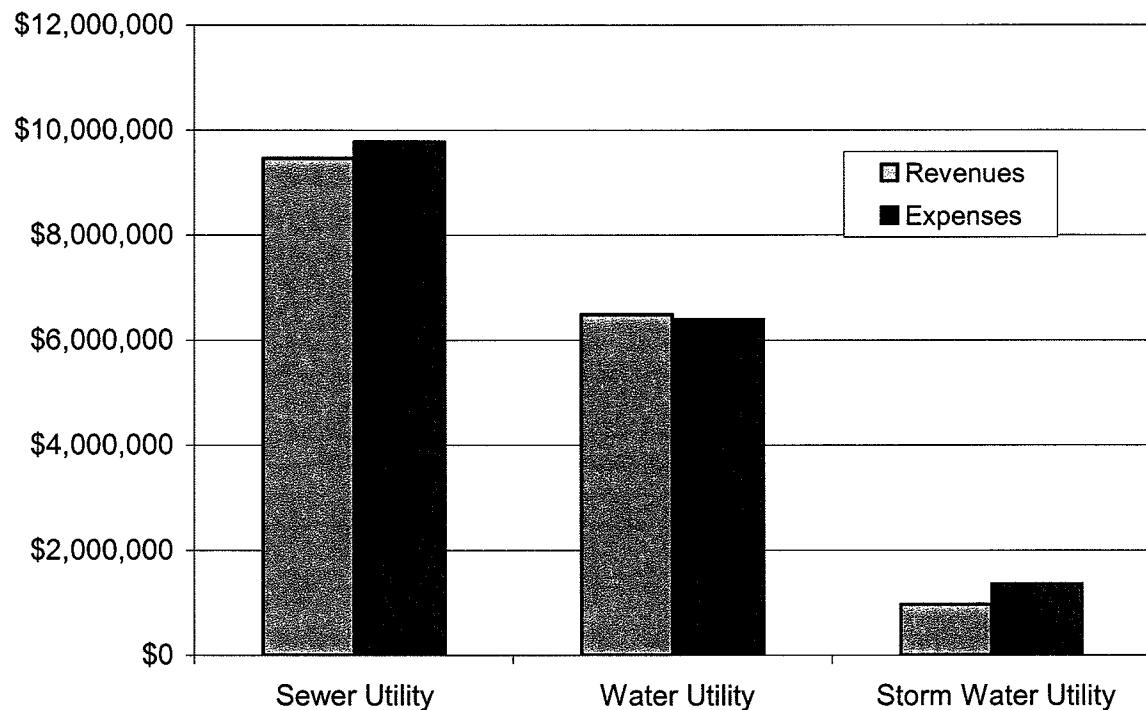
Program Revenues and Expenses - Governmental Activities



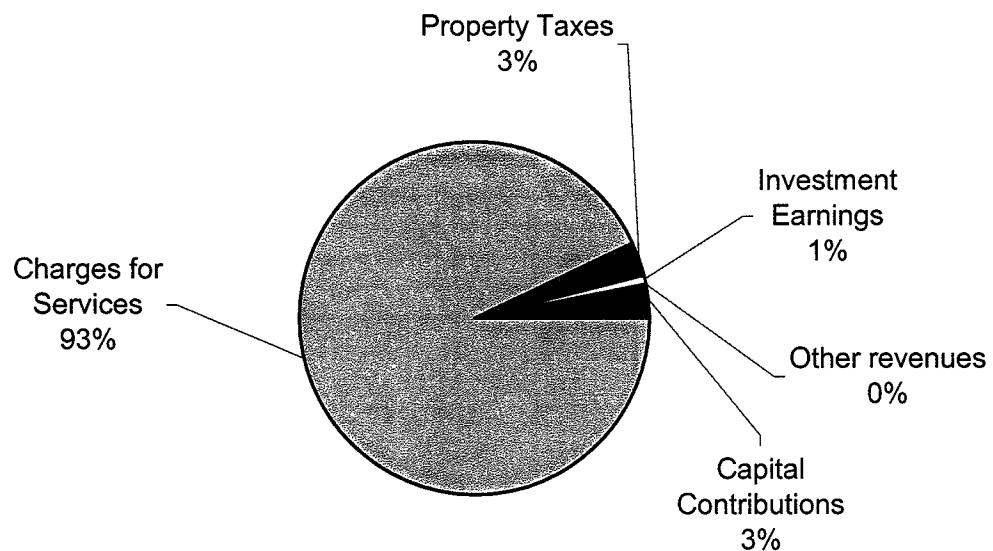
Program and General Revenues by Source - Governmental Activities



Program Revenues and Expenses - Business-type Activities



Revenues by Source - Business-type Activities



Capital Assets

As of December 31, 2009, the Village had \$265 million invested in a broad range of capital assets, including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located in Note 3 E.

Capital Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2009	2008	2009	2008	2009	2008	
Nondepreciable assets:							
Land	\$ 80.3	\$ 80.3	0.6	\$ 0.5	\$ 80.9	\$ 80.8	
Construction in progress	0.5	0.4	2.7	0.4	3.2	0.8	
Total nondepreciable	80.8	80.7	3.3	0.9	84.1	81.6	
Depreciable assets:							
Land improvements	2.8	2.8	1.0	1.0	3.8	3.8	
Buildings and improvements	32.9	32.9	6.5	6.5	39.4	39.4	
Equipment and furnishings	16.5	16.4	9.0	9.0	25.5	25.4	
Infrastructure	35.6	26.4	158.6	157.5	194.2	183.9	
Total depreciable	87.8	78.5	175.1	174.0	262.9	252.5	
Accumulated depreciation	(33.3)	(30.7)	(48.9)	(45.9)	(82.2)	(76.6)	
Net depreciable assets	54.5	47.8	126.2	128.1	180.7	175.9	
Total capital assets	\$ 135.3	\$ 128.5	\$ 129.5	\$ 129.0	\$ 264.8	\$ 257.5	

The Village's 2009 capital budget anticipated a spending level of \$ 5.9 million for capital projects. The Village borrowed approximately \$ 3.3 million to fund these expenditures. Vehicle and equipment are funded via the Village's Revolving Capital Loan Fund.

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

Purchase of land for future fire station	\$ 147,707
Vehicles for various departments	680,481
Equipment for various departments	126,621
Park facility improvements	538,866
Centralized Public Works facility design	42,753
Fond du Lac Ave bridge repair	581,517
Pilgrim Road reconstruction	1,916,068
Appleton Avenue reconstruction	6,269,695
Bellevue Boulevard reconstruction	216,856
2009 Road program	199,254

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

Bellevue water main	\$ 149,292
Menomonee Avenue trunk sewer	2,015,203
Storm Water projects	324,993

Long-term Debt

As of December 31, 2009, long-term debt outstanding totaled \$74.2 million compared to \$80.9 million at December 31, 2009, a net decrease of \$6.7 million. The net decrease included the issuance of \$3.3 million of general obligation debt, refinancing of TID bond anticipation notes totaling \$1.8 million, and a Municipal Revenue obligation bond for \$3.1 million. Principal paid on outstanding debt totaled \$15.0 million, including defeasance of utility mortgage revenue bonds totaling \$3,860,000.

Information related to the 2009 Capital budget and related borrowing is summarized as follows:

2009 Sidewalk, road and curb and gutter program	\$ 1,162,000
General reconstruction projects- streets	1,143,000
Storm water projects	<u>1,015,000</u>
Total debt issuance	<u>\$ 3,320,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
General obligation bonds and notes	\$ 53.2	\$ 57.1	\$ 5.2	\$ 4.6	\$ 58.4	\$ 61.7
Municipal revenue obligations	8.2	5.1	-	-	8.2	5.1
Mortgage revenue bonds	-	-	7.6	14.1	7.6	14.1
Totals	<u>\$ 61.4</u>	<u>\$ 62.2</u>	<u>\$ 12.8</u>	<u>\$ 18.7</u>	<u>\$ 74.2</u>	<u>\$ 80.9</u>

The Village's general obligation bond rating is Aa3. The Water Utility mortgage revenue bonds are rated Mig-1 from Moody's Investors Service. During 2009, the Sewer Utility mortgage revenue bonds were down-graded to Baa1 due to failure to meet bond covenant ratios in 2008. See Note 3F for information on debt defeasance.

State Statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized value. The current debt limit for the Village of Menomonee Falls is \$229,467,070. As of December 31, 2009 the Village had \$55,680,000 in outstanding general obligation debt, or 24.26%.

For more information related to long-term debt obligations, see Note 3 F.

Other long-term obligations include accrued sick leave and OPEB obligation.

Economic Factors and Next Year's Budgets and Rates

The 2010 General Fund operating budget decreased 2.87% from 2009. The decrease is primarily due to an estimated 50% decrease in investment income and personnel reductions via attrition and layoffs. The Village Board authorized a conservative 1.73% increase in property taxes to fund the budget. Other revenues are expected to remain relatively the same as 2009. General Fund expenditures are expected to decrease primarily due to a 34% decrease in debt service.

Assessed values supporting the tax roll increased 1.3% to a total value of \$4,314,656,980 from the \$4,256,020,250 reported in the prior year.

The Village as Trustee

The Village acts as Trustee for property taxes collected on behalf of other taxing units: the State of Wisconsin, Waukesha County, Menomonee Falls School District, Hamilton School District and Waukesha County Technical College. All of the Village's fiduciary activities are reported in the Statement of Net Assets - Fiduciary Fund on page 36. The Village excludes these assets from other financial statements because the Village cannot use these assets to finance its operations.

Contacting Village Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If there are questions about this report or a need for further information, contact the Director of Financial Services, Village of Menomonee Falls, W156 N8480 Pilgrim Road, Menomonee Falls, Wisconsin, 53051.

BASIC FINANCIAL STATEMENTS

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Assets
December 31, 2009

	Primary Government				Component Unit	
	Business-		Total			
	Governmental Activities	type Activities				
Assets:						
Cash and equivalents	\$ 31,235,676	\$ 5,019,343	\$ 36,255,019	\$ 120,593	-	
Investments	2,079,233	-	2,079,233		-	
Taxes receivable	19,302,183	1,212,990	20,515,173		-	
Special charges on the tax roll	1,348,913	635,671	1,984,584		-	
Intergovernmental aid receivable	457,966	-	457,966		-	
Accounts receivable	994,254	2,686,981	3,681,235		269	
Internal balances	413,194	(413,194)	-		-	
Inventories	264,196	113,822	378,018		-	
Prepaid items	455,496	-	455,496		-	
Notes receivable	349,275	-	349,275		832,357	
Pledges receivable	19,014	-	19,014		-	
Special assessments	1,240,881	-	1,240,881		-	
Restricted assets:						
Cash and equivalents	-	14,654,372	14,654,372		-	
Advances to enterprise funds	455,817	(455,817)	-		-	
Unamortized debt issuance costs	142,780	59,759	202,539		-	
Deferred charges	-	5,134,347	5,134,347		-	
Capital assets:						
Land and construction in progress	80,814,640	3,281,984	84,096,624		-	
Other capital assets net of accumulated depreciation	54,465,352	126,264,351	180,729,703		-	
Total assets	\$ 194,038,870	\$ 158,194,609	\$ 352,233,479	\$ 953,219		
Liabilities and Net Assets:						
Liabilities:						
Accounts payable and accrued expenses	\$ 4,207,404	\$ 607,030	\$ 4,814,434	\$ 3,960		
Incurred but not reported claims	51,363	-	51,363		-	
Deposits	119,649	50,000	169,649		-	
Deferred revenue	26,095,299	1,375,313	27,470,612		-	
Liabilities payable from restricted assets:						
Current portion of notes	-	274,686	274,686		-	
Current portion of revenue bonds	-	1,263,664	1,263,664		-	
Accrued interest	-	48,212	48,212		-	
Compensated absences	3,673,767	504,730	4,178,497		-	
OPEB obligation	512,668	85,487	598,155		-	
Bonds and notes - due within one year	6,828,416	256,830	7,085,246		-	
Bonds and notes - due in more than one year	54,556,315	11,001,978	65,558,293		-	
Unamortized debt issuance premiums, discounts and losses on refundings	142,780	(329,896)	(187,116)		-	
Total liabilities	96,187,661	15,138,034	111,325,695	3,960		
Net Assets:						
Invested in capital assets, net of related debt	82,852,481	121,095,716	203,948,197		-	
Restricted for:						
Capital projects	7,958,277	11,699,405	19,657,682		-	
Debt service	2,779	26,202	28,981		-	
Other	2,003,556	1,342,203	3,345,759	949,259		
Unrestricted						
Total net assets	5,034,116	8,893,049	13,927,165	949,259		
Total liabilities and net assets	\$ 194,038,870	\$ 158,194,609	\$ 352,233,479	\$ 953,219		

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, 2009

	Net Revenue (Expense) and Changes in Net Assets					
	Program Revenues			Primary Government		
	Charges for Services <u>Expenses</u>	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary Government:						
Governmental Activities:						
General government	\$ 4,041,098	\$ 461,226	\$ -	\$ (3,579,872)	\$ -	\$ (3,579,872)
Public safety	13,681,300	1,439,822	302,725	(11,878,753)	-	(11,878,753)
Public works	8,134,046	3,793,143	2,127,402	7,910,386	5,696,885	5,696,885
Culture and recreation	3,474,168	108,368	45,431	-	(3,320,369)	(3,320,369)
Conservation and development	4,144,474	500,104	204,826	-	(3,439,544)	(3,439,544)
Loss on retirement of capital assets	58,698	-	-	-	(58,698)	(58,698)
Interest on advances from utilities	6,388	-	-	-	(6,388)	(6,388)
Interest on long-term debt	2,956,546	-	-	-	(2,956,546)	(2,956,546)
Total governmental activities	36,496,718	6,302,663	2,680,384	7,970,386	(19,543,285)	(19,543,285)
Business-type Activities:						
Sewer Utility	9,770,633	8,789,253	-	278,529	-	(702,851)
Water Utility	6,389,476	6,154,632	-	287,657	-	52,813
Storm Water Utility	1,349,322	33,834	-	14,813	-	(1,300,675)
Total business-like activities	17,509,431	14,977,719	-	580,999	-	(1,950,713)
Total primary government	\$ 54,006,149	\$ 21,280,382	\$ 2,680,384	\$ 8,551,385	(19,543,285)	(1,950,713)
Component Unit:						
Community Development Authority	\$ 53,775	\$ 30,585	\$ -	\$ -	-	(23,190)
General Revenues:						
Taxes:						
Property taxes levied for general purposes			16,469,199	-	16,469,199	-
Property taxes levied for utility purposes			-	1,195,085	1,195,085	-
Property taxes levied for debt service			3,369,604	-	3,369,604	-
Property taxes levied for TID districts			3,779,339	-	3,779,339	-
Payments in lieu of taxes - Water Utility			1,110,169	-	1,110,169	-
Grants and contributions not restricted to specific programs			1,263,645	-	1,263,645	-
Investment earnings			234,227	124,673	358,900	50
Interest on advances to governmental funds			-	6,388	6,388	-
Interest on advances to utilities			31,048	-	31,048	-
Gain on retirement of capital assets			-	147	147	-
Other revenues			62,511	14,598	77,109	-
Total general revenues			26,319,742	1,340,891	27,660,633	50
Change in net assets			6,776,457	(609,822)	6,166,635	(23,140)
Net assets, beginning of year			91,074,752	143,666,397	234,741,149	972,399
Net assets, end of year	\$ 97,851,209	\$ 143,056,575	\$ 240,907,784	\$ 949,259		

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, 2009

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and equivalents	\$ 12,179,405	\$ 279	\$ 18,101,819	\$ 30,281,503
Certificate of deposit	2,079,233	-	-	2,079,233
Accounts receivable:				
Taxes	11,002,652	2,224,190	6,075,341	19,302,183
Special charges on the tax roll	3,170	-	1,345,743	1,348,913
Intergovernmental aid	378,706	-	79,260	457,966
Special assessments	-	-	1,240,881	1,240,881
Accounts	734,643	-	237,204	971,847
Notes	-	-	349,275	349,275
Pledges	-	-	19,014	19,014
Due from other funds	-	2,500	1,260,420	1,262,920
Prepaid items	449,502	-	5,994	455,496
Inventory of supplies, at cost	264,196	-	-	264,196
Advance to other governmental funds	883,731	-	1,608,078	2,491,809
Long-term advances to utilities	455,817	-	-	455,817
Total assets	\$ 28,431,055	\$ 2,226,969	\$ 30,323,029	\$ 60,981,053
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and other accrued liabilities	\$ 2,153,745	\$ -	\$ 871,137	\$ 3,024,882
Accrued compensated absences	842,833	-	65,445	908,278
Deposits	81,874	-	37,775	119,649
Deferred revenue	16,683,267	2,224,190	8,237,409	27,144,866
Due to other funds	574,004	-	274,627	848,631
Long-term advances from other governmental funds	-	-	2,491,809	2,491,809
Total liabilities	20,335,723	2,224,190	11,978,202	34,538,115
Fund Balances:				
Reserved for:				
General Fund	2,060,963	-	-	2,060,963
Debt service	-	2,779	-	2,779
Capital Projects Funds	-	-	5,443,825	5,443,825
Special Revenue Funds	-	-	9,379,616	9,379,616
Unreserved, reported in:				
General Fund:				
Designated	100,000	-	-	100,000
Undesignated	5,934,369	-	-	5,934,369
Capital Projects Funds:				
Designated	-	-	4,207,501	4,207,501
Undesignated	-	-	(778,081)	(778,081)
Special Revenue Funds:				
Designated	-	-	82,516	82,516
Undesignated	-	-	9,450	9,450
Total fund balances	8,095,332	2,779	18,344,827	26,442,938
Total liabilities and fund balance	\$ 28,431,055	\$ 2,226,969	\$ 30,323,029	\$ 60,981,053

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
December 31, 2009

Total fund balance of governmental funds \$ 26,442,938

Amounts reported for governmental activities in the Government-wide Statement of Net Assets are different because:

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

Land and construction in progress	80,814,640
Other capital assets net of accumulated depreciation	54,465,352

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

Pledges receivable	19,014
Special assessments receivable	533,744
Police fines receivable	147,534
Notes receivable	349,275

Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the Statement of Activities. Similarly, debt issuance costs and losses on refundings of debt are recorded as expenditures in the governmental funds, but amortized over the life of the debt issue on the Statement of Activities.

Unamortized debt issuance costs	142,780
Net unamortized premiums, discounts and losses on refunding	(142,780)

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	(61,384,731)
Compensated absences payable - sick pay	(2,765,489)
OPEB obligation	(512,668)
Accrued interest payable on long-term bonds and notes	(1,182,522)

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.

924,122

Net assets of governmental activities	\$ 97,851,209
--	----------------------

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, 2009

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ 14,709,366	\$ 3,369,604	\$ 5,522,204	\$ 23,601,174
Other taxes	16,968	-	-	16,968
Payments in lieu of taxes - Water Utility	1,110,169	-	-	1,110,169
Charges for services:				
Licenses and permits	877,195	-	-	877,195
Fines and forfeitures	637,133	-	25,370	662,503
Program revenues	-	-	1,244,290	1,244,290
Other charges for services	818,596	-	2,654,251	3,472,847
Operating grants and contributions:				
Intergovernmental	3,256,010	-	280,642	3,536,652
Donations	-	-	133,352	133,352
Contributions from developers	-	-	89,274	89,274
Capital grants and contributions:				
Intergovernmental	-	-	284,410	284,410
Special assessments and interest	-	-	271,814	271,814
Contributions from developers	-	-	197,696	197,696
Investment earnings	126,297	-	96,084	222,381
Interest on advances to governmental funds	53,680	-	-	53,680
Interest on advances to utilities	31,048	-	-	31,048
Other revenues	71,732	-	14,768	86,500
Total governmental revenues	21,708,194	3,369,604	10,814,155	35,891,953
Expenditures:				
Current:				
General government	3,221,275	-	240,961	3,462,236
Public safety	12,676,277	-	410,920	13,087,197
Public works	3,705,297	-	2,685,289	6,390,586
Culture and recreation	900,995	-	2,032,833	2,933,828
Conservation and development	944,316	-	3,300,733	4,245,049
Interest on advances from governmental funds	-	-	53,680	53,680
Interest on advances from utilities	-	-	6,388	6,388
Debt issuance costs	-	90,750	-	90,750
Capital outlay	137,006	-	2,593,374	2,730,380
Debt Service:				
Principal on long-term debt	-	8,027,416	-	8,027,416
Interest and fiscal charges on long-term debt	-	2,609,863	-	2,609,863
Total expenditures	21,585,166	10,728,029	11,324,178	43,637,373
Excess (deficit) of revenues over (under) expenditures	123,028	(7,358,425)	(510,023)	(7,745,420)
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	87,106	-	-	87,106
Transfers in	706,044	5,414,601	1,350,437	7,471,082
Transfers out	(916,178)	-	(6,554,904)	(7,471,082)
Bonds and notes issued	-	1,850,000	5,405,000	7,255,000
Debt issuance premiums	-	90,750	-	90,750
Total other financing sources (uses)	(123,028)	7,355,351	200,533	7,432,856
Net change in fund balances	-	(3,074)	(309,490)	(312,564)
Fund balance, beginning of year	8,095,332	5,853	18,654,317	26,755,502
Fund balance, end of year	\$ 8,095,332	\$ 2,779	\$ 18,344,827	\$ 26,442,938

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, 2009**

Net change in fund balances of governmental funds	\$ (312,564)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. In the Government-wide Statement of Activities the cost of those assets is allocated over their useful lives and reported as depreciation.	
Governmental capital outlays in fund financial statements	2,730,380
Depreciation expense in government-wide financial statements	(3,406,402)
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.	7,604,063
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 assets by the cost of the assets sold or retired net of the accumulated depreciation on those assets.	(145,804)
Governmental funds report proceeds from the issuance of long-term debt and capital leases as other financing sources, but issuing debt and capital leases increases long-term liabilities in the Statement of Net Assets. Repayments of long-term debt and capital lease principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the Statement of Net Assets.	
Proceeds from the issuance of debt in governmental fund financial statements	(7,255,000)
Principal payments on debt in governmental fund financial statements	8,027,416
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the Statement of Activities. Similarly, debt issuance costs and losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the Statement of Activities.	
Premiums on issuances of debt in governmental fund financial statements	(90,750)
Debt issuance costs in governmental fund financial statements	90,750
Amortization of these amounts included in interest expense in the Statement of Activities	(3,334)
Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest costs are reported as they accrue, regardless of when they are due. This is the amount by which the current accrual exceeds the prior year accrual.	(343,349)
The Risk Management Fund, an internal service fund, is used to allocate the cost of insurance to individual funds. The change in net assets of this fund is reported under governmental activities Statement of Activities.	32,640
Certain revenues which do not provide current financial resources are deferred in the governmental funds, but are reported in the Statement of Activities.	
Decrease in deferred pledges receivable	(3,791)
Decrease in deferred special assessments receivable	(202,846)
Increase in deferred police fines receivable	33,500
Increase in deferred notes receivable	75,460
Certain expenses do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are accrued in the Government-wide Statement of Net Assets and reported as expenses in the Statement of Activities.	
Decrease in accrued compensated absences - sick pay	228,664
Increase in OPEB obligation	(282,576)
Change in net assets of governmental activities	\$ 6,776,457

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund
Year Ended December 31, 2009

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 14,699,446	\$ 14,699,446	\$ 14,709,366	\$ 9,920
Other taxes	71,100	71,100	16,968	(54,132)
Payments in lieu of taxes - Water Utility	1,069,000	1,069,000	1,110,169	41,169
Licenses and permits	1,117,300	1,117,300	877,195	(240,105)
Fines and forfeitures	566,000	566,000	637,133	71,133
Intergovernmental	3,235,313	3,235,313	3,256,010	20,697
Charges for services	783,810	783,810	818,596	34,786
Investment earnings	500,000	500,000	126,297	(373,703)
Interest on advances to other governmental funds	30,000	30,000	53,680	23,680
Interest on advances to utilities	39,000	39,000	31,048	(7,952)
Other	57,600	57,600	71,732	14,132
Total revenues	22,168,569	22,168,569	21,708,194	(460,375)
Expenditures:				
General government	3,366,980	3,366,980	3,260,368	(106,612)
Public safety	13,070,500	13,070,500	12,774,190	(296,310)
Public Works	4,088,413	4,088,413	3,705,297	(383,116)
Culture and recreation	911,385	911,385	900,995	(10,390)
Conservation and development	1,103,590	1,103,590	944,316	(159,274)
Total expenditures	22,540,868	22,540,868	21,585,166	(955,702)
Excess (deficit) of revenues over (under) expenditures	(372,299)	(372,299)	123,028	495,327
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	41,500	41,500	87,106	45,606
Transfers in	706,374	706,374	706,044	(330)
Transfers out	(375,575)	(375,575)	(916,178)	(540,603)
Net other financing sources (uses)	372,299	372,299	(123,028)	(495,327)
Net change in fund balance	-	-	-	-
Fund Balance:				
Beginning of year	\$ 8,095,332	\$ 8,095,332	\$ 8,095,332	\$ -
End of year	\$ 8,095,332	\$ 8,095,332	\$ 8,095,332	\$ -

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Assets - Proprietary Funds
December 31, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>	
Assets:						
Current assets:						
Cash and equivalents	\$ 2,123,409	\$ 1,760,157	\$ 1,135,777	\$ 5,019,343	\$ 954,173	
Receivables:						
Taxes	300,000	-	912,990	1,212,990	-	
Special charges on the tax roll	441,265	194,406	-	635,671	-	
Utility customers	1,760,974	867,050	-	2,628,024	-	
Other	34,436	20,083	4,438	58,957	22,407	
Inventory	17,254	96,568	-	113,822	-	
Total current assets	4,677,338	2,938,264	2,053,205	9,668,807	976,580	
Noncurrent Assets:						
Cash and equivalents - restricted	10,115,141	4,539,231	-	14,654,372	-	
Land and construction in progress	2,461,888	700,552	119,544	3,281,984	-	
Other capital assets, net of depreciation	49,411,580	53,503,707	23,349,064	126,264,351	-	
Unamortized debt issuance costs	-	59,759	-	59,759	-	
Prepaid capacity charge	5,134,347	-	-	5,134,347	-	
Total noncurrent assets	67,122,956	58,803,249	23,468,608	149,394,813	-	
Total assets	\$ 71,800,294	\$ 61,741,513	\$ 25,521,813	\$ 159,063,620	\$ 976,580	
Liabilities and Net Assets:						
Current Liabilities:						
Accounts payable and accrued liabilities	\$ 499,828	\$ 64,590	\$ 40,815	\$ 605,233	\$ -	
Deposits	-	-	50,000	50,000	-	
Incurred but not reported insurance claims	-	-	-	-	51,363	
Compensated absences - vacation pay	25,323	83,569	7,791	116,683	-	
Deferred revenue	356,000	106,323	912,990	1,375,313	-	
Current portion of general obligation notes	-	85,000	110,494	195,494	-	
Current portion of revenue bonds	-	61,336	-	61,336	-	
Accrued interest	-	1,797	-	1,797	-	
Due to other funds	231,953	85,225	96,016	413,194	1,095	
Liabilities payable from restricted assets:						
Current portion of general obligation notes	274,686	-	-	274,686	-	
Current portion of revenue bonds	100,000	1,163,664	-	1,263,664	-	
Accrued interest	23,431	24,781	-	48,212	-	
Total current liabilities	1,511,221	1,676,285	1,218,106	4,405,612	52,458	
Long-Term Liabilities:						
Compensated absences - sick pay	82,664	271,030	34,353	388,047	-	
OPEB obligation	22,340	59,395	3,752	85,487	-	
Advances from other funds	-	-	455,817	455,817	-	
General obligation notes	2,847,013	470,000	1,414,965	4,731,978	-	
Revenue bonds	925,000	5,345,000	-	6,270,000	-	
Unamortized debt issuance premiums, discounts and losses on refundings	(19,050)	(310,846)	-	(329,896)	-	
Total long-term liabilities	3,857,967	5,834,579	1,908,887	11,601,433	-	
Total liabilities	5,369,188	7,510,864	3,126,993	16,007,045	52,458	
Net Assets:						
Invested in capital assets, net of related debt	50,598,798	48,553,769	21,943,149	121,095,716	-	
Restricted for:						
Debt service	26,202	-	-	26,202	-	
Operations and maintenance	723,872	272,565	-	996,437	-	
Depreciation	270,766	75,000	-	345,766	-	
Other purposes	8,696,184	3,003,221	-	11,699,405	-	
Unrestricted	6,115,284	2,326,094	451,671	8,893,049	924,122	
Total net assets	66,431,106	54,230,649	22,394,820	143,056,575	924,122	
Total liabilities and net assets	\$ 71,800,294	\$ 61,741,513	\$ 25,521,813	\$ 159,063,620	\$ 976,580	

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility	Water Utility	Storm Water Utility	
	Internal Service Fund			
Operating Revenues:				
Charges for services	\$ 8,789,253	\$ 6,154,632	\$ 33,834	\$ 14,977,719
General property taxes	-	-	895,085	895,085
Total operating revenues	8,789,253	6,154,632	928,919	15,872,804
Operating Expenses:				
Operation and maintenance	6,615,192	2,175,210	412,933	9,203,335
Administrative expense	945,698	1,089,381	336,062	2,371,141
Depreciation expense	1,253,168	1,486,820	511,926	3,251,914
Taxes paid to Village	-	1,110,169	-	1,110,169
Social Security tax	42,344	79,759	14,077	136,180
Regulatory commission remainder assessments	-	5,454	-	5,454
Total operating expenses	8,856,402	5,946,793	1,274,998	16,078,193
Operating income (loss)	(67,149)	207,839	(346,079)	(205,389)
				5,415
Nonoperating Revenues (Expenses):				
General property taxes	300,000	-	-	300,000
Investment earnings	84,312	35,488	4,873	124,673
Interest on advances to governmental funds	6,388	-	-	6,388
Sale of materials	-	912	9,536	10,448
Miscellaneous revenues	-	-	4,150	4,150
Gain on retirement of property and plant	147	-	-	147
Impact fees	199,833	205,948	-	405,781
Fiscal charges on debt	(7,700)	(1,887)	(356)	(9,943)
Amortization of premiums, discounts and losses on refundings	(101,531)	(66,298)	-	(167,829)
Amortization of debt issuance costs	(26,197)	(8,640)	-	(34,837)
Loss on defeasance of debt	(504,829)	-	-	(504,829)
Interest on long-term debt	(273,974)	(365,858)	(42,920)	(682,752)
Interest on advances from governmental funds	-	-	(31,048)	(31,048)
Net nonoperating revenues (expenses)	(323,551)	(200,335)	(55,765)	(579,651)
Net income (loss) before capital contributions	(390,700)	7,504	(401,844)	(785,040)
				32,640
Capital Contributions	78,696	81,709	14,813	175,218
Increase (decrease) in net assets	(312,004)	89,213	(387,031)	(609,822)
				32,640
Net Assets:				
Balance, beginning of year	66,743,110	54,141,436	22,781,851	143,666,397
Balance, end of year	\$ 66,431,106	\$ 54,230,649	\$ 22,394,820	\$ 143,056,575
				891,482
				924,122

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, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Sewer Utility	Water Utility	Storm Water Utility	Total Enterprise Funds	Internal Service Fund
Cash Flows From Operating Activities:					
Receipts from customers	\$ 8,834,895	\$ 4,482,447	\$ 48,124	\$ 13,365,466	\$ -
Payments to suppliers	(6,177,850)	(1,829,906)	(81,151)	(8,088,907)	(235,357)
Payments to and on behalf of employees	(909,270)	(1,371,171)	(675,854)	(2,956,295)	-
Internal activity - receipts from other funds	2,233,594	1,804,141	-	4,037,735	-
Internal activity - payments to other funds	(148,874)	(1,238,187)	(122,934)	(1,509,995)	-
Other receipts	-	912	908,771	909,683	146,419
Other payments	-	-	-	-	(56,655)
Net cash provided (used) by operating activities	3,832,495	1,848,236	76,956	5,757,687	(145,593)
Cash Flows From Noncapital Financing Activities					
Principal payments on advances	-	-	(61,648)	(61,648)	-
Net cash provided (used) by noncapital financing activities	-	-	(61,648)	(61,648)	-
Cash Flows From Capital and Related Financing Activities:					
Proceeds from sale of property and plant	147	-	-	147	-
Payments to dispose of property and plant	-	(31,868)	-	(31,868)	-
Additions to property and plant	(2,258,441)	(1,093,216)	(361,532)	(3,713,189)	-
Fair value of debt issued	-	-	1,015,000	1,015,000	-
Loss on defeasance of debt	(128,367)	-	-	(128,367)	-
Principal payments on debt	(5,630,819)	(1,255,000)	(96,494)	(6,982,313)	-
Interest on debt	(312,295)	(370,256)	(26,424)	(708,975)	-
Fiscal charges on debt	(7,700)	(1,887)	(356)	(9,943)	-
Interest on advances	-	-	(31,048)	(31,048)	-
General property taxes	300,000	-	-	300,000	-
Impact fees	199,833	205,948	-	405,781	-
Net cash provided (used) by capital and related financing activities	(7,837,642)	(2,546,279)	499,146	(9,884,775)	-
Cash Flows From Investing Activities:					
Proceeds from sale of investments	1,500,000	-	-	1,500,000	-
Investment earnings	84,312	35,488	4,873	124,673	27,225
Interest on advances to governmental funds	6,388	-	-	6,388	-
Net cash provided by investing activities	1,590,700	35,488	4,873	1,631,061	27,225
Net increase (decrease) in cash and equivalents	(2,414,447)	(662,555)	519,327	(2,557,675)	(118,368)
Cash and equivalents, beginning of year	14,652,997	6,961,943	616,450	22,231,390	1,072,541
Cash and equivalents, end of year	\$ 12,238,550	\$ 6,299,388	\$ 1,135,777	\$ 19,673,715	\$ 954,173
Reconciliation to cash and cash equivalents on the Statement of Net Assets:					
Cash and cash equivalents - unrestricted	\$ 2,123,409	\$ 1,760,157	\$ 1,135,777	\$ 5,019,343	\$ 954,173
Cash and cash equivalents - restricted	10,115,141	4,539,231	-	14,654,372	-
Total cash and equivalents	\$ 12,238,550	\$ 6,299,388	\$ 1,135,777	\$ 19,673,715	\$ 954,173

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2009
(Continued)

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities		
	Sewer Utility	Water Utility	Storm Water Utility		Internal Service Fund		
Reconciliation of Operating Income (Loss) to Net Cash Provided							
(Used) by Operating Activities:							
Operating income (loss)	\$ (67,149)	\$ 207,839	\$ (346,079)	\$ (205,389)	\$ 5,415		
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	1,253,168	1,486,820	511,926	3,251,914		-	
Depreciation charged to other accounts	-	155,003	-	155,003		-	
Amortization of prepaid capacity	252,152	-	-	252,152		-	
Proceeds from sales of materials	-	912	9,536	10,448		-	
Miscellaneous revenues	-	-	4,150	4,150		-	
Changes in assets and liabilities related to operations:							
Receivables	62,676	49,656	(3,616)	108,716	(145)		
Advances to governmental funds	1,303,555	-	-	1,303,555		-	
Inventory	(2,218)	(3,095)	-	(5,313)		-	
Prepaid items	2,698	-	-	2,698		-	
Due from other funds	930,039	(128,018)	(122,934)	679,087	(4,299)		
Accounts payable and accrued liabilities	133,119	18,294	11,184	162,597		-	
Compensated absences	(41,793)	25,608	(7,029)	(23,214)		-	
OPEB obligation	13,248	30,280	1,913	45,441		-	
Incurred but not reported claims	-	-	-	-	(146,564)		
Deferred revenue	(7,000)	4,937	17,905	15,842	-		
Net cash provided (used) by operating activities	\$ 3,832,495	\$ 1,848,236	\$ 76,956	\$ 5,757,687	\$ (145,593)		
Noncash Capital Activities:							
Utility plant contributions	\$ 78,696	\$ 81,709	\$ 14,813	\$ 175,218	\$ -		
Amortization of debt issuance premiums, discounts and losses on refundings	101,531	66,298	-	167,829		-	
Amortization of debt issuance costs	26,197	8,640	-	34,837		-	
Gain on sale of utility plant	147	-	-	147		-	

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Assets - Fiduciary Fund
December 31, 2009

Assets:

Cash and equivalents	\$ 11,205,828
Taxes receivable	48,654,436
Total assets	\$ <u>59,860,264</u>

Liabilities:

Due to other taxing units	\$ <u>59,860,264</u>
---------------------------	----------------------

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

NOTES TO FINANCIAL STATEMENTS

INDEX TO NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Government-wide and Fund Financial Statements
- C. Measurement Focus and Basis of Accounting
- D. Assets, Liabilities, and Net Assets or Equity

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgetary Information
- B. Deposits and Investments Laws and Regulations
- C. Debt Restrictions

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES AND ACCOUNTS

- A. Cash and Investments
- B. Receivables
- C. Interfund Balances and Transfers
- D. Restricted Assets
- E. Capital Assets
- F. Long-term Obligations
- G. Net Assets and Fund Balances

NOTE 4. OTHER NOTES

- A. Employee Pension Plan
- B. Other Post Employment Benefits
- C. Risk Management
- D. Tax Incremental Districts
- E. Contingent Liabilities
- F. Commitments
- G. Letters of Credit
- H. Regulatory Agency – Water Utility
- I. Leases as Lessor
- J. Deficit Fund Balances
- K. Debt Issuance
- L. Subsequent Events

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009

1. Summary of Significant Accounting Policies

The Village complies with U.S. generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB statement numbers 20 and 34 provide the Village the option of electing to apply FASB pronouncements issued after November 30, 1989. The Village has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Menomonee Falls is a municipal corporation governed by a seven-member Board of Trustees and an appointed Village Manager. All significant operations of the Village over which it has oversight responsibility have been included in the accompanying financial statements. The decision to include a potential component unit in the Village's reporting entity is based on the criteria set forth in GASB Statement No. 14, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

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

Water Utility
Sewer Utility
Storm Water Utility

The Village has included in its financial statements the following component unit, which is considered a separate entity with corporate powers:

Community Development Authority (CDA)

The CDA is a discretely presented component unit. The primary mission of the CDA is to promote urban renewal and community and economic development within the Village. The board of the CDA is composed of seven board members, two of which are Village trustees and the remaining five are citizens appointed by the Village Board. The Village exercises significant control over the CDA due to its ability to appoint all CDA board members and the Village's ability to approve and/or modify the budget of the CDA. Separately issued financial statements for the CDA may be obtained from the Financial Services Department of the Village.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Major Governmental Funds

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

Major Proprietary Funds

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

Non-major Governmental Funds

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

Revolving Loan Fund	Teen Court
Police Department	Senior Bus Grant
Fire Department	Cable TV
Parks Department	Unallocated
Community Development	Municipal Facilities
War Chest	Solid Waste Collection
Library	Library Operations and Maintenance
Community Grant	

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

General Capital Projects	Tax Incremental Financing District #5
Revolving Capital	Tax Incremental Financing District #6
Special Assessments	Tax Incremental Financing District #7
Tax Incremental Financing District #2	Tax Incremental Financing District #8
Tax Incremental Financing District #4	Proposed Tax Incremental Financing District #9

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Non-major Proprietary Funds

- Risk Management Fund – an internal service fund used to allocate the cost of insurance to the individual funds. Internal service funds are always non-major funds and are eliminated in the preparation of the government-wide statements.

Fiduciary (Agency) Funds

- Agency funds - are used to account for assets held by the Village in a purely custodial capacity. The Village's agency fund is used for recording assets collected for other taxing jurisdictions. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Since by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not included in the preparation of the government-wide statements.

C. Measurement Focus and Basis of Accounting

Measurement Focus

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

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

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

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

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

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

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

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting (Continued)

Enterprise Funds

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

In accordance with GASB 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Utilities have selected to follow only FASB Statements and interpretations, APB Opinions and ARB's issued on or before November 30, 1989.

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, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity

Cash and Investments

For the purpose of the Statement of Net Assets, and for the purpose of the Statement of Cash Flows – Proprietary Funds “cash and cash equivalents”: includes all demand, savings and money market accounts, and monies invested in the Wisconsin Local Government Investment Pool. Investments are carried at fair value.

Receivables

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

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

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

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

Property Tax Calendar – 2009 Tax Roll:

Levy date	December 2009
Lien date	September 1, 2010
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes due in full	January 31, 2010
Tax Settlement with other governmental units:	
First settlement	January 20, 2010
Second settlement	February 20, 2010
Final settlement	August 20, 2010
Tax sale by County - 2009 delinquent real estate taxes	October 2014

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables and Payables

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Deferred Charges

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets

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

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Compensated Absences

The accounting treatment for compensated absences depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The compensated absences consist of accumulated sick and vacation pay earned but unused by Village employees.

Accumulated Vacation Pay

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

Accumulated Sick Pay

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

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

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

Long-term Obligations and Conduit Debt

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

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

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

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2009 was \$25,888,802.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Equity Classifications

Government-wide Statements

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

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

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

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 by the first week in December.

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

The Village does not record encumbrances.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

2. Stewardship, Compliance, and Accountability (Continued)

B. Deposits and Investment Laws and Regulations

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

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

C. Debt Restrictions

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. As of December 31, 2009, the Village was obligated for a total of \$55,680,000 in general obligation debt, or 24.26% of the total debt limit.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

3. Detail Notes on Transaction Classes and Accounts

A. Cash and Investments

As of December 31, 2009, the Village held the following cash and investments.

	<u>Custodial Balance</u>	<u>Carrying Amount</u>
Primary Government:		
Cash and Equivalents:		
Demand deposits	\$ 11,452,759	\$ 10,924,528
State of Wisconsin Local Government Investment Pool (LGIP)	51,189,511	51,189,511
Petty cash	-	1,180
Total cash and equivalents	62,642,270	62,115,219
Investments – certificates of deposit	2,079,233	2,079,233
Total cash and investments	\$ 64,721,503	\$ 64,194,452

Reconciliation to Financial Statements:

Cash and equivalents:

Per Statement of Net Assets:

Cash and equivalents	\$ 36,255,019
Restricted assets – cash and equivalents	14,654,372
Per Statement of Net Assets – Fiduciary Fund	11,205,828
Total cash and equivalents	62,115,219
Investments per Statement of Net Assets	2,079,233
Total cash and investments	\$ 64,194,452

Component Unit:

Demand deposits	\$ 117,932	\$ 120,593
Cash and equivalents per Statement of Net Assets	\$ 120,593	

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

Custodial Credit Risk - Cash and Investments

Demand deposits held by the Village at December 31, 2009 have associated custodial credit risks. The Village's investment policies do not address these risks. The Village's investment policies are discussed in Note 2.B.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it.

As of December 31, 2009, the Village's demand deposits were exposed to custodial credit risk in that \$10,952,759 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

Additionally, the Village's certificates of deposit were exposed to custodial credit risk in that \$1,579,233 of those balances were uninsured, and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Village's name.

As of December 31, 2009, the Village's component unit's demand deposits were not exposed to custodial credit.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

3. Detail Notes on Transaction Classes and Accounts

A. Cash and Investments (Continued)

Custodial Credit Risk - Cash and Investments (Continued)

Deposits in local and area banks are insured by the FDIC in the amount of \$250,000 per financial institution. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total coverage and other legal implications, recovery of material principal losses may be significant to individual municipalities. Accordingly, this coverage has not been included when calculating the insured amount of such deposits.

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

The LGIP does not have a credit quality rating. It is part of the State of Wisconsin Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operated under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Funds invested in the LGIP are due to the Village on demand. The Village has relied on data provided by the LGIP for the valuation of pooled investments.

B. Receivables

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

Governmental Activities

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2010</u>
Taxes	\$ 19,335,180	\$ 32,997	\$ 19,302,183	\$ -
Special charges on tax roll	1,348,913	-	1,348,913	-
Intergovernmental aid	457,966	-	457,966	-
Accounts	1,212,916	218,662	994,254	327,000
Notes	349,275	-	349,275	314,000
Pledges	33,574	14,560	19,014	15,000
Special assessments	1,240,881	-	1,240,881	1,100,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$156,854, and for ambulance billings of \$61,808. The allowances for pledges receivable is for pledges to the library special revenue fund. The gross receivable for pledges receivable has been reduced by \$2,826 to the net present value of expected future cash flows using a discount rate of 4%.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

B. Receivables (Continued)

Business-type Activities

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		Expected After December 31, 2010
Taxes	\$ 1,212,990	\$	-	\$	1,212,990	\$	-
Special charges on tax roll	635,671		-		635,671		-
Accounts	2,755,920		34,470		2,721,450		-

Fiduciary (Agency) Funds

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		Expected After December 31, 2010
Taxes	\$ 48,654,436	\$	-	\$	48,654,436	\$	-

Component Unit - CDA

	<u>Gross Receivable</u>		<u>Allowance for Doubtful Accounts</u>		<u>Net Receivable</u>		Expected After December 31, 2010
Accounts	\$ 269	\$	-	\$	269	\$	269
Notes	1,693,797		861,440		832,357		810,000

The allowance for notes reflects portions of the notes which are forgivable if the debtor complies with certain requirements. All forgivable portions of these notes are considered allowances until the debtor has demonstrated noncompliance with the related provisions.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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>
Debt Service Fund	General Fund	\$ 2,500
Other governmental funds	General Fund	574,004
Other governmental funds	Other governmental funds	274,627
Other governmental funds	Sewer Utility	231,953
Other governmental funds	Water Utility	85,225
Other governmental funds	Storm Water Utility	96,016
Other governmental funds	Risk Management Fund	1,095

Advances

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to the Storm Water Utility to temporarily fund Storm Water Utility operations, with interest charged at 6% on the outstanding advances.

The General Fund has advanced funds to TID #6, TID #7, and TID #8 for planning related expenditures, with interest charged at 6% on the outstanding balance.

The General Capital Projects Fund has advanced funds to TID #5 to fund a job incentive grant.

The Municipal Facilities 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 2009 was .51%.

Aggregated balances outstanding for these advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 883,731
General Fund	Storm Water Utility	455,817
Other governmental funds	Other governmental funds	1,608,078

Transfers

Transfers between governmental funds are summarized as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 706,044
Debt Service Fund	Other governmental funds	5,414,601
Other governmental funds	Other governmental funds	434,259
Other governmental funds	General Fund	916,178

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

C. Interfund Balances and Transfers (Continued)

Transfers (Continued)

These transfers were made for the following purposes:

- Transfers to the General Fund from other governmental funds of \$318,009 were made to offset the budgeted deficit of general fund revenues under expenditures. The remaining amount of \$388,035 was transferred from the General Capital Projects Fund to fund 2009 road repair projects.
- Transfers to the Debt Service Fund from other governmental funds were made to fund the other governmental funds' debt service requirements.
- Transfers to the other governmental funds from the General Fund were made to provide funding for capital projects, and to subsidize solid waste collection expenditures.
- Transfers between other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.

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

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

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:

<u>Restricted cash and equivalents:</u>	<u>Sewer</u>	<u>Water</u>	
	<u>Utility</u>	<u>Utility</u>	<u>Total</u>
Interceptor sewer reserve	\$ 1,870,491	\$ -	\$ 1,870,491
Impact fee reserve	6,825,693	3,003,221	9,828,914
Debt reserve	154,938	1,061,580	1,216,518
Special redemption reserve	269,381	126,865	396,246
Operation and maintenance reserve	723,872	272,565	996,437
Depreciation reserve	270,766	75,000	345,766
Total	\$ 10,115,141	\$ 4,539,231	\$ 14,654,372

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2009 is summarized as follows:

Governmental Activities

	<u>Balance</u>				<u>Balance</u>
	<u>January</u>				<u>December</u>
	<u>1, 2009</u>				<u>31, 2009</u>
Nondepreciable capital assets:					
Land	\$ 80,303,857	\$ 147,707	\$ -	\$ (118,832)	\$ 80,332,732
Construction in progress	<u>385,736</u>	<u>481,908</u>	<u>(385,736)</u>	<u>-</u>	<u>481,980</u>
Total nondepreciable capital assets	80,689,593	629,615	(385,736)	(118,832)	80,814,640
Depreciable capital assets:					
Land improvements	2,752,981	99,711	-	-	2,852,692
Buildings and improvements	32,900,702	-	-	-	32,900,702
Equipment and furnishings	16,411,412	807,462	-	(762,627)	16,456,247
Infrastructure	<u>26,396,962</u>	<u>8,797,655</u>	<u>385,736</u>	<u>-</u>	<u>35,580,353</u>
Total depreciable capital assets	78,462,057	9,704,828	385,736	(762,627)	87,789,994
Less accumulated depreciation:					
Land improvements	1,056,883	138,989	-	-	1,195,872
Buildings and improvements	7,499,240	800,463	-	-	8,299,703
Equipment and furnishings	11,725,861	1,149,000	-	(735,655)	12,139,206
Infrastructure	<u>10,371,911</u>	<u>1,317,950</u>	<u>-</u>	<u>-</u>	<u>11,689,861</u>
Total accumulated depreciation	30,653,895	3,406,402	-	(735,655)	33,324,642
Net depreciable capital assets	47,808,162	6,298,426	385,736	(26,972)	54,465,352
Net total capital assets	\$ 128,497,755	\$ 6,928,041	\$ -	\$ (145,804)	\$ 135,279,992

Depreciation was charged to governmental functions as follows:

General government	\$ 617,080
Public safety	559,933
Public works	1,718,345
Culture and recreation	504,348
Conservation and development	6,696
Total depreciation	\$ 3,406,402

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

E. Capital Assets (Continued)

Business-type Activities

	<u>Balance</u> <u>January</u> <u>1, 2009</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance</u> <u>December</u> <u>31, 2009</u>
Nondepreciable capital assets:					
Land	\$ 480,357	\$ -	\$ 75,217	\$ -	\$ 555,574
Construction in progress	442,773	2,552,730	(269,093)	-	2,726,410
Total nondepreciable capital assets	923,130	2,552,730	(193,876)	-	3,281,984
Depreciable capital assets:					
Land improvements	1,041,812	-	-	-	1,041,812
Buildings and improvements	6,485,194	-	-	-	6,485,194
Equipment and furnishings	8,975,517	420,970	-	(347,695)	9,048,792
Infrastructure	157,516,985	922,267	193,876	(49,170)	158,583,958
Total depreciable capital assets	174,019,508	1,343,237		(396,865)	175,159,756
Less accumulated depreciation:					
Land improvements	302,111	21,870	-	-	323,981
Buildings and improvements	2,595,587	243,376	-	-	2,838,963
Equipment and furnishings	5,190,445	609,097	-	(379,563)	5,419,979
Infrastructure	37,829,078	2,532,574	-	(49,170)	40,312,482
Total accumulated depreciation	45,917,221	3,406,917	-	(428,733)	48,895,405
Net depreciable capital assets	128,102,287	(2,063,680)	193,876	31,868	126,264,351
Net total capital assets	\$ 129,025,417	\$ 489,050	\$ -	\$ 31,868	\$ 129,546,335
Depreciation was charged to proprietary functions as follows:					
Sewer Utility				\$ 1,253,168	
Water Utility				1,641,823	
Storm Water Utility				511,926	
Total depreciation				\$ 3,406,917	

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt	\$ 57,057,147	\$ 4,155,000	\$ (8,027,416)	\$ 53,184,731	\$ 6,828,416
Municipal revenue bonds	5,100,000	3,100,000	-	8,200,000	-
Total long-term debt	62,157,147	7,255,000	(8,027,416)	61,384,731	6,828,416
Other liabilities:					
Accumulated unpaid sick pay	2,994,153	201,667	(430,331)	2,765,489	375,000
OPEB obligation	230,092	420,724	(138,148)	512,668	-
Total governmental long-term obligations	\$ 65,381,392	\$ 7,877,391	\$ (8,595,895)	\$ 64,662,888	\$ 7,203,416
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 14,130,000	\$ -	\$ (6,535,000)	\$ 7,595,000	\$ 1,325,000
General obligation debt	4,634,471	1,015,000	(447,313)	5,202,158	470,180
Total long-term debt	18,764,471	1,015,000	(6,982,313)	12,797,158	1,795,180
Other liabilities:					
Accumulated unpaid sick pay	407,360	13,447	(32,760)	388,047	33,000
OPEB obligation	40,046	45,441	-	85,487	-
Total business-type long-term obligations	\$ 19,211,877	\$ 1,073,888	\$ (7,015,073)	\$ 13,270,692	\$ 1,828,180

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

F. Long-Term Obligations (Continued)

General Obligation Debt

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

	Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/09
Bonds:	09/15/97	09/01/17	5.24%	\$ 6,485,000	\$ 5,110,000
	11/15/99	11/01/11	4.94%	4,745,000	1,125,000
	03/15/02	03/01/21	4.92%	11,500,000	8,425,000
	05/15/03	05/01/22	4.41%	12,000,000	10,900,000
	05/15/04	05/01/18	4.92%	7,225,000	7,225,000
Notes:	05/15/01	05/01/11	4.55%	2,125,000	775,000
	07/15/02	06/01/12	3.70%	2,325,000	975,000
	08/01/03	06/01/13	3.56%	3,770,000	1,975,000
	09/15/03	04/01/12	3.52%	1,000,000	475,000
	09/01/04	09/01/14	3.60%	3,360,000	900,000
	07/01/05	06/01/15	3.87%	3,780,000	2,700,000
	09/01/06	06/01/16	4.21%	2,660,000	2,325,000
	06/01/07	06/01/17	4.32%	1,750,000	1,575,000
	05/15/08	11/01/11	3.41%	1,800,000	1,200,000
	07/01/08	12/01/18	4.10%	3,800,000	3,575,000
	06/01/09	05/01/19	3.35%	3,320,000	3,320,000
	10/19/09	10/01/12	2.30%	1,850,000	1,850,000
Bond anticipation notes:	11/15/08	11/01/10	4.50%	1,250,000	1,250,000
Clean Water Fund loans:	10/18/93	05/01/13	3.19%	1,702,971	350,849
	02/19/01	05/01/20	2.97%	217,231	140,556
	12/17/01	05/01/16	3.21%	791,035	415,774
	08/22/07	05/01/27	2.55%	1,607,772	1,799,710
Total general obligation debt				\$ 58,386,889	
Governmental debt				\$ 53,184,731	
Business-type activity debt				5,202,158	
Total general obligation debt				\$ 58,386,889	

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. As of December 31, 2009, the Village has used 24.26% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2009:

Equalized Value January 1, 2009	\$ <u>4,589,341,400</u>
Debt limit (5% of equalized value)	\$ <u>229,467,070</u>
General Obligation Debt by Funding Source:	
Tax levy	\$ 11,982,000
Park impact fees	900,000
Tipping fees	19,554,250
Special assessments	2,513,481
TID increments	18,235,000
Utility user fees	5,202,158
Total General Obligation debt	<u>58,386,889</u>
Less Clean Water Fund loans which are not applicable to the debt limit	(2,706,889)
Net applicable general obligation debt	<u>\$ 55,680,000</u>
Ratio of applicable general obligation debt to debt limit	<u>24.26 %</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

F. Long-Term Obligations (Continued)

Revenue Bonds

Municipal revenue bonds issued by TID #5 and TID #7 are payable solely from tax increments collected by the Districts. The increments collected by the Districts are pledged in their entirety. If the tax increments collected by the Districts during the life of the Districts are insufficient to pay the principal and interest on the bonds, the Village has no liability for the remaining unpaid balance.

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

Details of revenue bonds outstanding are presented below:

	Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/09
Revenue Bonds:					
Governmental Activities:	06/06/08	10/01/26	8.50%	\$ 5,100,000	\$ 5,100,000
	10/19/09	10/01/18	N/A	3,100,000	3,100,000
Total governmental					<u>8,200,000</u>
Business-type Activities:					
Sewer Utility:	07/01/00	05/01/18	5.58%	\$ 1,600,000	\$ 1,025,000
Water Utility:	07/01/00	12/01/18	5.57%	1,425,000	875,000
	06/01/01	12/01/12	4.51%	6,485,000	2,050,000
	03/15/05	12/01/16	4.08%	5,280,000	3,645,000
Total business-type					<u>\$ 7,595,000</u>

During the year ended December 31, 2009, the Village defeased Sewer Utility mortgage revenue bonds by placing funds in escrow sufficient to meet the future debt service requirements as they mature. The principal of the defeased bonds totaled \$3,860,000. The required amount of the funds placed in escrow was derived from current financial resources. As a result of the defeasance, the Village decreased its total future debt service requirements by \$39,405, which resulted in an economic loss (difference between the present value of the debt service payments on the old debt and the cost of defeasance) of \$103,368. As of December 31, 2009, \$3,860,000 of the defeased bonds remains outstanding.

The Statement of Activities and the fund statements include a loss on defeasance totaling \$504,829. This amount includes final amortization of bond discounts and issuance costs totaling \$376,462.

The defeasance was the result of two factors: (1) the defeased bonds included certain bond covenants which the Sewer Utility was unable to meet in 2008 and 2009, and (2) with the defeasance of these bonds, the Village was able to prevent an increase in the utility rates.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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			Revenue Bonds			Total
	Principal	Interest		Principal	Interest		
2010	\$ 6,828,416	\$ 2,297,274		-	\$ 1,045,193		\$ 10,170,883
2011	5,963,416	1,979,683		102,420	476,050		8,521,569
2012	6,658,416	1,734,876		431,930	476,050		9,301,272
2013	4,625,416	1,496,042		559,728	431,262		7,112,448
2014	4,486,416	1,298,214		592,379	418,497		6,795,506
2015-2019	19,722,651	3,332,243		3,092,992	1,821,008		27,968,894
2020-2024	4,900,000	331,775		2,414,083	1,084,583		8,730,441
2025-2029	-	-		1,006,468	115,624		1,122,092
Totals	\$ 53,184,731	\$ 12,470,107		\$ 8,200,000	\$ 5,868,267		\$ 79,723,105

Business-type Activities:

Year	General Obligation Debt			Revenue Bonds			Total
	Principal	Interest		Principal	Interest		
2010	\$ 470,180	\$ 173,134		\$ 1,325,000	\$ 352,313		\$ 2,320,627
2011	496,942	143,184		1,360,000	292,788		2,292,914
2012	508,906	126,450		1,450,000	231,038		2,316,394
2013	549,079	108,361		760,000	163,925		1,581,365
2014	425,648	91,538		770,000	129,125		1,416,311
2015-2019	1,835,799	257,886		1,930,000	186,406		4,210,091
2020-2024	556,372	81,150		-	-		637,522
2025-2029	359,232	13,877		-	-		373,109
Totals	\$ 5,202,158	\$ 995,580		\$ 7,595,000	\$ 1,355,595		\$ 15,148,333

Total Primary Government

Year	General Obligation Debt			Revenue Bonds			Total
	Principal	Interest		Principal	Interest		
2010	\$ 7,298,596	\$ 2,470,408		\$ 1,325,000	\$ 1,397,506		\$ 12,491,510
2011	6,460,358	2,122,867		1,462,420	768,838		10,814,483
2012	7,167,322	1,861,326		1,881,930	707,088		11,617,666
2013	5,174,495	1,604,403		1,319,728	595,187		8,693,813
2014	4,912,064	1,389,752		1,362,379	547,622		8,211,817
2015-2019	21,558,450	3,590,129		5,022,992	2,007,414		32,178,985
2020-2024	5,456,372	412,925		2,414,083	1,084,583		9,367,963
2025-2029	359,232	13,877		1,006,468	115,624		1,495,201
Totals	\$ 58,386,889	\$ 13,465,687		\$ 15,795,000	\$ 7,223,862		\$ 94,871,438

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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 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, 2009 is summarized as follows:

	Balance		Amortization	Balance
	January		Expense	December
	1, 2009	Additions	(Benefit)	31, 2009
Governmental Activities	\$ 72,375	\$ 90,750	\$ (20,345)	\$ 142,780

Business-type Activities:

Sewer Utility	\$ 418,451	\$ -	\$ (399,401)	\$ 19,050
Water Utility	377,144	-	(66,298)	310,846
Total business-type activities	\$ 795,595	\$ -	\$ (465,699)	\$ 329,896

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

G. Net Assets and Fund Balances

Government-wide Financial Statement Net Assets

Governmental Activities

Governmental net assets consist of the following:

Invested in Capital Assets, Net of Related Debt:

Land and construction in progress	\$ 80,814,640
Other capital assets net of accumulated depreciation	54,465,352
Less related long-term debt	<u>(52,427,511)</u>
Total invested in capital assets net of related debt	\$ 82,852,481

Restricted for:

Capital Projects:

Park development and land acquisition	2,710,407
Library facilities	204,045
Tax Incremental District projects	<u>5,043,825</u>
Total restricted for capital projects	7,958,277

Debt Service

2,779

Other:

Community development	993,594
Public safety programs	306,647
Public Works programs	331
Parks operations	7,228
Library operations and maintenance	<u>695,756</u>
Total restricted for other	2,003,556

Unrestricted

5,034,116

Total governmental net assets

\$ 97,851,209

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

G. Net Assets and Fund Balances (Continued)

Government-wide Financial Statement Net Assets (Continued)

Business-type Activities

Business-type net assets consist of the following:

Invested in Capital Assets, Net of Related Debt:

Land and construction in progress	\$ 3,281,984
Other capital assets net of accumulated depreciation	126,264,351
Less related long-term debt	<u>(8,450,619)</u>
Total invested in capital assets net of related debt	\$ 121,095,716

Restricted for:

Capital Projects:

Interceptor sewer improvements	1,870,491
Other sewer infrastructure improvements	6,825,693
Other water infrastructure improvements	<u>3,003,221</u>
Total restricted for capital projects	11,699,405

Debt Service:

Restricted for debt service – sewer	424,319
Less liabilities payable from restricted assets – sewer	(398,117)
Restricted for debt service – water	1,188,445
Less liabilities payable from restricted assets – water	<u>(1,188,445)</u>
Total restricted for debt service	26,202

Other:

Operation and maintenance – sewer	723,872
Depreciation fund – sewer	270,766
Operation and maintenance – water	272,565
Depreciation fund – water	<u>75,000</u>
Total restricted for other	1,342,203

Unrestricted

Total business-type net assets	8,893,049
	\$ 143,056,575

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

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

G. Net Assets and Fund Balances (Continued)

Fund Financial Statements

Governmental fund balances consist of the following:

General Fund:

Reserved for:

Prepaid items	\$ 449,502
Advances to other funds	1,339,548
Delinquent personal property taxes receivable	7,717
Inventory of supplies	<u>264,196</u>
Total reserved	\$ 2,060,963

Unreserved:

Designated for:

Future landfill closure costs	100,000
Undesignated	<u>5,934,369</u>
Total General Fund	\$ 8,095,332

Debt Service Fund:

Reserved for debt service	<u>\$ 2,779</u>
---------------------------	-----------------

Non-major Funds:

Reserved for:

Tax Incremental District projects	\$ 5,043,825
Advances to other funds	400,000
Revolving loans for community development	644,319
Public safety programs	306,647
Park development and land acquisition	2,710,407
Parks operations	7,228
Library facilities	185,031
Library operations and maintenance	884,955
Public works programs	331
Municipal facilities projects	<u>4,640,698</u>
Total reserved	\$ 14,823,441

Unreserved:

Designated for capital projects	4,207,501
Designated for community grants	19,933
Designated for cable TV programs	62,583
Undesignated	<u>(768,631)</u>
Total non-major funds	\$ 18,344,827

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes

A. Employee Pension Plan

All eligible Village of Menomonee Falls' employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village of Menomonee Falls' employees covered by the WRS for the year ended December 31, 2009 was \$12,923,158; the employer's total payroll was \$13,101,213. The total required contribution for the year ended December 31, 2009 was \$1,487,736, which consisted of \$773,179, or 6.0% of payroll from the employer and \$714,557, or 5.5% of payroll from employees. Total contributions for the years ending December 31, 2008 and 2007 were \$1,509,271 and \$1,495,900, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. 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 are immediately vested.

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

B. Other Postemployment Benefits (OPEB)

During the year ended December 31, 2008, the Village adopted Governmental Accounting Standards Board (GASB) Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

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 postemployment 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Funding Policy

The Village funds these costs on a pay-as-you-go basis. Currently, the only Village contribution towards the costs of this obligation is the current period's implied subsidy, or the difference between the retiree contribution and the actual age-adjusted cost of retiree premiums paid by the Village.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 411,639
Interest on net OPEB obligation	10,806
Adjustment to annual required contribution	<u>43,720</u>
Annual OPEB cost (expense)	466,165
Contributions made	(138,148)
Increase in net OPEB obligation	328,017
Net OPEB obligation – beginning of year	270,138
Net OPEB obligation – end of year	\$ 598,155

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$ 411,369	141,501	34%	\$ 270,138
December 31, 2009	466,165	138,148	29%	598,155

In future years, three-year trend information will be presented. Fiscal year 2008 was the year of implementation of GASB Statement 45 and the Village has elected to implement prospectively. Therefore, prior year comparative data is not available for 2007. The Village's annual OPEB cost, actual employer contribution, the percentage of annual OPEB cost contributed and the net OPEB obligation for the years ended December 31, 2009 and 2008 are shown in the table above.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Funding Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,755,942. The covered payroll was \$12,923,158 and the ratio of the UAAL to covered payroll was 29.1%.

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

Actuarial Methods and Assumptions

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

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 4% after ten years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage over thirty years. The remaining amortization period at December 31, 2009 was twenty-nine years.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

C. Risk Management

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

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

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

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

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, 2009, this fund had net assets totaling \$924,122 which is available to pay future claims. Additionally, a liability of \$51,363 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>2009</u>	<u>2008</u>
Balance, January 1	\$ 197,927	\$ 272,707
Incurred claims adjustment	(89,909)	(31,822)
Claims paid/settled	(56,655)	(42,958)
Balance, December 31	<u>\$ 51,363</u>	<u>\$ 197,927</u>

Payments to WMIC for current year insurance coverage are reflected in the Statement of Revenues, expenses and Changes in Net Assets – Proprietary Funds. The Village's share of assets, liabilities and fund equity was approximately 2% as of December 31, 2009. 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, 2009 is available from the CVMIC offices. As of December 31, 2009, the CVMIC had assets of \$38,505,606 and a policyholders' surplus of \$23,502,790.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts

T.I.D. #2 - Village Centre

During 1991, the Village created Tax Incremental District #2 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. 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. T.I.D. #2 has a statutory life of 27 years which will expire February 18, 2018. The last date to incur project costs is February 18, 2013. The following is a summary of accumulated project activity and project plan estimates:

	<u>Cumulative Activity</u>	<u>Project Plan Estimate</u>
Project Revenues:		
Tax increment	\$ 8,218,264	\$ 10,079,425
Intergovernmental aids	315,506	-
Investment earnings	1,299,963	-
Developer contributions	100,000	-
Other revenues	262,700	-
Total project revenues	<u>10,196,433</u>	<u>10,079,425</u>
Project Expenditures:		
Planning, legal and consulting	307,874	173,172
Engineering	396,344	410,099
Streetscape	2,140,516	2,420,728
Riverfront improvements	442,399	380,299
Redevelopment project	1,487,603	2,382,355
Economic development	1,499,525	-
Marketing and recruitment	122,024	75,000
Park	1,080,098	310,000
Management and administration	76,394	217,666
Contingency	-	341,310
Interest and fiscal charges	5,090,279	3,368,796
Debt issuance costs	223,000	-
Total project expenditures	<u>12,866,056</u>	<u>10,079,425</u>
Deficiency of revenues under expenditures	<u>(2,669,623)</u>	<u>-</u>
Other Financing Sources (Uses):		
Debt issued	12,845,000 *	6,710,000
Principal payments on debt	(7,735,000)	(6,710,000)
Net change in fund balance	<u>\$ 2,440,377</u>	<u>\$ -</u>

*The excess of debt issued over plan estimates is due to a refinancing of the District's debt during 1997.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

T.I.D. #4 – Heritage Reserve

On May 6, 1996, the Village created Tax Incremental District #4 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. 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 will be used to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. T.I.D. #4 has a statutory life of 23 years which will expire May 6, 2019. On April 15, 2002 the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On December 17, 2009, the project plan was amended by the addition of certain provisions. After repayment in full of outstanding project costs, including but not limited to bonds issued for project costs, the balance in T.I.D. #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 T.I.D. #4 at the end of its maximum life. Future tax increments are to be allocated as follows: (1) \$1 million to fund future T.I.D. #4 costs allowed by the project plan, and (2) the remainder attributable to T.I.D. #8 - Richfield Way. The last date to incur project costs is May 6, 2014. The following is a summary of accumulated project activity and original and amended project plan estimates:

	<u>Cumulative Activity</u>	<u>Original Project Plan Estimate</u>	<u>Amended Project Plan Estimate</u>
Project Revenues:			
Tax increment	\$ 12,821,651	\$ 18,149,112	\$ 33,040,069
Intergovernmental aids	216,545	-	-
Investment earnings	854,561	-	-
Developer contributions	733,149	-	-
Total project revenues	<u>14,625,906</u>	<u>18,149,112</u>	<u>33,040,069</u>
Project Expenditures:			
Grading and erosion control	4,957,714	2,119,344	4,164,744
Sanitary sewer	574,804	481,933	1,149,483
Water main	1,262,088	686,730	1,282,680
Storm sewer	2,130,189	240,813	1,474,313
Streets	1,721,144	486,893	1,553,143
Street lighting	508,638	134,293	234,293
Site landscaping	-	1,756,196	4,451,796
Traffic signals	46,865	-	-
Water pump station	-	3,456	3,456
Water reservoir	-	750,000	750,000
Administration	236,967	671,189	671,189
Miscellaneous expenditures	320,926	2,065,805	5,810,931
Interest and fiscal charges	2,946,231	8,752,460	11,494,041
Debt issuance costs	171,472	-	-
Total project expenditures	<u>14,877,038</u>	<u>18,149,112</u>	<u>33,040,069</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(251,132)</u>	<u>-</u>	<u>23,045,095</u>
Other Financing Sources (Uses):			
Proceeds from debt issuance	21,191,500	23,250,000	36,200,000
Principal payments on debt	(18,866,500)	(23,250,000)	(36,200,000)
Transfers out	-	-	(23,045,095)
Net change in fund balance	<u>\$ 2,073,868</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

T.I.D. #5 - Westbrook Corporate Park

On June 14, 1999, the Village created Tax Incremental District #5 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. 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 will be used to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. T.I.D. #5 has a statutory life of 23 years which will expire June 14, 2022. On December 18, 2000 the original project plan was amended to increase certain planned project expenditures. On July 16, 2001 the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. The last date to incur project costs is June 14, 2017. The following is a summary of accumulated project activity and original and amended project plan estimates:

	<u>Cumulative Activity</u>	<u>Original Project Plan Estimate</u>	<u>Amended Project Plan Estimate</u>
Project Revenues:			
Tax increment	\$ 3,877,142	\$ 14,436,684	\$ 16,508,477
Special assessments and interest	101,699	-	-
Intergovernmental revenues	136,020	-	-
Investment earnings	498,929	-	-
Developer contributions	200,000	-	-
Total project revenues	4,813,790	14,436,684	16,508,477
Project Expenditures:			
Grading and erosion control	2,378,434	2,377,650	3,315,750
Sanitary sewer	2,180,898	1,332,299	1,430,729
Water main	920,981	393,250	715,605
Storm sewer	2,336,048	616,649	721,759
Streets	1,580,393	1,630,643	1,697,962
Street lighting	291,083	220,000	220,000
Traffic signals	-	6,000	8,000
Site landscaping	-	368,850	368,850
Water pump station	-	300,000	300,000
Administration	164,429	1,086,801	1,086,801
Miscellaneous expenditures	180,512	362,268	499,794
Developer incentives	3,100,000	-	-
Interest and fiscal charges	3,668,723	5,582,433	5,983,386
Debt issuance costs	132,709	159,841	159,841
Total project expenditures	16,934,210	14,436,684	16,508,477
Deficiency of revenues under expenditures	(12,120,420)	-	-
Other Financing Sources (Uses):			
Proceeds from debt issuance	35,540,000 *	19,300,000	21,200,000
Principal payments on debt	(22,890,000)	(19,300,000)	(21,200,000)
Net change in fund balance	\$ 529,580	\$ -	\$ -

*The excess of debt issued over plan estimates is due to a refinancing of the District's debt during 2004, 2006 and 2009.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

T.I.D. #6 – Main Street

On April 17, 2006, the Village created Tax Incremental District #6 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. primarily through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects fund expenditures. Tax increments are reported primarily 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. T.I.D. #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. The following is a summary of accumulated project activity and project plan estimates:

	<u>Cumulative Activity</u>	<u>Project Plan Estimate</u>
Project Revenues:		
Tax increment	\$ 56,418	\$ 26,760,500
Intergovernmental aids	28,834	-
Investment earnings	3,674	-
Developer contributions	7,411	-
Total project revenues	<u>96,337</u>	<u>26,760,500</u>
Project Expenditures:		
Streets	26,503	1,117,000
Sanitary sewer	19,328	985,000
Storm sewer	18,850	162,000
Water main	489,896	1,373,000
Property acquisition and economic development incentives	350,499	2,263,000
Planning	641,571	500,000
Site landscaping	-	10,600,000
Interest and fiscal charges	193,868	9,760,500
Total project expenditures	<u>1,740,515</u>	<u>26,760,500</u>
Deficiency of revenues under expenditures	<u>(1,644,178)</u>	<u>-</u>
Other Financing Sources (Uses):		
Debt issued	1,250,000	22,500,000
Principal payments on debt	-	(22,500,000)
Net change in fund balance	<u>\$ (394,178)</u>	<u>\$ -</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

T.I.D. #7 – First Park

On February 18, 2008, the Village created Tax Incremental District #7 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. primarily through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects fund expenditures. Tax increments are reported primarily 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. T.I.D. #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 and project plan estimates:

	<u>Cumulative Activity</u>	<u>Project Plan Estimate</u>
Project Revenues:		
Tax increment	\$ -	\$ 11,096,724
Developer contributions	89,274	-
Total project revenues	<u>89,274</u>	<u>11,096,724</u>
Project Expenditures:		
Property acquisition and economic development incentives	5,100,000	4,324,060
Water main	3,531	-
Street lighting	89,274	-
Planning	172,078	626,203
Contingency	-	324,737
Interest and fiscal charges	14,125	5,821,724
Total project expenditures	<u>5,379,008</u>	<u>11,096,724</u>
Deficiency of revenues under expenditures	<u>(5,289,734)</u>	<u>-</u>
Other Financing Sources (Uses):		
Debt issued	5,100,000	5,100,000
Principal payments on debt	-	(5,100,000)
Net change in fund balance	<u>\$ (189,734)</u>	<u>\$ -</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

T.I.D. #8 – Richfield Way

On July 8, 2008, the Village created Tax Incremental District #8 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. primarily through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects fund expenditures. Tax increments are reported primarily 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. T.I.D. #8 has a statutory life of 27 years which will expire July 8, 2035. On December 17, 2009, the project plan was amended by the addition of certain provisions and to provide transfers in from T.I.D. #4. The last date to incur project costs is July 8, 2030. The following is a summary of accumulated project activity and project plan estimates:

	<u>Cumulative Activity</u>	<u>Original Project Plan Estimate</u>	<u>Amended Project Plan Estimate</u>
Project Revenues:			
Tax increment	\$ -	\$ 30,142,164	\$ 35,900,655
Total project revenues	<u>-</u>	<u>30,142,164</u>	<u>35,900,655</u>
Project Expenditures:			
Streets	-	5,435,000	5,435,000
Water main	-	600,000	600,000
Property modifications	-	985,000	985,000
Grading	-	1,895,000	1,895,000
Property acquisition and economic development incentives	-	9,000,000	27,300,000
Planning and administration	166,554	50,000	50,000
Interest and fiscal charges	7,882	12,177,164	22,680,750
Total project expenditures	<u>174,436</u>	<u>30,142,164</u>	<u>58,945,750</u>
Deficiency of revenues under expenditures	<u>(174,436)</u>	<u>-</u>	<u>(23,045,095)</u>
Other Financing Sources (Uses):			
Debt issued	-	37,200,000	41,195,000
Principal payments on debt	-	(37,200,000)	(41,195,000)
Transfers in	-	-	23,045,095
Net change in fund balance	<u>\$ (174,436)</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

Creation of T.I.D. #9 - Appleton Avenue Corridor

On January 18, 2010, the Village created Tax Incremental District #9 (T.I.D.). Tax increment financing, 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 T.I.D. 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 T.I.D. primarily through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects fund expenditures. Tax increments are reported primarily 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. T.I.D. #9 has a statutory life of 27 years which will expire January 18, 2037. The last date to incur project costs is January 18, 2032.

E. Contingent Liabilities

The Village has identified the following items as potential liabilities not recorded in the financial statements:

- The Village participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Audits under the Single Audit Act of 1984 have been conducted when applicable but final acceptance is still pending. Accordingly, the Village's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Village expects such amounts, if any, to be immaterial.
- The Village is periodically engaged in the courts defending and prosecuting cases over a wide range of possible situations. The ultimate outcome of these claims has not been determined. In the opinion of management, after considering the Village's insurance coverage, potential payment of claims by other parties, and the statutory limitation on claims against Wisconsin municipalities, the likelihood of material impact on the Village's financial statements upon resolution of these matters is remote.
- The Village has been advised by the Wisconsin Department of Natural Resources that the Village is considered to be a responsible party with respect to property owned by the Village and formerly operated by others as a landfill known as the Bruce Landfill. The Village continues to monitor site contamination in accordance with an agreement with the Wisconsin Department of Natural Resources. Currently, there are no requirements for remediation activities, and the Village is unable to say at this time what, if any, remediation activities might be required in future periods. In the event that the Village is determined to have any liability with respect to the Bruce Landfill, the Village may have rights against third parties. The Village Board has designated \$100,000 of the General Fund balance for the landfill closure.
- The Village has entered into employment contracts with two non-represented Village employees. The terms of these contracts include salary continuation benefits for the employees in the event that the employees are terminated without cause. The length of salary continuation benefits is six months for each employee.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

F. Commitments

During 2008, the Village entered into an agreement with the City of Milwaukee wherein the Village agrees to purchase all of the water supplied to a portion of the Village from Milwaukee Water Works for a period of ten years from the effective date of the agreement. Charges under this agreement are approximately \$110,000 per month.

G. Letters of Credit

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

H. Regulatory Agency - Water Utility

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

I. Leases as Lessor

The Village has entered 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. Revenue from this activity totaled \$158,039 for the year ended December 31, 2009. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Year:</u>	<u>Amount</u>
2010	\$ 171,124
2011	179,679
2012	94,999
2013	68,322
Total	\$ 514,124

J. Deficit Fund Balances

As of December 31, 2009, the following non-major individual funds had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Capital Projects Funds:	
T.I.D. #6	\$ 394,178
T.I.D. #7	189,734
T.I.D. #8	174,436
Proposed T.I.D. #9	19,733

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2009
(Continued)

4. Other Notes (Continued)

K. Debt Issuances

In January 2010, the Village Board approved the issuance and sale of \$2,800,000 general obligation promissory notes for T.I.D. #2. The proceeds from the issuance, along with T.I.D. #2 reserves, are expected to be used to refinance a portion of T.I.D. #2's applicable debt. The loan has a maturity life of 4.5 years, with an average interest rate of 2.15%.

In March 2010, the Village Board approved the 2010 Capital Budget and authorized the Village Manager to proceed with arranging financing. The Capital Budget totaled \$5,590,000, with debt issuance to provide \$3,955,000. The Village plans to issue the debt in May 2010.

In April 2010, the Village Board approved the issuance and sale of \$17,650,000 bond anticipation notes for T.I.D. #6. The proceeds from the issuance will be used to finance a hotel redevelopment project in T.I.D. #6. The Village expects to issue the bond anticipation notes in May 2010. The issuance is part of a developer agreement that the Village has entered in which the Village will obtain the funding for the project and the developer will repay the Village over the course of the life of the debt, as determined by the developer agreement. Approximately \$13,000,000 of the issuance will be used in relation to the developer's construction-related costs, \$3,100,000 will be used to obtain a first lien mortgage on the hotel project and the remaining \$1,550,000 will be used to cover the issuance costs and interest related costs for the first two years of the debt. It is expected that the bond anticipation notes will be refinanced in approximately five years and a long-term bond in the amount of approximately \$13,550,000 will be issued at that time.

L. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (June 03, 2010). See notes 4.D. and 4.K. related to creation of T.I.D. #9 and subsequent issuances of debt instruments, respectively, for further information on subsequent events that have occurred.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information

Schedule of Funding Progress of Net OPEB Obligation
December 31, 2009

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

Notes:

1. The Village is required to present the above information for the three most recent actuarial studies. The above referenced study was performed as of December 31, 2007 and was the first and only study performed. Once there have been three actuarial studies completed, information pertaining to the three most recent actuarial studies will be presented.
2. The data presented in this schedule was taken from the report issued by the actuary, except the covered payroll data which was supplied by the Village.

See independent auditor's report.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GENERAL FUND

This Fund accounts for the financial resources of the Village which are not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, fines and penalties, intergovernmental revenues, public charges for services, investment earnings and a property tax equivalent charged to the Water Utility. Primary expenditures are for public safety, public works, culture, recreation and education, community development, and general administration.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Balance Sheets - General Fund
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and equivalents	\$ 12,179,405	\$ 13,453,622
Certificate of deposit	2,079,233	1,083,971
Accounts receivable:		
Taxes	11,002,652	10,066,290
Special charges on the tax roll	3,170	1,653
Intergovernmental aid	378,706	457,904
Accounts	734,643	870,914
Prepaid items	449,502	469,248
Inventory	264,196	159,730
Advance to other governmental funds	883,731	1,072,298
Advances to utilities	455,817	517,465
Total assets	<u>\$ 28,431,055</u>	<u>\$ 28,153,095</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 2,153,745	\$ 2,120,652
Compensated absences	842,833	900,471
Deposits	81,874	173,710
Deferred revenue	16,683,267	15,294,248
Due to other funds	574,004	1,568,682
Total liabilities	<u>20,335,723</u>	<u>20,057,763</u>
Fund Balances:		
Reserved	2,060,963	2,225,144
Unreserved:		
Designated	100,000	100,000
Undesignated	5,934,369	5,770,188
Total fund balances	<u>8,095,332</u>	<u>8,095,332</u>
Total liabilities and fund balance	<u>\$ 28,431,055</u>	<u>\$ 28,153,095</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Revenues:			
Property taxes	\$ 14,709,366	\$ 14,541,610	\$ 167,756
Other taxes	16,968	21,038	(4,070)
Payments in lieu of taxes - Water Utility	1,110,169	1,002,460	107,709
Licenses and permits	877,195	875,180	2,015
Fines and forfeitures	637,133	631,311	5,822
Intergovernmental	3,256,010	3,389,231	(133,221)
Charges for services	818,596	719,710	98,886
Investment earnings	126,297	588,779	(462,482)
Interest on advances to governmental funds	53,680	50,855	2,825
Interest on advances to utilities	31,048	34,537	(3,489)
Other	71,732	75,883	(4,151)
Total revenues	21,708,194	21,930,594	(222,400)
Expenditures:			
General Government:			
Village board	43,795	45,588	(1,793)
Village manager	143,849	125,311	18,538
Clerk services	535,092	577,037	(41,945)
Human resources	152,164	168,781	(16,617)
Assessment of property	274,789	287,200	(12,411)
Equipment maintenance	437,370	523,051	(85,681)
Insurance and benefits	502,683	171,241	331,442
Judicial	35,936	36,266	(330)
Legal services	314,997	417,483	(102,486)
Financial services	351,677	345,786	5,891
Communications and information services	428,923	385,020	43,903
Capital outlay	39,093	19,330	19,763
Total general government	3,260,368	3,102,094	158,274
Public Safety:			
Police	7,557,501	7,472,654	84,847
Emergency dispatch	957,155	999,109	(41,954)
Fire	2,453,470	2,341,539	111,931
Fire protection services	1,643,008	1,631,563	11,445
Weed and pest control	36,850	31,927	4,923
Emergency government	2,492	10,580	(8,088)
Other protection services	25,801	25,332	469
Capital outlay	97,913	98,013	(100)
Total public safety	12,774,190	12,610,717	163,473

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund
Years Ended December 31, 2009 and 2008
(Continued)

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Public Works:			
Street and alley repair	\$ 3,191,507	\$ 3,320,323	\$ (128,816)
Equipment maintenance	429,676	419,702	9,974
Municipal garages	84,114	96,201	(12,087)
Total public works	<u>3,705,297</u>	<u>3,836,226</u>	<u>(130,929)</u>
Culture and Recreation:			
Historical society and museum	27,683	15,631	12,052
Parks operations	787,668	810,899	(23,231)
Parks projects	15,450	10,458	4,992
Community quality of life	70,194	50,948	19,246
Total culture and recreation	<u>900,995</u>	<u>887,936</u>	<u>13,059</u>
Conservation and Development:			
Community development	46,785	40,442	6,343
Engineering	247,094	237,523	9,571
Building inspection	403,102	418,589	(15,487)
Planning	247,335	169,141	78,194
Total conservation and development	<u>944,316</u>	<u>865,695</u>	<u>78,621</u>
Total general fund expenditures	<u>21,585,166</u>	<u>21,302,668</u>	<u>282,498</u>
Excess of revenues over expenditures	<u>123,028</u>	<u>627,926</u>	<u>(504,898)</u>
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	87,106	66,341	20,765
Transfers in	706,044	1,108,672	(402,628)
Transfers out	(916,178)	(1,802,939)	886,761
Net other financing uses	<u>(123,028)</u>	<u>(627,926)</u>	<u>504,898</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Beginning of year	\$ 8,095,332	\$ 8,095,332	\$ -
End of year	<u>\$ 8,095,332</u>	<u>\$ 8,095,332</u>	<u>\$ -</u>

See independent auditors' report.

DEBT SERVICE FUND

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service Fund
Year Ended December 31, 2009

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Property taxes	\$ 3,369,604	\$ 3,369,604	\$ 3,369,604
Expenditures:			
Principal	8,073,506	8,073,506	8,027,416
Interest and fiscal charges	2,628,564	2,628,564	2,609,863
Debt issuance costs	-	-	90,750
Total expenditures	<u>10,702,070</u>	<u>10,702,070</u>	<u>10,728,029</u>
Deficit of revenues under expenditures	<u>(7,332,466)</u>	<u>(7,332,466)</u>	<u>(7,358,425)</u>
Other Financing Sources (Uses):			
Transfers in	5,482,466	5,482,466	5,414,601
Bonds and notes issued	1,850,000	1,850,000	1,850,000
Bond premiums	-	-	90,750
Net other financing sources	<u>7,332,466</u>	<u>7,332,466</u>	<u>7,355,351</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(3,074)</u>
Fund Balance:			
Beginning of year	5,853	5,853	5,853
End of year	<u>\$ 5,853</u>	<u>\$ 5,853</u>	<u>\$ 2,779</u>

See independent auditors' report.

**COMBINING STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-major Governmental Funds
December 31, 2009

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
Assets:			
Cash and equivalents	\$ 8,340,240	\$ 9,761,579	\$ 18,101,819
Accounts receivable:			
Taxes	1,776,895	4,298,446	6,075,341
Special charges on tax roll	1,181,168	164,575	1,345,743
Intergovernmental aid	-	79,260	79,260
Special assessments	-	1,240,881	1,240,881
Accounts	188,515	48,689	237,204
Notes	349,275	-	349,275
Pledges	19,014	-	19,014
Due from other funds	44,017	1,216,403	1,260,420
Prepaid items	5,994	-	5,994
Advance to other governmental funds	1,208,078	400,000	1,608,078
Total assets	\$ 13,113,196	\$ 17,209,833	\$ 30,323,029
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and other accrued liabilities	\$ 62,656	\$ 808,481	\$ 871,137
Accrued compensated absences	65,445	-	65,445
Deposits	-	37,775	37,775
Deferred revenue	3,325,959	4,911,450	8,237,409
Due to other funds	187,554	87,073	274,627
Long-term advances from other governmental funds	-	2,491,809	2,491,809
Total liabilities	3,641,614	8,336,588	11,978,202
Fund Balances:			
Reserved for:			
Capital Projects Funds	-	5,443,825	5,443,825
Special Revenue Funds	9,379,616	-	9,379,616
Unreserved:			
Designated	82,516	4,207,501	4,290,017
Undesignated	9,450	(778,081)	(768,631)
Total fund balances	9,471,582	8,873,245	18,344,827
Total liabilities and fund balance	\$ 13,113,196	\$ 17,209,833	\$ 30,323,029

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Non-major Governmental Funds
December 31, 2009

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
Revenues:			
Property taxes	\$ 1,742,865	\$ 3,779,339	\$ 5,522,204
Charges for services:			
Fines and forfeitures	25,370	-	25,370
Program revenues	1,244,290	-	1,244,290
Other charges for services	2,653,971	280	2,654,251
Operating grants and contributions:			
Intergovernmental	207,337	73,305	280,642
Donations	133,352	-	133,352
Contributions from developers	-	89,274	89,274
Capital grants and contributions:			
Intergovernmental	-	284,410	284,410
Special assessments and interest	-	271,814	271,814
Contributions from developers	184,751	12,945	197,696
Investment earnings	42,769	53,315	96,084
Other revenues	14,768	-	14,768
Total governmental revenues	6,249,473	4,564,682	10,814,155
Expenditures:			
Current:			
General government	14,783	226,178	240,961
Public safety	69,553	341,367	410,920
Public works	1,553,403	1,131,886	2,685,289
Culture and recreation	2,022,121	10,712	2,032,833
Conservation and development	164,446	3,136,287	3,300,733
Interest on advances to governmental funds	-	53,680	53,680
Interest on advances from utilities	-	6,388	6,388
Capital outlay	55,514	2,537,860	2,593,374
Total expenditures	3,879,820	7,444,358	11,324,178
Excess (deficit) of revenues over (under) expenditures	2,369,653	(2,879,676)	(510,023)
Other Financing Sources (Uses):			
Transfers in	582,970	767,467	1,350,437
Transfers out	(2,431,844)	(4,123,060)	(6,554,904)
Bonds and notes issued	-	5,405,000	5,405,000
Total other financing sources (uses)	(1,848,874)	2,049,407	200,533
Net change in fund balances	520,779	(830,269)	(309,490)
Fund balance, beginning of year	8,950,803	9,703,514	18,654,317
Fund balance, end of year	\$ 9,471,582	\$ 8,873,245	\$ 18,344,827

See independent auditors' report.

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

Police Department - To account for the financing and expenditures of programs such as state grant programs, Federal Asset Forfeiture program, D.A.R.E. 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.

War Chest - To account for the financing and expenditures related to a fund set up to fight vandalism in the community.

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

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

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

Senior Bus - To account for the financing and expenditures of Community Development Block Grants for senior bus trips.

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

Municipal Facilities Fund - To account for the financing and expenditures of the long-term municipal facilities projects. The primary source of revenue is tipping fees received on the landfill. Expenditures are authorized by the Village Board for facility and park related projects.

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 MENOMONNE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Special Revenue Funds
December 31, 2009

Non-major Special Revenue Funds																Total Non-major Special Revenue Funds	
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	War Chest	Library	Community Grant	Teen Court	Senior Bus	Cable TV	Unallocated	Municipal Facilities Fund	Solid Waste Collection	Library Operations and Maintenance		
Assets:																	
Cash and equivalents	\$ 645,497	\$ -	\$ -	\$ -	\$ 2,213,553	\$ -	\$ 209,777	\$ -	\$ -	\$ -	\$ -	\$ 856,064	\$ 3,262,546	\$ 99,442	\$ 1,053,361	\$ 8,340,240	
Receivables:																	
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,776,895	
Special charges on the tax roll	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,181,168	
Accounts	-	-	-	-	-	-	-	-	-	-	-	368	187,997	150	-	188,515	
Notes	349,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-	349,275	
Pledges	-	-	-	-	-	-	19,014	-	-	-	-	-	-	-	-	19,014	
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,994	
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,017	
Due from (to) unallocated	(1,178)	188,949	109,358	4,673	496,854	2,555	(24,746)	19,933	8,340	-	62,583	(867,321)	-	-	-	-	44,017
Advance to other governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 993,594	\$ 188,949	\$ 109,358	\$ 4,673	\$ 2,710,407	\$ 2,555	\$ 204,045	\$ 19,933	\$ 8,340	\$ -	\$ 62,583	\$ 33,128	\$ 4,658,621	\$ 1,280,760	\$ 2,836,250	\$ 13,113,196	
Liabilities and Fund Balance:																	
Liabilities:																	
Accounts payable and other accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,678	\$ -	\$ 4,781	\$ 34,197	\$ 62,656	
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,445	
Deferred revenue	349,275	-	-	-	-	-	19,014	-	-	-	-	-	-	-	-	1,180,775	
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,776,895	
Total liabilities	349,275	-	-	-	-	-	19,014	-	-	-	-	23,678	17,923	94,873	74,758	187,554	
Fund Balances:																	
Reserved for specific purposes	644,319	188,949	109,358	4,673	2,710,407	2,555	185,031	-	8,340	-	-	-	4,640,698	331	884,955	9,379,616	
Designated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,516	
Undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,450	
Total fund balances	644,319	188,949	109,358	4,673	2,710,407	2,555	185,031	19,933	8,340	-	62,583	9,450	4,640,698	331	884,955	9,471,582	
Total liabilities and fund balance	\$ 993,594	\$ 188,949	\$ 109,358	\$ 4,673	\$ 2,710,407	\$ 2,555	\$ 204,045	\$ 19,933	\$ 8,340	\$ -	\$ 62,583	\$ 33,128	\$ 4,658,621	\$ 1,280,760	\$ 2,836,250	\$ 13,113,196	

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes In Fund Balances-
Special Revenue Funds
Year Ended December 31, 2009

Non-major Special Revenue Funds																Total Non-major Special Revenue Funds
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	War Chest	Library	Community Grant	Teen Court	Senior Bus	Cable TV	Unallocated	Municipal Facilities Fund	Solid Waste Collection	Library Operations and Maintenance	
Revenues:																
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,742,865
Public charges for services:																\$ 1,742,865
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,370
Landfill tipping fees	-	-	-	-	-	-	-	-	-	-	-	-	2,653,971	-	-	2,653,971
Program revenue	42,619	3,762	29,882	-	-	-	-	1,425	-	69,165	-	-	1,097,437	-	-	1,244,290
Operating grants and contributions:																
Intergovernmental	-	37,139	8,503	-	-	700	-	11,605	-	-	-	-	122,996	26,394	207,337	
Donations	-	61,685	63,735	-	-	6,482	-	1,200	-	-	-	-	-	-	250	133,352
Capital grants and contributions:																
Park impact fee	-	-	-	-	184,751	-	-	-	-	-	-	-	-	-	-	184,751
Investment earnings	1,899	181	-	-	12,284	-	1,015	-	-	-	-	2,383	18,660	-	6,347	42,769
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	1,950	-	12,818	14,768
Total revenues	44,518	102,767	102,120	-	197,035	-	8,197	-	2,625	11,605	69,165	2,383	2,674,581	1,220,433	1,814,044	6,249,473
Expenditures:																
Current:																
General government	-	-	-	-	-	-	-	-	-	-	-	671	14,112	-	-	14,783
Public safety	-	18,458	46,443	-	-	-	-	-	600	-	-	-	4,052	-	-	69,553
Public works	-	-	-	-	-	-	-	-	-	-	-	-	1,553,403	-	-	1,553,403
Culture, recreation and education	-	-	-	-	-	-	9,164	-	11,605	283,041	-	-	22,522	-	-	1,695,789
Conservation and development	109,474	-	-	-	54,972	-	-	-	-	-	-	-	-	-	-	164,446
Capital outlay	-	-	12,761	-	-	-	-	-	-	-	-	-	42,753	-	-	55,514
Total expenditures	109,474	18,458	59,204	-	54,972	-	9,164	-	600	11,605	283,041	671	83,439	1,553,403	1,695,789	3,879,820
Excess (deficit) of revenues over (under) expenditures	(64,956)	84,309	42,916	-	142,063	-	(967)	-	2,025	-	(213,876)	1,712	2,591,142	(332,970)	118,255	2,369,653
Other Financing Sources (Uses):																
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	250,000	332,970	-	582,970
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(2,424,979)	-	(6,865)	(2,431,844)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	(2,174,979)	332,970	(6,865)	(1,848,874)
Net change in fund balances	(64,956)	84,309	42,916	-	142,063	-	(967)	-	2,025	-	(213,876)	1,712	416,163	-	111,390	520,779
Fund Balance - beginning of year	\$ 709,275	104,640	66,442	4,673	2,568,344	2,555	185,998	19,933	6,315	-	276,459	7,738	4,224,535	331	773,565	\$ 8,950,803
Fund Balance - end of year	\$ 644,319	\$ 188,949	\$ 109,358	\$ 4,673	\$ 2,710,407	\$ 2,555	\$ 185,031	\$ 19,933	\$ 8,340	\$ -	\$ 62,583	\$ 9,450	\$ 4,640,698	\$ 331	\$ 884,955	\$ 9,471,582

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.

Revolving Capital - A no-interest internal loan fund to finance equipment purchases.

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

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

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

Tax Incremental Financing District #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 Richfield Way District.

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

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 - Capital Projects Funds
December 31, 2009

	Non-major Capital Projects Funds											Total Non-major Capital Projects Funds
	Capital Projects	Revolving Capital	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #8 Richfield Way	Proposed T.I.D. #9 Appleton Ave. Corridor	Special Assessments		
Assets:												
Cash and equivalents	\$ 1,030,499	\$ 1,473,711	\$ 2,440,377	\$ 2,098,403	\$ 971,380	\$ 144,136	\$ -	\$ -	\$ -	\$ 1,603,073	\$ 9,761,579	
Receivables:												
Taxes	-	-	768,783	2,363,415	853,158	26,945	286,145	-	-	-	-	4,298,446
Special charges on the tax roll	-	-	-	-	-	-	-	-	-	164,575	164,575	
Intergovernmental aid	-	-	24,685	24,033	27,713	2,829	-	-	-	-	79,260	
Special assessments	-	-	-	-	-	-	-	-	-	1,240,881	1,240,881	
Developers	48,689	-	-	-	-	-	-	-	-	-	48,689	
Due from other funds	802,752	398,607	-	-	-	-	-	-	-	15,044	1,216,403	
Advances to other capital project funds	400,000	-	-	-	-	-	-	-	-	-	400,000	
Total assets	\$ 2,281,940	\$ 1,872,318	\$ 3,233,845	\$ 4,485,851	\$ 1,852,251	\$ 173,910	\$ 286,145	\$ -	\$ -	\$ 3,023,573	\$ 17,209,833	
Liabilities and Fund Balances:												
Liabilities:												
Accounts payable and other accrued liabilities	\$ 83,596	\$ -	\$ -	\$ -	\$ 17,748	\$ -	\$ -	\$ -	\$ -	\$ 707,137	\$ 808,481	
Deposits	36,490	-	-	-	-	-	-	-	-	1,285	37,775	
Deferred revenue	-	-	793,468	2,387,448	880,871	29,774	286,145	-	-	533,744	4,911,450	
Due to other funds	-	-	-	24,535	24,052	18,753	-	-	19,733	-	87,073	
Advances from other capital projects funds	-	-	-	-	400,000	-	-	-	-	-	400,000	
Advances from municipality	1,208,078	-	-	-	-	519,561	189,734	174,436	-	-	2,091,809	
Total liabilities	1,328,164	-	793,468	2,411,983	1,322,671	568,088	475,879	174,436	19,733	1,242,166	8,336,588	
Fund Balances:												
Reserved for advances to other capital project funds	400,000	-	-	-	-	-	-	-	-	-	400,000	
Reserved for specific purposes	-	-	2,440,377	2,073,868	529,580	-	-	-	-	-	5,043,825	
Designated for capital projects	553,776	1,872,318	-	-	-	-	-	-	-	1,781,407	4,207,501	
Undesignated	-	-	-	-	-	(394,178)	(189,734)	(174,436)	(19,733)	-	(778,081)	
Total fund balances	953,776	1,872,318	2,440,377	2,073,868	529,580	(394,178)	(189,734)	(174,436)	(19,733)	1,781,407	8,873,245	
Total liabilities and fund balances	\$ 2,281,940	\$ 1,872,318	\$ 3,233,845	\$ 4,485,851	\$ 1,852,251	\$ 173,910	\$ 286,145	\$ -	\$ -	\$ 3,023,573	\$ 17,209,833	

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Capital Projects Funds**
Year Ended December 31, 2009

	Non-major Capital Projects Funds											Total Non-major Capital Projects Funds
	Capital Projects	Revolving Capital	T.I.D. #2 Village Centre	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Park	T.I.D. #6 Main Street	T.I.D. #7 First Park	T.I.D. #8 Richfield Way	T.I.D. #9 Appleton Ave. Corridor	Proposed Special Assessments		
Revenues:												
Tax increment	\$ -	\$ -	\$ 757,290	\$ 2,158,729	\$ 842,477	\$ 20,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,779,339
Public charges for services:												
Program revenues	280	-	-	-	-	-	-	-	-	-	-	280
Operating grants and contributions:												
Intergovernmental	-	-	22,987	22,362	20,001	7,955	-	-	-	-	-	73,305
Contributions from developers	-	-	-	-	-	-	89,274	-	-	-	-	89,274
Capital grants and contributions:												
Intergovernmental	284,410	-	-	-	-	-	-	-	-	-	-	284,410
Special assessments and interest	-	-	-	-	-	-	-	-	-	-	-	271,814
Contributions from developers	12,945	-	-	-	-	-	-	-	-	-	-	12,945
Investment earnings	15,482	-	12,055	10,461	2,963	2,047	-	-	-	-	10,307	53,315
Total revenues	313,117	-	792,332	2,191,552	865,441	30,845	89,274	-	-	-	282,121	4,564,682
Expenditures:												
Current:												
General government	42,401	(11,906)	1,796	34,860	27,980	35,740	17,504	67,258	9,339	1,206	226,178	
Public safety	332,044	9,323	-	-	-	-	-	-	-	-	341,367	
Public works	962,096	(5,108)	-	4,229	43,206	8,581	108,488	-	10,394	-	1,131,886	
Culture, recreation and education	10,712	-	-	-	-	-	-	-	-	-	10,712	
Conservation and development	-	-	-	-	3,100,000	-	-	36,287	-	-	3,136,287	
Interest on advances from governmental funds	-	-	-	-	-	37,049	9,700	6,931	-	-	53,680	
Interest on advances from utilities	6,388	-	-	-	-	-	-	-	-	-	6,388	
Capital Outlay	1,940,165	597,695	1,796	39,089	3,171,186	81,370	135,692	110,476	19,733	1,206	2,537,860	
Total expenditures	3,293,806	590,004	1,796	39,089	3,171,186	81,370	135,692	110,476	19,733	1,206	7,444,358	
Excess (deficit) of revenues over (under) expenditures	(2,980,689)	(590,004)	790,536	2,152,463	(2,305,745)	(50,525)	(46,418)	(110,476)	(19,733)	280,915	(2,879,676)	
Other Financing Sources (Uses):												
Transfers in	237,022	530,445	-	-	-	-	-	-	-	-	767,467	
Transfers out	(638,035)	-	(611,215)	(1,270,313)	(597,606)	(53,749)	-	-	-	(952,142)	(4,123,060)	
Bonds and notes issued	2,305,000	-	-	-	3,100,000	-	-	-	-	-	5,405,000	
Total other financing sources (uses)	1,903,987	530,445	(611,215)	(1,270,313)	2,502,394	(53,749)	-	-	-	(952,142)	2,049,407	
Net change in fund balances	(1,076,702)	(59,559)	179,321	882,150	196,649	(104,274)	(46,418)	(110,476)	(19,733)	(671,227)	(830,269)	
Fund balance, beginning of year	2,030,478	1,931,877	2,261,056	1,191,718	332,931	(289,904)	(143,316)	(63,960)	-	2,452,634	9,703,514	
Fund balance, end of year	\$ 953,776	\$ 1,872,318	\$ 2,440,377	\$ 2,073,868	\$ 529,580	\$ (394,178)	\$ (189,734)	\$ (174,436)	\$ (19,733)	\$ 1,781,407	\$ 8,873,245	

See independent auditors' report.

PROPRIETARY FUNDS

Enterprise Funds:

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

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

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

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

Internal Service Funds - Risk Management Fund:

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Sewer Utility
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 2,123,409	\$ 2,495,037
Investments	-	1,500,000
Receivables:		
Taxes	300,000	300,000
Special charges on the tax roll	441,265	395,850
Utility customers	1,760,974	1,831,093
Other	34,436	72,408
Due from other funds	-	698,086
Inventory	17,254	15,036
Total current assets	<u>4,677,338</u>	<u>7,307,510</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and equivalents	10,115,141	12,157,960
Advances to other funds	-	1,303,555
Land and construction in progress	2,461,888	389,648
Other capital assets net of depreciation	49,411,580	50,392,176
Unamortized debt issuance costs	-	104,789
Prepaid capacity charge	5,134,347	5,389,197
Total noncurrent assets	<u>67,122,956</u>	<u>69,737,325</u>
Total assets	<u>\$ 71,800,294</u>	<u>\$ 77,044,835</u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 499,828	\$ 359,034
Compensated absences - vacation pay	25,323	35,570
Deferred revenue	356,000	363,000
Due to other funds	231,953	-
Liabilities payable from restricted assets:		
Current portion of general obligation notes and BANS	274,686	268,233
Current portion of revenue bonds	100,000	1,500,000
Accrued interest	23,431	61,752
Total current liabilities	<u>1,511,221</u>	<u>2,587,589</u>
Long-Term Liabilities:		
Compensated absences - sick pay	82,664	114,210
OPEB obligation	22,340	9,092
General obligation notes and BANS	2,847,013	3,124,285
Revenue bonds	925,000	4,885,000
Unamortized debt issuance premiums, discounts and losses on refundings	(19,050)	(418,451)
Total long-term liabilities	<u>3,857,967</u>	<u>7,714,136</u>
Total liabilities	<u>5,369,188</u>	<u>10,301,725</u>
Net Assets:		
Invested in capital assets, net of related debt	50,598,798	49,363,304
Restricted	9,717,024	10,327,975
Unrestricted	6,115,284	7,051,831
Total net assets	<u>66,431,106</u>	<u>66,743,110</u>
Total liabilities and net assets	<u>\$ 71,800,294</u>	<u>\$ 77,044,835</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Assets - Sewer Utility
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Charges for services	\$ 8,789,253	\$ 9,017,943
Operating Expenses:		
Operation and maintenance	6,615,192	6,452,969
Administrative expense	945,698	934,152
Depreciation expense	1,253,168	1,257,826
Social Security tax	42,344	41,519
Total operating expenses	<u>8,856,402</u>	<u>8,686,466</u>
Operating income (loss)	<u>(67,149)</u>	<u>331,477</u>
Nonoperating Revenues (Expenses):		
General property taxes	300,000	300,000
Investment earnings	84,312	365,325
Interest on advances to governmental funds	6,388	35,394
Sale of materials	-	1,050
Gain on retirement of property and plant	147	8,685
Impact fees	199,833	163,676
Fiscal charges on debt	(7,700)	(1,200)
Amortization of debt issuance premiums, discounts and losses on refundings	(101,531)	(101,531)
Amortization of debt issuance costs	(26,197)	(26,197)
Loss on defeasance of debt	(504,829)	-
Interest on long-term debt	(273,974)	(338,786)
Net nonoperating revenues (expenses)	<u>(323,551)</u>	<u>406,416</u>
Net income (loss) before capital contributions	<u>(390,700)</u>	<u>737,893</u>
Capital Contributions	<u>78,696</u>	<u>329,235</u>
Increase (decrease) in net assets	<u>(312,004)</u>	<u>1,067,128</u>
Net Assets:		
Balance, beginning of year	\$ 66,743,110	\$ 65,675,982
Balance, end of year	<u>\$ 66,431,106</u>	<u>\$ 66,743,110</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities:		
Receipts from customers	\$ 8,834,895	\$ 8,796,288
Payments to suppliers	(6,177,850)	(6,495,310)
Payments to and on behalf of employees	(909,270)	(854,540)
Internal activity - receipts from other funds	2,233,594	79,026
Internal activity - payments to other funds	(148,874)	(685,286)
Other receipts	-	1,050
Net cash provided by operating activities	3,832,495	841,228
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	147	20,448
Additions to property and plant	(2,258,441)	(362,252)
Fair value of debt issued	-	733,604
Loss on defeasance of debt	(128,367)	-
Principal payments on debt	(5,630,819)	(1,589,526)
Interest on debt	(312,295)	(335,864)
Fiscal charges on debt	(7,700)	(1,200)
General property taxes	300,000	300,000
Impact fees	199,833	163,676
Net cash used by capital and related financing activities	(7,837,642)	(1,071,114)
Cash Flows From Investing Activities:		
Purchase of investments	-	(1,500,000)
Proceeds from sale of investments	1,500,000	2,156,413
Investment earnings	84,312	365,325
Interest on advances to governmental funds	6,388	35,394
Net cash provided by investing activities	1,590,700	1,057,132
Net increase (decrease) in cash and equivalents	(2,414,447)	827,246
Cash and equivalents, beginning of year	<u>14,652,997</u>	<u>13,825,751</u>
Cash and equivalents, end of year	<u>\$ 12,238,550</u>	<u>\$ 14,652,997</u>
Reconciliation to cash and cash equivalents on the Statement of Net Assets:		
Cash and cash equivalents - unrestricted	\$ 2,123,409	\$ 2,495,037
Cash and cash equivalents - restricted	10,115,141	12,157,960
Total cash and equivalents	\$ 12,238,550	\$ 14,652,997

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2009 and 2008
(Continued)

	<u>2009</u>	<u>2008</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating income (loss)	\$ (67,149)	\$ 331,477
Adjustments to reconcile operating income (loss) to net cash		
provided by operating activities:		
Depreciation	1,253,168	1,257,826
Amortization of prepaid capacity	252,152	205,278
Proceeds from sales of materials	-	1,050
Changes in assets and liabilities related to operations:		
Receivables	62,676	(221,655)
Advances to other funds	1,303,555	79,026
Inventory	(2,218)	4,215
Prepaid capacity	2,698	(272,704)
Due from other funds	930,039	(536,990)
Accounts payable and accrued liabilities	133,119	(8,591)
Deferred revenues	(7,000)	(7,000)
Compensated absences	(41,793)	204
OPEB obligation	13,248	9,092
Net cash provided by operating activities	<u>\$ 3,832,495</u>	<u>\$ 841,228</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 78,696	\$ 69,677
Amortization of debt issuance premiums, discounts and		
losses on refundings	101,531	101,531
Amortization of debt issuance costs	26,197	26,197
Gain on sale of utility plant	147	8,685

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Water Utility
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 1,760,157	\$ 2,507,258
Receivables:		
Special charges on the tax roll	194,406	168,741
Utility customers	867,050	940,662
Other	20,083	21,792
Inventory	96,568	93,473
Total current assets	<u>2,938,264</u>	<u>3,731,926</u>
Noncurrent Assets:		
Cash and equivalents - restricted	4,539,231	4,454,685
Deferred bond issuance costs	59,759	68,399
Land and construction in progress	700,552	465,290
Other capital assets, net of depreciation	53,503,707	54,174,114
Total noncurrent assets	<u>58,803,249</u>	<u>59,162,488</u>
Total assets	<u>\$ 61,741,513</u>	<u>\$ 62,894,414</u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 64,590	\$ 46,411
Compensated absences - vacation pay	83,569	75,825
Deferred revenue	106,323	101,386
Due to other funds	85,225	213,243
Current portion of general obligation notes and BANS	85,000	80,000
Current portion of revenue bonds	61,336	1,083,333
Accrued interest	1,797	2,039
Liabilities payable from restricted assets:		
Current portion of revenue bonds	1,163,664	91,667
Accrued interest	24,781	28,937
Total current liabilities	<u>1,676,285</u>	<u>1,722,841</u>
Long-Term Liabilities:		
Compensated absences - sick pay	271,030	253,166
OPEB obligation	59,395	29,115
General obligation notes and BANS	470,000	555,000
Revenue bonds	5,345,000	6,570,000
Unamortized debt issuance premiums, discounts and losses on refundings	(310,846)	(377,144)
Total long-term liabilities	<u>5,834,579</u>	<u>7,030,137</u>
Total liabilities	<u>7,510,864</u>	<u>8,752,978</u>
Net Assets:		
Invested in capital assets - net of related debt	48,553,769	46,728,215
Restricted	3,350,786	4,254,081
Unrestricted	2,326,094	3,159,140
Total net assets	<u>54,230,649</u>	<u>54,141,436</u>
Total liabilities and net assets	<u>\$ 61,741,513</u>	<u>\$ 62,894,414</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Assets - Water Utility
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Charges for services	\$ 6,154,632	\$ 6,310,089
Operating Expenses:		
Operation and maintenance	2,175,210	2,179,123
Administrative expense	1,089,381	1,089,774
Depreciation expense	1,486,820	1,508,763
Taxes paid to Village	1,110,169	1,002,460
Social Security tax	79,759	74,206
Regulatory commission remainder assessments	5,454	5,055
Total operating expenses	<u>5,946,793</u>	<u>5,859,381</u>
Operating income	<u>207,839</u>	<u>450,708</u>
Nonoperating Revenues (Expenses):		
Investment earnings	35,488	186,220
Sale of materials	912	1,205
Gain on retirement of property and plant	-	21,833
Impact fees	205,948	166,886
Fiscal charges on debt	(1,887)	(1,881)
Amortization of debt issuance premiums, discounts and losses on refundings	(66,298)	(66,298)
Amortization of debt issuance costs	(8,640)	(8,640)
Interest on long-term debt	(365,858)	(416,369)
Net nonoperating expenses	<u>(200,335)</u>	<u>(117,044)</u>
Net income before capital contributions	<u>7,504</u>	<u>333,664</u>
Capital Contributions	<u>81,709</u>	<u>970,295</u>
Increase in net assets	<u>89,213</u>	<u>1,303,959</u>
Net assets:		
Balance, beginning of year	\$ 54,141,436	\$ 52,837,477
Balance, end of year	<u>\$ 54,230,649</u>	<u>\$ 54,141,436</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities:		
Receipts from customers	\$ 4,482,447	\$ 4,518,110
Payments to suppliers	(1,829,906)	(1,940,664)
Payments to and on behalf of employees	(1,371,171)	(1,302,421)
Internal activity - receipts from other funds	1,804,141	1,791,095
Internal activity - payments to other funds	(1,238,187)	(1,033,806)
Other receipts	912	1,205
Net cash provided by operating activities	1,848,236	2,033,519
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	-	22,862
Payments to dispose of property and plant	(31,868)	-
Additions to property and plant	(1,093,216)	(1,098,843)
Principal payments on debt	(1,255,000)	(1,240,000)
Interest on debt	(370,256)	(420,552)
Fiscal charges on debt	(1,887)	(1,881)
Impact fees	205,948	166,886
Net cash used by capital and related financing activities	(2,546,279)	(2,571,528)
Cash Flows From Investing Activities:		
Investment earnings	35,488	186,220
Net cash provided by investing activities	35,488	186,220
Net decrease in cash and equivalents	(662,555)	(351,789)
Cash and equivalents, beginning of year	6,961,943	7,313,732
Cash and equivalents, end of year	\$ 6,299,388	\$ 6,961,943
Reconciliation to cash and cash equivalents on the Statement of Net Assets:		
Cash and cash equivalents - unrestricted	\$ 1,760,157	\$ 2,507,258
Cash and cash equivalents - restricted	4,539,231	4,454,685
Total cash and equivalents	\$ 6,299,388	\$ 6,961,943

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2009 and 2008
(Continued)

	2009	2008
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 207,839	\$ 450,708
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,486,820	1,508,763
Depreciation charged to other accounts	155,003	131,967
Proceeds from sales of materials	912	1,205
Changes in assets and liabilities related to operations:		
Receivables	49,656	(112,476)
Inventory	(3,095)	(1,496)
Due from other funds	(128,018)	(31,346)
Accounts payable and accrued liabilities	18,294	15,017
Compensated absences	25,608	32,898
OPEB obligation	30,280	29,115
Deferred revenue	4,937	9,164
Net cash provided by operating activities	\$ 1,848,236	\$ 2,033,519
Noncash Capital Activities:		
Utility plant contributions	\$ 81,709	\$ 970,295
Amortization of debt issuance premiums, discounts and losses on refundings	66,298	66,298
Amortization of debt issuance costs	8,640	8,640
Gain on sale of utility plant	--	21,833

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Storm Water Utility
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 1,135,777	\$ 616,450
Receivables:		
Taxes	912,990	895,085
Other	4,438	18,727
Total current assets	<u>2,053,205</u>	<u>1,530,262</u>
Noncurrent Assets:		
Land and construction in progress	119,544	68,192
Other capital assets, net of depreciation	<u>23,349,064</u>	<u>23,535,997</u>
Total noncurrent assets	<u>23,468,608</u>	<u>23,604,189</u>
Total assets	<u><u>\$ 25,521,813</u></u>	<u><u>\$ 25,134,451</u></u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 40,815	\$ 13,135
Deposits	50,000	50,000
Compensated absences - vacation pay	7,791	9,018
Deferred revenue	912,990	895,085
Due to other funds	96,016	218,950
Current portion of general obligation notes and BANS	<u>110,494</u>	<u>96,494</u>
Total current liabilities	<u>1,218,106</u>	<u>1,282,682</u>
Long-Term Liabilities:		
Compensated absences - sick pay	34,353	40,155
OPEB obligation	3,752	1,839
Advances from other funds	455,817	517,465
General obligation notes and BANS	<u>1,414,965</u>	<u>510,459</u>
Total long-term liabilities	<u>1,908,887</u>	<u>1,069,918</u>
Total liabilities	<u>3,126,993</u>	<u>2,352,600</u>
Net Assets:		
Invested in capital assets - net of related debt	21,943,149	22,997,236
Unrestricted	<u>451,671</u>	<u>(215,385)</u>
Total net assets	<u>22,394,820</u>	<u>22,781,851</u>
Total liabilities and net assets	<u><u>\$ 25,521,813</u></u>	<u><u>\$ 25,134,451</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Assets - Storm Water Utility
Years Ended December 31, 2009 and 2008

	2009	2008
Operating Revenues:		
General property taxes	\$ 895,085	\$ 877,535
Charges for services	33,834	40,907
Total operating revenues	<u>928,919</u>	<u>918,442</u>
Operating Expenses:		
Operation and maintenance	412,933	457,222
Administrative expense	336,062	306,169
Depreciation expense	511,926	518,165
Social Security tax	14,077	14,252
Total operating expenses	<u>1,274,998</u>	<u>1,295,808</u>
Operating loss	<u>(346,079)</u>	<u>(377,366)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	4,873	15,848
Sale of materials	9,536	-
Miscellaneous revenues	4,150	-
Loss on retirement of property and plant	-	(51,656)
Fiscal charges on debt	(356)	(129)
Interest on long-term debt	(42,920)	(18,158)
Interest on advances	(31,048)	(34,537)
Net nonoperating expenses	<u>(55,765)</u>	<u>(88,632)</u>
Net loss before capital contributions	<u>(401,844)</u>	<u>(465,998)</u>
Capital Contributions	<u>14,813</u>	<u>341,627</u>
Decrease in net assets	<u>(387,031)</u>	<u>(124,371)</u>
Net Assets:		
Balance, beginning of year	\$ 22,781,851	\$ 22,906,222
Balance, end of year	<u>\$ 22,394,820</u>	<u>\$ 22,781,851</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 48,124	\$ 25,904
Payments to suppliers	(81,151)	(73,373)
Payments to and on behalf of employees	(675,854)	(699,065)
Internal activity - receipts from other funds	-	67,290
Internal activity - payments to other funds	(122,934)	-
Other receipts	908,771	877,535
Net cash provided by operating activities	<u>76,956</u>	<u>198,291</u>
Cash Flows From Noncapital Financing Activities		
Principal payments on advances	(61,648)	(58,159)
Net cash used by noncapital financing activities	<u>(61,648)</u>	<u>(58,159)</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	-	15,000
Additions to property and plant	(361,532)	(213,080)
Fair value of debt issued	1,015,000	315,000
Principal payments on debt	(96,494)	(36,494)
Interest on debt	(26,424)	(13,142)
Fiscal charges on debt	(356)	(129)
Interest on advances	(31,048)	(34,537)
Net cash provided by capital and related financing activities	<u>499,146</u>	<u>32,618</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>4,873</u>	<u>15,848</u>
Net cash provided by investing activities	<u>4,873</u>	<u>15,848</u>
Net increase in cash and equivalents	519,327	188,598
Cash and equivalents, beginning of year	<u>616,450</u>	<u>427,852</u>
Cash and equivalents, end of year	<u>\$ 1,135,777</u>	<u>\$ 616,450</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2009 and 2008
(Continued)

	<u>2009</u>	<u>2008</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (346,079)	\$ (377,366)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	511,926	518,165
Proceeds from sales of materials	9,536	-
Miscellaneous revenues	4,150	-
Changes in assets and liabilities related to operations:		
Receivables	(3,616)	(32,553)
Due to or from other funds	(122,934)	67,290
Accounts payable and accrued liabilities	11,184	2,976
Compensated absences	(7,029)	390
OPEB obligation	1,913	1,839
Deferred revenue	17,905	17,550
Net cash provided by operating activities	<u>\$ 76,956</u>	<u>\$ 198,291</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 14,813	\$ 341,627
Loss on retirement of property and plant	-	51,656

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Assets - Risk Management Fund
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 954,173	\$ 1,072,541
Receivables	22,407	22,262
Total assets	<u>\$ 976,580</u>	<u>\$ 1,094,803</u>
Liabilities and Net Assets:		
Current Liabilities:		
Incurred but not reported claims	\$ 51,363	\$ 197,927
Due to other funds	1,095	5,394
Total liabilities	<u>52,458</u>	<u>203,321</u>
Net Assets:		
Unrestricted	924,122	891,482
Total liabilities and net assets	<u>\$ 976,580</u>	<u>\$ 1,094,803</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Assets - Risk Management Fund
Years Ended December 31, 2009 and 2008

	2009	2008
Operating Expenses	\$ (5,415)	\$ 65,352
Operating income (loss)	5,415	(65,352)
 Nonoperating Revenues (Expenses):		
Investment earnings	4,818	27,404
Dividend on investment in CVMIC	22,407	22,262
Net nonoperating revenues	27,225	49,666
Increase (decrease) in net assets	32,640	(15,686)
 Net Assets:		
Balance, beginning of year	891,482	907,168
Balance, end of year	\$ 924,122	\$ 891,482

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (235,357)	\$ (214,050)
Other receipts	146,419	52,518
Other payments	(56,655)	(42,958)
Net cash used by operating activities	(145,593)	(204,490)
Cash Flows From Investing Activities:		
Investment earnings	27,225	49,666
Net cash provided by investing activities	27,225	49,666
Net decrease in cash and equivalents	(118,368)	(154,824)
Cash and equivalents, beginning of year	1,072,541	1,227,365
Cash and equivalents, end of year	\$ 954,173	\$ 1,072,541
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating income (loss)	\$ 5,415	\$ (65,352)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	(145)	(22,262)
Due from other funds	(4,299)	(42,096)
Incurred but not reported claims	(146,564)	(74,780)
Net cash used by operating activities	\$ (145,593)	\$ (204,490)

See independent auditors' report.

AGENCY FUND

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Changes in Assets and Liabilities - Agency Fund
Year Ended December 31, 2009

	Balance		Balance
	January 1,		December 31,
	2009	Additions	Reductions
Assets:			
Cash and equivalents	\$ 9,795,963	\$ 57,739,184	\$ (56,329,319)
Taxes receivable	46,533,356	59,860,264	(57,739,184)
Total assets	\$ 56,329,319	\$ 117,599,448	\$ (114,068,503)
Liabilities:			
Due to other taxing units	\$ 56,329,319	\$ 59,860,264	\$ (56,329,319)
			\$ 59,860,264

See independent auditors' report.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2009

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding			Balance Outstanding December 31, 2009	Interest Paid 2009	Principal Due 2010	Interest Due 2010
						January 1, 2009	New Issues	Payments				
General Fund :												
1999 G.O. notes	08/15/99	4.77%	08/01	02/01 & 08/01	\$ 3,421,040	\$ 482,160	\$ -	\$ (482,160)	\$ -	\$ 23,626	\$ -	\$ -
2000 G.O. notes	07/01/00	5.22%	12/01	06/01 & 12/01	5,205,000	1,125,000	-	(1,125,000)	-	64,688	-	-
2001 G.O. notes	05/15/01	4.55%	05/01	05/01 & 11/01	1,460,000	899,000	-	(258,000)	641,000	35,623	309,000	22,711
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	1,627,500	910,000	-	(227,500)	682,500	31,111	227,500	22,409
2003 G.O. notes	08/01/03	3.56%	06/01	06/01 & 12/01	2,110,000	1,590,000	-	(285,000)	1,305,000	54,809	285,000	45,191
2004 G.O. notes	09/01/04	3.60%	09/01	03/01 & 09/01	2,431,961	700,000	-	(70,000)	630,000	26,666	105,000	24,391
2005 G.O. notes	07/01/05	3.89%	06/01	06/01 & 12/01	1,168,000	1,097,000	-	(18,000)	1,079,000	42,770	88,000	40,849
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	2,045,000	1,958,000	-	(63,500)	1,894,500	81,286	363,500	72,343
2007 G.O. notes	06/01/07	4.32%	06/01	06/01 & 12/01	1,590,000	1,531,000	-	(84,000)	1,447,000	64,086	84,000	60,516
2008 G.O. notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	2,185,000	-	(10,000)	2,175,000	127,885	32,000	89,542
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	-	\$ 2,128,000	-	\$ 2,128,000	-	\$ 66,300	97,479
Total General Fund						\$ 12,477,160	\$ 2,128,000	\$ (2,623,160)	\$ 11,982,000	\$ 552,550	\$ 1,560,300	\$ 475,431
Special Revenue Fund												
2005 G.O. notes	07/01/05	3.89%	06/01	06/01 & 12/01	\$ 1,500,000	\$ 1,050,000	\$ -	\$ (150,000)	\$ 900,000	\$ 37,594	\$ 150,000	\$ 32,156
Municipal Facilities Fund:												
1999 G.O. notes	08/15/99	4.77%	08/01	02/01 & 08/01	\$ 18,998	\$ 2,677	\$ -	\$ (2,677)	\$ -	\$ 131	\$ -	\$ -
2000 G.O. notes	07/01/00	5.22%	12/01	06/01 & 12/01	1,100,000	150,000	-	(150,000)	-	8,625	-	-
2002 G.O. bonds	03/15/02	4.92%	03/01	03/01 & 09/01	11,500,000	8,925,000	-	(500,000)	8,425,000	430,038	525,000	409,013
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	69,750	39,000	-	(9,750)	29,250	1,333	9,750	960
2003 G.O. bonds	05/15/03	4.41%	05/01	05/01 & 11/01	12,000,000	11,500,000	-	(600,000)	10,900,000	481,156	625,000	460,469
2008 G.O. notes	07/01/08	3.66%	06/01	06/01 & 12/01	250,000	250,000	-	(50,000)	200,000	11,672	50,000	6,375
Total Municipal Facilities Fund						\$ 20,866,677	\$ -	\$ (1,312,427)	\$ 19,554,250	\$ 932,955	\$ 1,209,750	\$ 876,817
Special Assessment Fund:												
1999 G.O. notes	08/15/99	4.77%	08/01	02/01 & 08/01	\$ 284,962	\$ 40,163	\$ -	\$ (40,163)	\$ -	\$ 1,968	\$ -	\$ -
2001 G.O. notes	05/15/01	4.55%	05/01	05/01 & 11/01	665,000	201,000	-	(67,000)	134,000	7,739	66,000	4,714
2002 G.O. notes	07/15/02	3.70%	06/01	06/01 & 12/01	627,750	351,000	-	(87,750)	263,250	12,000	87,750	8,643
2003 G.O. notes	08/01/03	3.56%	06/01	06/01 & 12/01	1,660,000	835,000	-	(165,000)	670,000	28,347	165,000	22,778
2004 G.O. notes	09/01/04	3.60%	09/01	03/01 & 09/01	508,264	300,000	-	(30,000)	270,000	11,428	45,000	10,453
2005 G.O. notes	07/01/05	3.89%	06/01	06/01 & 12/01	272,000	193,000	-	(27,000)	166,000	6,927	27,000	5,948
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	250,059	200,047	-	(25,006)	175,041	7,974	25,006	6,933
2008 G.O. notes	07/01/08	4.16%	06/01	06/01 & 12/01	160,000	144,000	-	(16,000)	128,000	5,820	16,000	5,140
2008 G.O. notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	589,100	-	(58,910)	530,190	31,171	58,910	19,807
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	-	\$ 177,000	-	\$ 177,000	-	\$ 17,700	7,756
Total Special Assessment Fund						\$ 2,853,310	\$ 177,000	\$ (516,829)	\$ 2,513,481	\$ 113,374	\$ 508,366	\$ 92,172
TID District #2												
1997 G.O. bonds	09/15/97	5.24%	09/01	03/01 & 09/01	\$ 6,485,000	\$ 5,435,000	\$ -	\$ (325,000)	\$ 5,110,000	\$ 286,215	\$ 400,000	\$ 269,965

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2009
(Continued)

<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</u>		<u>Balance Outstanding</u>		<u>Interest Paid 2009</u>	<u>Principal Due 2010</u>	<u>Interest Due 2010</u>
						<u>January 1, 2009</u>	<u>New Issues</u>	<u>Payments</u>	<u>December 31, 2009</u>			
TID District #4												
1999 G.O. refunding bonds	11/15/99	4.94%	11/01	05/01 & 11/01	\$ 4,745,000	\$ 1,625,000	\$ -	\$ (500,000)	\$ 1,125,000	\$ 82,913	\$ 550,000	\$ 57,663
2008 G.O. promissory notes	05/15/08	3.41%	06/01	05/01 & 11/01	1,800,000	-	-	(600,000)	1,200,000	88,763	600,000	41,250
Total TID District #4					\$ 3,425,000	\$ -	\$ (1,100,000)	\$ 2,325,000	\$ 171,676	\$ 1,150,000	\$ 98,913	
TID District #5												
2003 G.O. notes	09/15/03	3.52%	04/01	04/01 & 10/01	\$ 1,000,000	\$ 625,000	\$ -	\$ (150,000)	\$ 475,000	\$ 20,150	\$ 150,000	\$ 14,806
2004 G.O. refunding bonds	05/15/04	4.92%	05/01	05/01 & 11/01	7,225,000	7,225,000	-	-	7,225,000	349,344	450,000	340,344
2006 Refunding BANs	11/15/06	4.13%	11/01	05/01 & 11/01	1,850,000	1,850,000	-	(1,850,000)	-	76,313	-	-
2009 Municipal Revenue Obligation	08/17/09	N/A	10/01	N/A	3,100,000	-	3,100,000	-	3,100,000	-	-	-
2009 G.O. notes	10/19/09	2.30%	10/01	04/01 & 10/01	1,850,000	-	1,850,000	-	1,850,000	-	-	40,423
Total TID District #5					\$ 9,700,000	\$ 4,950,000	\$ (2,000,000)	\$ 12,650,000	\$ 445,807	\$ 600,000	\$ 395,573	
TID District #6												
2008 BANs	11/15/08	4.00%	11/01	05/01 & 11/01	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	\$ 1,250,000	\$ 54,063	\$ 1,250,000	\$ 56,250
TID District #7												
2008 Municipal Revenue Obligation	06/06/08	8.50%	10/01	10/01	\$ 5,100,000	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000	\$ -	\$ -	\$ 1,004,770
Water Utility :												
2000 Water revenue bonds	07/01/00	5.57%	12/01	06/01 & 12/01	\$ 1,425,000	\$ 950,000	\$ -	\$ (75,000)	\$ 875,000	\$ 53,188	\$ 75,000	\$ 49,250
2001 Water revenue bonds	06/01/01	4.51%	12/01	06/01 & 12/01	6,485,000	2,675,000	-	(625,000)	2,050,000	124,550	650,000	96,426
2005 Water refunding bonds	03/15/05	4.08%	12/01	06/01 & 12/01	5,280,000	4,120,000	-	(475,000)	3,645,000	169,512	500,000	151,700
2005 G.O. Notes	07/01/05	3.87%	06/01	06/01 & 12/01	840,000	635,000	-	(80,000)	555,000	23,006	85,000	20,016
Total Water Utility					\$ 8,380,000	\$ -	\$ (1,255,000)	\$ 7,125,000	\$ 370,256	\$ 1,310,000	\$ 317,392	
Sewer Utility:												
1995 Clean Water Fund Loans	10/18/93	3.19%	05/01	05/01 & 11/01	\$ 1,238,571	\$ 431,889	\$ -	\$ (81,040)	\$ 350,849	\$ 12,485	\$ 83,625	\$ 9,858
2000 Sewer revenue bonds	07/01/00	5.58%	05/01	05/01 & 11/01	1,600,000	1,100,000	-	(75,000)	1,025,000	59,656	100,000	54,938
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	217,231	151,230	-	(10,674)	140,556	4,333	10,991	4,011
2001 Clean Water Fund Loans	12/17/01	3.21%	05/01	05/01 & 11/01	791,035	468,023	-	(52,249)	415,774	14,167	53,924	12,465
2004 Sewer refunding bonds	10/01/04	3.12%	05/01	05/01 & 11/01	10,760,000	5,285,000	-	(5,285,000)	-	150,913	-	-
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,880,476	1,880,476	-	(80,766)	1,799,710	46,349	80,056	44,819
2008 G.O. notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	460,900	-	(46,090)	414,810	24,392	46,090	15,499
Total Sewer Utility					\$ 9,777,518	\$ -	\$ (5,630,819)	\$ 4,146,699	\$ 312,295	\$ 374,686	\$ 141,590	
Storm Water Utility:												
2006 G.O. notes	09/01/06	4.21%	06/01	06/01 & 12/01	\$ 364,941	\$ 291,953	\$ -	\$ (36,494)	\$ 255,459	\$ 11,637	\$ 36,494	\$ 10,118
2008 G.O. notes	07/01/08	3.67%	06/01	06/01 & 12/01	315,000	315,000	-	(60,000)	255,000	14,787	63,000	8,153
2009 G.O. notes	06/01/09	3.38%	05/01	05/01 & 11/01	1,015,000	-	1,015,000	-	1,015,000	-	11,000	48,195
Total Storm Water Utility					\$ 606,953	\$ 1,015,000	\$ (96,494)	\$ 1,525,459	\$ 26,424	\$ 110,494	\$ 66,466	
Total long-term obligations					\$ 80,921,618	\$ 8,270,000	\$ (15,009,729)	\$ 74,181,889	\$ 3,303,209	\$ 8,623,596	\$ 3,827,495	

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.

Contents:	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and condition have changed over time.	107 - 119
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.	120 - 124
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	125 - 130
Demographic and Economic Information These schedules present demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	131 - 133
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	134 - 135

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB 34 in 2003; Schedules presenting government-wide information include information beginning in that year.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Net Assets By Component
Last Seven Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009
Governmental activities:							
Invested in capital assets, net of related debt	\$ 50,067,332	\$ 51,422,115	\$ 56,228,372	\$ 63,706,297	\$ 69,606,209	\$ 67,468,233	\$ 82,852,481
Restricted	14,933,423	15,911,601	8,622,102	9,083,184	8,859,678	8,337,633	9,964,612
Unrestricted	12,490,729	16,012,115	16,678,531	13,930,194	16,150,668	15,268,886	5,034,116
Total governmental activities net assets	\$ 77,491,484	\$ 83,345,831	\$ 81,529,005	\$ 86,719,675	\$ 94,616,555	\$ 91,074,752	\$ 97,851,209
Business-type activities:							
Invested in capital assets, net of related debt	\$ 100,518,250	\$ 107,939,565	\$ 116,979,203	\$ 117,788,733	\$ 119,860,623	\$ 120,252,088	\$ 121,095,716
Restricted	12,888,218	9,883,862	10,927,390	11,753,465	12,906,943	13,496,684	13,067,810
Unrestricted	(5,858,161)	(254,094)	2,721,065	6,657,611	8,652,115	9,917,625	8,893,049
Total business-type activities net assets	\$ 107,548,307	\$ 117,569,333	\$ 130,627,658	\$ 136,199,809	\$ 141,419,681	\$ 143,666,397	\$ 143,056,575
Primary government:							
Invested in capital assets, net of related debt	\$ 150,585,582	\$ 159,361,680	\$ 173,207,575	\$ 181,495,030	\$ 189,466,832	\$ 187,720,321	\$ 203,948,197
Restricted	27,821,641	25,795,463	19,549,492	20,836,649	21,766,621	21,834,317	23,032,422
Unrestricted	6,632,568	15,758,021	19,399,596	20,587,805	24,802,783	25,186,511	13,927,165
Total primary government net assets	\$ 185,039,791	\$ 200,915,164	\$ 212,156,663	\$ 222,919,484	\$ 236,036,236	\$ 234,741,149	\$ 240,907,784

Source: Comprehensive Annual Financial Reports

Capital assets include land, infrastructure, construction in progress, buildings and improvements and equipment.

Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted and unrestricted. Net assets are considered restricted only when an external party, such as grantors, contributors, state or federal government, place a restriction on how resources may be used, or through enabling legislation enacted by the Village.

Trend data is only available from 2003, the year the Village implemented GASB 34, and thereafter.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:							
Total expenses	\$ 30,375,516	\$ 32,249,642	\$ 33,361,030	\$ 32,185,991	\$ 32,085,604	\$ 39,570,377	\$ 36,496,718
Total program revenues	15,001,733	13,142,066	10,875,638	9,888,737	13,845,474	10,077,758	16,953,433
Net program expense	<u>(15,373,783)</u>	<u>(19,107,576)</u>	<u>(22,485,392)</u>	<u>(22,297,254)</u>	<u>(18,240,130)</u>	<u>(29,492,619)</u>	<u>(19,543,285)</u>
Total general revenues and other changes in net assets	24,491,256	24,714,561	20,668,568	27,487,924	26,137,010	25,950,816	26,319,742
Change in net assets	<u>9,117,473</u>	<u>5,606,985</u>	<u>(1,816,824)</u>	<u>5,190,670</u>	<u>7,896,880</u>	<u>(3,541,803)</u>	<u>6,776,457</u>
Business-type activities:							
Total expenses	13,824,324	15,561,481	15,852,617	15,360,970	15,827,596	16,855,381	17,509,431
Total program revenues	19,281,984	24,101,073	21,305,600	18,761,894	18,716,083	17,340,658	15,558,718
Net program revenue	<u>5,457,660</u>	<u>8,539,592</u>	<u>5,452,983</u>	<u>3,400,924</u>	<u>2,888,487</u>	<u>485,277</u>	<u>(1,950,713)</u>
Total general revenues and other changes in net assets	1,538,232	1,728,796	7,605,342	2,171,227	2,331,385	1,761,439	1,340,891
Change in net assets	<u>6,995,892</u>	<u>10,268,388</u>	<u>13,058,325</u>	<u>5,572,151</u>	<u>5,219,872</u>	<u>2,246,716</u>	<u>(609,822)</u>
Total primary government							
Change in net assets	<u>\$ 16,113,365</u>	<u>\$ 15,875,373</u>	<u>\$ 11,241,501</u>	<u>\$ 10,762,821</u>	<u>\$ 13,116,752</u>	<u>\$ (1,295,087)</u>	<u>\$ 6,166,635</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
General government	\$ 4,114,605	\$ 3,999,447	\$ 4,393,340	\$ 4,460,518	\$ 4,571,922	\$ 4,180,139	\$ 4,041,098
Public Safety	11,261,102	11,220,563	11,931,738	12,231,894	12,650,734	13,273,575	13,681,300
Public works	6,580,002	9,080,427	9,275,810	8,030,019	7,423,111	9,956,820	8,134,046
Culture and recreation	3,197,359	2,923,385	3,064,723	3,231,201	3,333,357	3,204,236	3,474,168
Conservation and development	1,599,397	1,518,267	1,202,188	1,061,455	1,196,468	6,036,484	4,144,474
Loss on retirement of capital assets	183,265	15,616	-	-	-	-	58,698
Loss on defeasement of debt	-	-	108,122	-	-	-	-
Interest on advances from utilities	-	-	45,470	71,337	72,379	35,394	6,388
Interest on long-term debt	3,439,786	3,491,937	3,339,639	3,099,567	2,837,633	2,883,729	2,956,546
Total governmental activities expenses	30,375,516	32,249,642	33,361,030	32,185,991	32,085,604	39,570,377	36,496,718
Business-type Activities:							
Sewer Utility	6,718,616	8,356,595	8,974,555	8,146,358	8,378,176	9,154,180	9,770,633
Water Utility	5,929,514	5,847,224	5,744,965	5,944,564	6,070,478	6,352,569	6,389,476
Storm Water Utility	1,176,194	1,357,662	1,133,097	1,270,048	1,378,942	1,348,632	1,349,322
Total business-type activities expenses	13,824,324	15,561,481	15,852,617	15,360,970	15,827,596	16,855,381	17,509,431
Total primary government expenses	\$ 44,199,840	\$ 47,811,123	\$ 49,213,647	\$ 47,546,961	\$ 47,913,200	\$ 56,425,758	\$ 54,006,149

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Assets
Summary of Program Revenues by Type
Last Seven Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:							
Charges for services	\$ 5,089,959	\$ 5,145,202	\$ 5,371,437	\$ 5,634,095	\$ 6,864,218	\$ 6,467,051	\$ 6,302,663
Operating grants and contributions	2,759,522	3,084,221	3,310,997	2,380,174	3,818,553	2,005,597	2,680,384
Capital grants and contributions	7,152,252	4,912,643	2,193,204	1,874,468	3,162,703	1,605,110	7,970,386
Total governmental activities program revenues	15,001,733	13,142,066	10,875,638	9,888,737	13,845,474	10,077,758	16,953,433
Business-type Activities:							
Charges for services	13,256,028	13,902,473	15,288,037	14,784,488	14,878,055	15,368,939	14,977,719
Capital grants and contributions	6,025,956	10,198,600	6,017,563	3,977,406	3,838,028	1,971,719	580,999
Total business-type activities program revenues	19,281,984	24,101,073	21,305,600	18,761,894	18,716,083	17,340,658	15,558,718
Total primary government program revenues	\$ 34,283,717	\$ 37,243,139	\$ 32,181,238	\$ 28,650,631	\$ 32,561,557	\$ 27,418,416	\$ 32,512,151

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
General government	\$ 371,172	\$ 265,915	\$ 281,972	\$ 303,884	\$ 334,312	\$ 369,566	\$ 461,226
Public safety	1,158,607	1,103,786	1,193,603	1,209,748	1,283,471	1,255,531	1,439,822
Public works	2,138,961	2,141,312	2,845,524	3,098,379	4,262,283	3,864,882	3,793,143
Culture and recreation	23,970	43,473	40,775	47,860	48,565	323,646	108,368
Conservation and development	1,397,249	1,590,716	1,009,563	974,224	935,587	653,426	500,104
Total governmental activities charges for services	5,089,959	5,145,202	5,371,437	5,634,095	6,864,218	6,467,051	6,302,663
Business-type activities:							
Sewer Utility	7,336,806	7,698,166	8,827,892	8,529,972	8,630,561	9,017,943	8,789,253
Water Utility	5,919,222	6,204,307	6,421,058	6,198,782	6,188,814	6,310,089	6,154,632
Storm Water Utility	-	-	39,087	55,734	58,680	40,907	33,834
Total business-type activities charges for services	13,256,028	13,902,473	15,288,037	14,784,488	14,878,055	15,368,939	14,977,719
Total primary government charges for services	\$ 18,345,987	\$ 19,047,675	\$ 20,659,474	\$ 20,418,583	\$ 21,742,273	\$ 21,835,990	\$ 21,280,382

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:							
Public safety	\$ 172,037	\$ 171,791	\$ 436,815	\$ 181,375	\$ 178,992	\$ 211,964	\$ 302,725
Public works	2,252,981	2,299,591	2,449,699	1,908,834	2,889,092	1,528,727	2,127,402
Culture and recreation	14,902	14,090	21,146	15,088	39,688	34,995	45,431
Conservation and development	319,602	598,749	403,337	274,877	710,781	229,911	204,826
Total governmental activities operating grants and contributions	\$ 2,759,522	\$ 3,084,221	\$ 3,310,997	\$ 2,380,174	\$ 3,818,553	\$ 2,005,597	\$ 2,680,384

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
General government	\$ -	\$ -	\$ -	\$ 70,510	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	60,000
Public works	7,111,182	4,857,543	2,185,823	1,788,839	3,163,041	1,604,249	7,910,386
Culture and recreation	41,070	55,100	7,381	15,119	(338)	861	-
Total governmental activities capital grants and contributions	7,152,252	4,912,643	2,193,204	1,874,468	3,162,703	1,605,110	7,970,386
Business-type activities:							
Sewer Utility	1,777,680	3,984,327	2,176,126	1,133,729	1,553,881	492,911	278,529
Water Utility	2,799,982	3,388,179	2,587,770	2,035,897	1,343,390	1,137,181	287,657
Storm Water Utility	1,448,294	2,826,094	1,253,667	807,780	940,757	341,627	14,813
Total business-type activities capital grants and contributions	6,025,956	10,198,600	6,017,563	3,977,406	3,838,028	1,971,719	580,999
Total primary government capital grants and contributions	\$ 13,178,208	\$ 15,111,243	\$ 8,210,767	\$ 5,851,874	\$ 7,000,731	\$ 3,576,829	\$ 8,551,385

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Changes in Net Assets
General Revenues and Other Changes in Net Assets
Last Seven Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Taxes	\$ 21,449,599	\$ 21,430,329	\$ 22,686,333	\$ 23,413,299	\$ 22,408,932	\$ 23,522,724	\$ 24,728,311
Grants and contributions not restricted to specific programs	2,317,213	2,382,329	2,084,021	1,933,923	1,492,124	1,227,423	1,263,645
Investments earnings	649,628	744,137	1,362,938	2,047,464	2,126,362	1,052,148	234,227
Interest on advances to utilities	31,657	35,155	36,828	39,037	39,037	34,537	31,048
Gain on retirement of capital assets	-	-	16,182	3,318	33,175	56,912	-
Residual equity transfer - TID 3	-	-	(5,625,000)	-	-	-	-
Other revenues	43,159	122,611	107,266	50,883	37,380	57,072	62,511
Total governmental activities general revenues and other changes in net assets	24,491,256	24,714,561	20,668,568	27,487,924	26,137,010	25,950,816	26,319,742
Business-type activities:							
Taxes	1,283,053	1,391,544	1,417,165	1,127,500	1,151,745	1,177,535	1,195,085
Investments earnings	251,160	233,063	515,633	965,611	1,105,838	567,393	124,673
Interest on advances to governmental funds	-	-	45,470	71,337	72,379	35,394	6,388
Gain (loss) on retirement of capital assets	-	102,393	920	5,888	497	(21,138)	147
Residual equity transfer - TID 3	-	-	5,625,000	-	-	-	-
Other revenues	4,019	1,796	1,154	891	926	2,255	14,598
Total business-type activities general revenues and other changes in net assets	1,538,232	1,728,796	7,605,342	2,171,227	2,331,385	1,761,439	1,340,891
Total primary government general revenues and other changes in net assets	\$ 26,029,488	\$ 26,443,357	\$ 28,273,910	\$ 29,659,151	\$ 28,468,395	\$ 27,712,255	\$ 27,660,633

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$ 385,268	\$ 414,196	\$ 803,826	\$ 913,235	\$ 1,265,001	\$ 1,420,694	\$ 1,393,672	\$ 1,720,549	\$ 2,225,144	\$ 2,060,963
Unreserved	<u>8,169,801</u>	<u>9,191,308</u>	<u>9,593,610</u>	<u>10,259,625</u>	<u>9,467,706</u>	<u>8,244,768</u>	<u>6,701,660</u>	<u>6,374,783</u>	<u>5,870,188</u>	<u>6,034,369</u>
Total general fund	<u>8,555,069</u>	<u>9,605,504</u>	<u>10,397,436</u>	<u>11,172,860</u>	<u>10,732,707</u>	<u>9,665,462</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>
All Other Governmental Funds:										
Reserved	11,630,930	16,493,281	8,084,832	18,272,528	18,938,216	11,588,421	12,507,588	12,916,336	12,438,231	14,826,220
Unreserved, reported in:										
Special Revenue funds	67,700	78,601	84,728	92,540	8,259	5,628	1,172	23,631	304,130	4,290,017
Capital Projects funds	<u>9,716,396</u>	<u>15,162,175</u>	<u>12,308,663</u>	<u>8,058,729</u>	<u>5,209,549</u>	<u>6,104,382</u>	<u>6,519,125</u>	<u>5,742,738</u>	<u>5,917,809</u>	<u>(768,631)</u>
Total all other governmental funds	<u>21,415,026</u>	<u>31,734,057</u>	<u>20,478,223</u>	<u>26,423,797</u>	<u>24,156,024</u>	<u>17,698,431</u>	<u>19,027,885</u>	<u>18,682,705</u>	<u>18,660,170</u>	<u>18,347,606</u>
Total all governmental funds	<u>\$ 29,970,095</u>	<u>\$ 41,339,561</u>	<u>\$ 30,875,659</u>	<u>\$ 37,596,657</u>	<u>\$ 34,888,731</u>	<u>\$ 27,363,893</u>	<u>\$ 27,123,217</u>	<u>\$ 26,778,037</u>	<u>\$ 26,755,502</u>	<u>\$ 26,442,938</u>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues	\$ 31,225,030	\$ 34,638,830	\$ 33,522,346	\$ 33,556,424	\$ 33,489,213	\$ 35,579,930	\$ 36,875,263	\$ 38,592,606	\$ 36,241,840	\$ 35,891,953
Expenditures	41,255,244	42,499,399	78,432,944	51,830,426	48,650,981	40,532,576	41,293,845	38,696,476	47,573,059	43,637,373
Deficiency of revenues under expenditures	(10,030,214)	(7,860,569)	(44,910,598)	(18,274,002)	(15,161,768)	(4,952,646)	(4,418,582)	(103,870)	(11,331,219)	(7,745,420)
Other financing sources (uses) and other Changes in fund balances	<u>13,750,050</u>	<u>19,230,035</u>	<u>34,446,696</u>	<u>24,995,000</u>	<u>12,453,842</u>	<u>(2,572,192)</u>	<u>4,177,906</u>	<u>(241,310)</u>	<u>11,308,684</u>	<u>7,432,856</u>
Total change in fund balance	<u>\$ 3,719,836</u>	<u>\$ 11,369,466</u>	<u>\$ (10,463,902)</u>	<u>\$ 6,720,998</u>	<u>\$ (2,707,926)</u>	<u>\$ (7,524,838)</u>	<u>\$ (240,676)</u>	<u>\$ (345,180)</u>	<u>\$ (22,535)</u>	<u>\$ (312,564)</u>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taxes	\$ 17,398,458	\$ 18,822,279	\$ 19,661,217	\$ 20,475,023	\$ 20,375,152	\$ 21,704,988	\$ 22,451,038	\$ 23,473,017	\$ 22,520,264	\$ 23,618,142
Payment in lieu of tax	948,011	1,002,664	1,024,574	974,576	1,055,177	981,345	962,261	980,285	1,002,460	1,110,169
Special assessment & interest	924,730	1,619,563	2,521,840	1,039,210	247,651	488,565	416,269	370,858	303,739	271,814
Licenses and permits	719,986	827,252	762,208	1,075,685	1,190,990	1,109,962	1,058,018	1,047,884	875,180	877,195
Fines and penalties	517,134	450,054	485,949	554,470	564,392	559,558	602,289	611,749	661,095	662,503
Intergovernmental aid	4,650,884	5,188,276	4,363,982	4,749,409	4,800,207	4,697,857	4,795,658	4,129,207	3,714,531	3,821,062
Program revenues	-	-	-	144,874	159,083	145,726	124,012	119,856	1,492,130	1,244,290
Other charges for service	828,487	3,266,964	2,694,763	3,120,614	3,209,732	3,451,237	3,707,532	4,844,268	3,448,579	3,472,847
Interest income	2,703,202	2,401,122	1,122,988	560,412	660,851	1,293,674	1,997,467	2,110,216	1,073,689	222,381
Interest on advances	-	-	-	64,310	52,761	46,364	60,164	69,525	85,392	84,728
Other revenue	2,534,138	1,060,656	884,825	797,841	1,173,217	1,100,654	700,555	835,741	1,064,781	506,822
Total revenues	\$ 31,225,030	\$ 34,638,830	\$ 33,522,346	\$ 33,556,424	\$ 33,489,213	\$ 35,579,930	\$ 36,875,263	\$ 38,592,606	\$ 36,241,840	\$ 35,891,953

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Current:										
General government	\$ 3,457,933	\$ 3,450,426	\$ 3,664,415	\$ 3,755,867	\$ 3,567,653	\$ 3,819,230	\$ 3,654,109	\$ 3,622,525	\$ 3,461,298	\$ 3,462,236
Public safety	7,747,839	8,386,673	9,115,607	10,676,457	10,608,426	11,254,135	11,611,690	11,976,449	12,648,113	13,087,197
Public works	4,740,037	4,877,645	4,817,698	5,478,937	7,881,347	8,033,495	6,762,634	6,112,332	8,627,095	6,390,586
Culture and recreation	2,220,699	2,220,541	2,341,205	2,716,621	2,407,810	2,518,928	2,700,236	2,792,883	2,646,871	2,933,828
Conservation and development	1,834,241	2,578,067	1,547,872	1,944,069	1,562,005	1,189,051	1,152,259	1,215,791	5,970,587	4,245,049
Interest on advances	39,114	-	-	14,421	11,861	55,006	92,464	102,867	86,249	60,068
Loss on defeasance of debt	-	-	-	-	-	108,122	-	-	-	-
Loss on refunding of debt	-	-	-	-	-	144,726	-	-	-	-
Debt issuance costs	-	-	-	-	-	75,335	10,000	11,500	68,243	90,750
Capital outlay	12,033,934	13,113,592	26,631,209	4,883,121	3,207,202	1,565,208	2,382,325	1,909,765	1,532,375	2,730,380
Debt service:										
Principal	6,939,721	5,139,868	26,702,042	19,077,765	16,035,979	8,389,341	9,781,450	8,073,002	9,913,506	8,027,416
Interest and fiscal charges	2,241,726	2,732,587	3,612,896	3,283,168	3,368,698	3,379,999	3,146,678	2,879,362	2,618,722	2,609,863
Total expenditures	\$ 41,255,244	\$ 42,499,399	\$ 78,432,944	\$ 51,830,426	\$ 48,650,981	\$ 40,532,576	\$ 41,293,845	\$ 38,696,476	\$ 47,573,059	\$ 43,637,373
Debt service as a percentage of noncapital expenditures	<u>31.42%</u>	<u>26.79%</u>	<u>58.52%</u>	<u>47.63%</u>	<u>42.70%</u>	<u>30.20%</u>	<u>33.22%</u>	<u>29.77%</u>	<u>27.22%</u>	<u>26.00%</u>

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating transfers in	\$ 4,579,839	\$ 6,587,046	\$ 9,007,299	\$ 6,894,647	\$ 9,986,597	\$ 9,668,403	\$ 10,139,049	\$ 10,331,806	\$ 11,304,685	\$ 7,471,082
Operating transfers out	(4,579,839)	(6,587,046)	(9,007,299)	(6,894,647)	(9,986,597)	(9,668,403)	(10,139,049)	(10,331,806)	(11,304,685)	(7,471,082)
Residual equity transfer	-	-	-	-	-	(5,625,000)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	28,842	63,112	32,847	41,560	66,341	87,106
Fair market of bond/notes issued	13,750,050	19,230,035	34,446,696	23,570,000	3,025,000	2,940,000	2,295,059	1,750,000	11,174,100	7,255,000
Fair market of refunding bonds issued	-	-	-	1,425,000	9,400,000	3,420,000	1,850,000	-	-	-
Payment to refunding escrow agent	-	-	-	-	-	(3,420,000)	-	-	-	-
Debt issuance premiums	-	-	-	-	-	49,696	-	11,500	68,243	90,750
Distribution upon closure of TID	-	-	-	-	-	-	-	(2,044,370)	-	-
Capital lease issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	13,750,050	19,230,035	34,446,696	24,995,000	12,453,842	(2,572,192)	4,177,906	(241,310)	11,308,684	7,432,856
and other changes in fund balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

As of January 1	Real Property		Personal Property		Totals		Assessment Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2000	\$ 2,167,125,500	\$ 2,578,076,613	\$ 111,497,300	\$ 132,640,487	\$ 2,278,622,800	\$ 2,710,717,100	0.8406
2001	2,226,658,170	2,749,760,517	111,527,159	147,456,083	2,338,185,329	2,897,216,600	0.8070
2002	2,992,745,433	2,980,822,144	139,141,560	133,789,962	3,131,886,993	3,114,612,106	1.0055
2003	3,039,525,100	3,252,568,325	126,914,829	135,810,411	3,166,439,929	3,388,378,736	0.9345
2004	3,117,805,500	3,455,036,776	117,026,932	129,684,919	3,234,832,432	3,584,721,695	0.9024
2005	3,858,494,200	3,819,932,659	112,686,624	111,560,441	3,971,180,824	3,931,493,100	1.0101
2006	3,968,013,000	4,115,002,545	120,980,500	125,462,055	4,088,993,500	4,240,464,600	0.9643
2007	4,035,948,800	4,381,105,713	118,740,890	128,895,687	4,154,689,690	4,510,001,400	0.9212
2008	4,119,463,500	4,486,663,248	136,375,450	148,531,652	4,255,838,950	4,635,194,900	0.9182
2009	4,169,912,100	4,438,094,157	142,107,780	151,247,243	4,312,019,880	4,589,341,400	0.9396

Assessed Valuations by District - 2009

Menomonee Falls School District	\$ 3,374,763,880
Hamilton Sussex School District	<u>937,256,000</u>
Total assessed value	<u>\$ 4,312,019,880</u>

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Value and Construction Data
Last Ten Years

Year	(1) Assessed Property Value				(2) Residential Construction			(2) Nonresidential Construction		
	Residential	Commercial & Manufacturing	Agricultural, Swamp & Other	Total	Number of Permits	Value	Number of Permits	Value		
2000	\$ 1,496,208,800	\$ 659,921,600	\$ 10,995,100	\$ 2,167,125,500	642	\$ 28,540,909	142	\$ 64,816,043		
2001	1,528,207,400	687,599,070	10,851,700	2,226,658,170	673	30,261,353	115	54,213,888		
2002	2,019,153,400	961,004,233	12,587,800	2,992,745,433	752	38,996,029	113	23,345,280		
2003	2,074,663,600	952,622,100	12,239,400	3,039,525,100	705	42,720,507	95	29,545,400		
2004	2,134,500,000	971,431,600	11,873,900	3,117,805,500	762	61,217,146	68	38,232,767		
2005	2,689,249,600	1,150,584,300	18,660,300	3,858,494,200	727	52,399,157	98	45,253,684		
2006	2,771,644,900	1,177,812,000	18,556,100	3,968,013,000	555	37,692,541	137	49,634,513		
2007	2,852,106,400	1,165,371,000	18,471,400	4,035,948,800	620	36,233,175	171	51,104,339		
2008	2,907,864,700	1,193,039,000	18,559,800	4,119,463,500	512	23,265,366	124	36,638,397		
2009	2,935,215,100	1,216,139,000	18,558,000	4,169,912,100	439	15,597,552	77	21,646,277		

(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

Property Tax Rates per \$1,000 of Assessed Value
Direct and Overlapping Governments
Last Ten Years

Budget Year	For Purposes of	Village of Menomonee Falls	State of Wisconsin	Waukesha County	School Districts		Waukesha County Technical College	School Tax Credit	Net Tax Rate	
					Menomonee Falls	Sussex			Menomonee Falls	Sussex
2000	2001	7.59	0.24	2.93	14.65	14.51	1.70	(2.30)	24.81	24.67
2001	2002	7.69	0.25	3.00	15.11	13.80	1.81	(2.21)	25.65	24.34
2002	2003	6.08	0.20	2.31	11.70	10.87	1.41	(1.63)	20.07	19.24
2003	2004	6.00	0.21	2.35	11.57	11.95	1.42	(1.58)	19.97	20.35
2004	2005	6.12	0.22	2.34	12.28	11.98	1.40	(1.52)	20.84	20.54
2005	2006	5.09	0.19	1.94	9.46	8.78	1.16	(1.22)	16.62	15.94
2006	2007	5.11	0.18	1.90	9.70	9.05	1.15	(1.45)	16.59	15.94
2007	2008	5.08	0.18	1.93	10.20	9.01	1.18	(1.57)	17.00	15.81
2008	2009	5.17	0.19	1.95	10.65	10.12	1.20	(1.69)	17.47	16.94
2009	2010	5.22	0.18	1.99	11.50	10.12	1.23	(1.69)	18.43	17.05

Source: Village Financial Services Department taxation records

Note: The Village completed revaluations of assessed values in 2002 and 2005. The increase in assessed values to approximately 100% of market value caused a significant decrease in the tax rate.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ten Largest Assessed Valuations
Years 2009 and 2000

Name	Nature of Business	2009			2000		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 90,192,770	2.09%	1	\$ 48,448,200	2.13%	1
Harley Davidson	Manufacturer of motor cycles	36,556,600	0.85%	2	21,002,200	0.92%	3
Woodland Prime LLC	Property management	32,640,860	0.76%	3	-	-	-
Wells Fargo Financial	Finance	20,391,860	0.47%	4	-	-	-
Centerpoint Properties Trust	Property development	18,889,100	0.44%	5	-	-	-
Arandell Corp	Publishing	17,471,200	0.41%	6	-	-	-
Burke Business Park	Property development	16,938,200	0.39%	7	-	-	-
Gillville LLC	Real estate	16,300,700	0.38%	8	12,870,900	0.56%	6
R-K of Waukesha	Various commercial	15,823,710	0.37%	9	-	-	-
Waste Management	Solid waste management	15,607,200	0.36%	10	9,681,700	0.42%	7
Strong Capital Management	Investment services	-	-		34,467,500	1.51%	2
Duni Corporation	Manufacturer of paper products	-	-		13,003,800	0.57%	5
Jerome Bence Trust	Property development	-	-		14,153,700	0.62%	4
Pick 'N Save Foods	Food store	-	-		12,305,300	0.54%	7
Lamplight Farms, Inc.	Candles and lighting	-	-		9,473,800	0.42%	9
Medical Associates	Medical	-	-		8,412,800	0.37%	10
Wacker Corporation		-	-		10,035,800	0.44%	8
Total, ten largest taxpayers		280,812,200	6.52%		193,855,700	8.50%	
Total, other taxpayers		4,031,207,680	93.48%		2,084,767,100	91.50%	
Total assessed valuations		\$ 4,312,019,880	100.00%		\$ 2,278,622,800	100.00%	

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Tax Levies and Collections
Last Ten Years

Levy Year	Taxes Levied	Collected Within the Year Levied for			Totals Collected to Date		
		Amount	Percentage of Levy	Subsequent Collections	Amount	Percentage of Levy	
1999 for 2000	\$ 18,076,352	\$ 18,049,948	99.85%	\$ 21,367	\$ 18,071,315	99.97%	
2000 for 2001	19,501,956	19,477,963	99.88%	21,012	19,498,975	99.98%	
2001 for 2002	20,339,916	20,303,048	99.82%	31,259	20,334,307	99.97%	
2002 for 2003	21,877,138	21,826,106	99.77%	39,313	21,865,419	99.95%	
2003 for 2004	21,933,691	21,856,827	99.65%	62,712	21,919,539	99.94%	
2004 for 2005	23,346,155	23,326,777	99.92%	16,117	23,342,894	99.99%	
2005 for 2006	23,524,519	23,513,450	99.95%	7,696	23,521,146	99.99%	
2006 for 2007	24,588,117	24,541,388	99.81%	45,878	24,587,266	100.00%	
2007 for 2008	23,487,637	23,425,223	99.73%	62,414	23,487,637	100.00%	
2008 for 2009	24,786,337	24,772,332	99.94%	-	24,772,332	99.94%	

Source: Statements of taxes, Village Clerk Services Department and Waukesha County tax collection data

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								Percentage of		
	General Obligation Bonds & Notes	General Obligation BANS	Municipal Revenue Obligations	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	Utility General Obligation Notes	Mortgage Revenue BANS	Total Primary Government	Personal Income	Property Value	Per Capita			
2000	\$ 45,915,065	\$ 5,675,000	\$ -	\$ 1,261,086	\$ 39,640,000	\$ 2,079,590	\$ 132,162	\$ 3,075,000	\$ 97,777,903	7.66%	3.61%	\$ 3,191			
2001	55,834,788	10,025,000	-	1,192,883	37,760,000	2,164,120	95,877	2,460,000	109,532,668	8.09%	3.78%	3,342			
2002	64,909,787	8,750,000	-	1,122,147	35,925,000	2,036,804	59,233	1,845,000	114,647,971	8.23%	3.68%	3,450			
2003	66,555,961	13,025,000	-	1,048,794	34,000,000	1,904,752	24,990	1,230,000	117,789,497	8.23%	3.48%	3,517			
2004	70,955,983	6,640,000	-	972,732	30,010,000	1,768,403	-	615,000	110,962,118	7.36%	3.10%	3,297			
2005	65,753,385	6,640,000	-	646,294	21,790,000	1,627,617	840,000	-	97,297,296	6.13%	2.47%	2,867			
2006	60,073,382	6,650,000	-	592,187	19,320,000	1,482,270	1,149,941	-	89,267,780	5.10%	2.11%	2,620			
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			
2008	53,957,147	3,100,000	5,100,000	-	14,130,000	2,931,618	1,702,853	-	80,921,618	4.36%	1.75%	2,339			
2009	51,934,731	1,250,000	8,200,000	-	7,595,000	2,706,889	2,495,269	-	74,181,889	4.10%	1.62%	2,144			

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

<u>Year</u>					General Outstanding Debt			
	<u>Gross</u> <u>General</u> <u>Outstanding</u> <u>Debt</u>	<u>General</u> <u>Debt not</u> <u>Financed by</u> <u>Governmental</u> <u>Activities</u>	<u>Net</u> <u>General</u> <u>Outstanding</u> <u>Debt</u>	<u>Percent of</u> <u>Debt to</u> <u>Property</u> <u>Value</u>	<u>Debt</u> <u>Per</u> <u>Capita</u>	<u>Percent of</u> <u>Debt to</u> <u>Property</u> <u>Value</u>	<u>Debt</u> <u>Per</u> <u>Capita</u>	
2000	\$ 55,062,903	\$ 2,211,752	\$ 52,851,151	2.03%	1,797	1.95%	1,725	
2001	69,312,668	2,259,997	67,052,671	2.39%	2,115	2.31%	2,046	
2002	76,877,971	2,096,037	74,781,934	2.47%	2,313	2.40%	2,250	
2003	82,559,497	1,929,742	80,629,755	2.44%	2,465	2.38%	2,408	
2004	80,337,118	1,768,403	78,568,715	2.24%	2,387	2.19%	2,334	
2005	75,507,296	2,467,617	73,039,679	1.92%	2,225	1.86%	2,152	
2006	69,947,780	2,632,211	67,315,569	1.65%	2,053	1.59%	1,976	
2007	64,733,440	3,836,887	60,896,553	1.44%	1,879	1.35%	1,768	
2008	61,691,618	4,634,471	57,057,147	1.33%	1,783	1.23%	1,649	
2009	58,386,889	5,202,158	53,184,731	1.27%	1,687	1.16%	1,537	

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Sewer Utility Revenue Bond Coverage
Last Ten Years

Year	Operating Revenue (A)	Operating Expenses (B)	Operating Income	Debt Service Requirements			Coverage (C)
				Principal (D)	Interest	Total	
2000	\$ 9,233,679	\$ 4,439,690	\$ 4,793,989	\$ 960,366	\$ 1,386,262	\$ 2,346,628	2.0429
2001	9,502,442	4,185,522	5,316,920	1,915,123	1,380,610	3,295,733	1.6133
2002	8,653,347	5,017,083	3,636,264	1,407,316	1,262,567	2,669,883	1.3620
2003	8,447,498	4,474,289	3,973,209	1,437,052	1,208,186	2,645,238	1.5020
2004	9,254,520	6,136,600	3,117,920	1,566,349	1,129,013	2,695,362	1.1568
2005	10,229,412	7,023,067	3,206,345	2,120,786	545,953	2,666,739	1.2023
2006	9,991,739	6,412,705	3,579,034	1,545,347	384,969	1,930,316	1.8541
2007	10,170,201	6,637,927	3,532,274	1,716,602	345,641	2,062,243	1.7128
2008	9,892,073	7,428,640	2,463,433	1,589,526	335,864	1,925,390	1.2794
2009	9,379,933	7,603,234	1,776,699	1,724,729	287,903	2,012,632	0.8828

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

- (A) Revenues include all revenues from all sources, except as noted below.
 2000 revenues do not include \$742,282 of amortization of contributed capital.
- (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) 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.
 2000 does not include \$1,930,000 principal paid from reserve on early call of bonds.
 2004 principal does not include \$1,970,000 of principal paid from reserves on refinancing.
 2005 principal does not include \$4,225,000 paid by Tax Incremental District #3.
 2009 principal does not include GO Notes \$46,090 or \$3,860,000 early call of bonds.

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

Year	Operating	Operating	Operating	Debt Service Requirements			Coverage
	<u>Revenue (A)(D)</u>	<u>Expenses (B)</u>	<u>Income</u>	<u>Principal (E)</u>	<u>Interest</u>	<u>Total</u>	
2000	\$ 4,611,717	\$ 2,456,527	\$ 2,155,190	\$ 690,000	\$ 940,853	\$ 1,630,853	1.3215
2001	5,872,320	2,436,751	3,435,569	760,000	911,715	1,671,715	2.0551
2002	5,948,148	2,546,107	3,402,041	860,000	815,138	1,675,138	2.0309
2003	6,033,885	2,827,809	3,206,076	925,000	779,800	1,704,800	1.8806
2004	6,316,662	2,728,476	3,588,186	975,000	737,875	1,712,875	2.0948
2005	6,642,680	2,852,459	3,790,221	1,025,000	495,176	1,520,176	2.4933
2006	6,506,892	3,058,580	3,448,312	1,070,000	489,325	1,559,325	2.2114
2007	6,556,939	3,104,293	3,452,646	1,150,000	439,913	1,589,913	2.1716
2008	6,496,309	3,348,158	3,148,151	1,165,000	394,737	1,559,737	2.0184
2009	6,190,120	3,349,804	2,840,316	1,175,000	347,250	1,522,250	1.8659

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

- (A) Operating revenues include interest income and interest reimbursed from TID #3.
- (B) Operating expenses before depreciation and tax equivalent paid to the Village.
- (C) Ratio of total funds available for debt service to total requirements.
- (D) Water rate increase of 37% as of September 18, 2000.
- (E) 2001 Principal payments do not include refinancing of \$6,110,000.
 2005 Principal payments do not include refinancing of \$5,075,000.
 2005 Principal payments do not include an early retirement of \$1,400,000.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Legal Debt Margin
December 31, 2009

Equalized value of real and personal property	\$ <u>4,589,341,400</u>
Debt limit, five percent of equalized valuation	\$ 229,467,070
Total obligation bonds and notes applicable to debt limit at December 31, 2009	<u>(55,680,000)</u> *
Remaining legal debt margin	\$ <u>173,787,070</u>
* Includes:	
Sewer Utility portion of G.O. notes	\$ 414,810
Water Utility portion of G.O. notes	555,000
Storm Water Utility portion of G.O. notes	510,459
Excludes:	
Water Revenue Bonds and Revenue BANs	6,570,000
Sewer Revenue Bonds and Revenue BANs	1,025,000
Wisconsin Clean Water Fund Loans	2,706,889
TID #7 Municipal Revenue Obligation	5,100,000
TID #5 Municipal Revenue Obligation	3,100,000

Historical Data

<u>Year</u>		<u>Debt Limit</u>	<u>Debt Subject to Limit</u>	<u>Legal Debt Margin</u>	<u>Percentage of Legal Debt Limit</u>
2000	\$	135,535,855	\$ 51,722,227	\$ 83,813,628	38.16%
2001		144,860,830	65,955,665	78,905,165	45.53%
2002		155,730,605	73,719,020	82,011,585	47.34%
2003		169,418,937	79,605,951	89,812,986	46.99%
2004		179,236,085	77,595,983	101,640,102	43.29%
2005		196,574,655	73,233,385	123,341,270	37.25%
2006		212,023,230	67,873,323	144,149,907	32.01%
2007		225,500,070	61,935,000	163,565,070	27.47%
2008		231,759,745	58,760,000	172,999,745	25.35%
2009		229,467,070	55,680,000	173,787,070	24.26%

Source: Comprehensive Annual Financial Reports (after 2002), General Purpose Financial Statements (before 2003)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Direct and Overlapping Debt
December 31, 2009

	<u>Total General Obligation Debt</u>	<u>Applicable to Village Percent</u>	<u>Amount</u>
Direct debt	\$ 55,680,000	100.00%	\$ 55,680,000
Overlapping Debt:			
Menomonee Falls School District	29,290,000	97.34%	28,510,886
Hamilton School District	17,195,000	33.07%	5,686,387
Waukesha County	75,855,000	8.49%	6,440,090
Waukesha County Technical College	33,375,000	8.29%	<u>2,766,788</u>
Total net direct and overlapping debt			\$ <u>99,084,151</u>

Information on debt of other taxing districts was obtained from their respective financial reports and financial departments.

Direct debt does not include the following:

Mortgage Revenue Bonds and Revenue BANs	\$ 7,595,000
Clean Water Fund Loans	2,706,889
Municipal Revenue Obligations	8,200,000

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rates (2)</u>			<u>Per-Capita Income (3)</u>			<u>Total Income Village of Menomonee Falls (4)</u>
		<u>Village of Menomonee Falls</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>		
2000	30,639	1.9 %	2.3 %	3.3 %	\$ 41,673	\$ 29,139	\$	1,276,819,047
2001	32,778	3.4	3.3	4.6	41,331	30,098		1,354,747,518
2002	33,233	4.3	4.5	5.5	41,931	30,797		1,393,492,923
2003	33,489	4.6	3.8	4.8	42,734	31,642		1,431,118,926
2004	33,660	3.8	3.9	4.9	44,789	32,721		1,507,597,740
2005	33,939	3.8	3.8	4.8	46,735	33,673		1,586,139,165
2006	34,070	3.8	3.6	4.9	51,351	35,644		1,749,528,570
2007	34,450	4.0	4.0	4.9	52,713	36,990		1,815,962,850
2008	34,600	3.8	3.9	4.8	53,636	37,770		1,855,805,600
2009	34,600	7.3	7.5	8.5	52,290	36,822		1,809,234,000

(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 (2009 Waukesha County is an estimate).

(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 2009 and 2000

<u>Employer</u>	2009		2000	
	<u>Employees</u>	Percentage of All Employed in Village	<u>Employees</u>	Percentage of All Employed in Village
Kohls Corporation	4,300	24.61%	2,700	14.79%
Community Memorial Hospital	1,528	8.75%	1,168	6.40%
Menomonee Falls School District	945	5.41%	983	5.38%
Harley Davidson	800	4.58%	936	5.13%
Arandell-Schmidt	750	4.29%	706	3.87%
Wells Fargo (formerly Strong Capital Management)	648	3.71%	1,506	8.25%
Medical Associates	590	3.38%	-	0.00%
Bradley Corporation	347	1.99%	302	1.65%
Alto-Schaam	330	1.89%	340	1.86%
Wacker Neuson Corporation	286	1.64%	700	3.83%
Linden Grove	261	1.49%	-	0.00%
Village of Menomonee Falls	230	1.32%	298	1.63%
All other employers	6,456	36.95%	8,622	47.22%
Total Employment	<u>17,471</u>	100.00%	<u>18,261</u>	100.00%

Source: State of Wisconsin Department of Workforce Development

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Full-Time Equivalent Employees By Function
Last Ten Years

Function	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government and administration	43	47	48	48	49	44	44	37	35	34
Public Safety	101	104	104	103	103	105	104	104	105	104
Public Works	40	40	40	37	34	35	35	34	32	30
Culture and recreation	26	26	25	25	25	28	28	27	29	20
Conservation and Development	25	25	25	21	22	24	24	21	17	18
Sanitary Sewer	6	9	8	8	8	8	8	7	5	6
Water Utility	16	16	16	16	16	16	16	14	15	17
Storm Water Utility	-	-	-	1	1	1	1	1	1	1
Totals	257	267	266	259	258	261	260	245	239	230

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government:										
Number of employees	43	47	48	48	49	44	44	37	35	34
Registered voters	25,685	21,686	18,819	20,793	23,322	23,380	23,176	23,670	24,697	24,697
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	73	73	73	70	70	70	69	69	70	70
Crimes	563	576	596	585	587	545	703	691	550	403
Number of violations/enforcement	14,552	14,130	16,586	15,123	16,397	15,967	16,715	17,047	18,189	22,039
Accidents	941	844	893	931	881	899	832	928	877	557
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of employees	15	18	18	20	20	22	22	22	22	21
Number of fires	53	67	67	75	46	51	73	73	76	72
Rescue and EMS	1,338	1,424	1,362	1,466	1,524	1,559	1,669	1,761	1,905	1,814
Hazardous conditions	98	99	109	77	87	91	92	96	100	103
Dispatch:										
Number of employees	13	13	13	13	13	13	13	13	13	13
Number of event calls	80,257	80,718	84,281	81,455	81,418	77,444	61,134	65,562	65,562	65,562
Public Works:										
Number of employees	40	40	40	37	34	35	35	34	32	30
Miles of streets and roads-Village owned	197	197	205	200	202	205	206	207	207	207
Miles - All roads, State, County, Village	231	231	237	241	244	246	247	248	249	249

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Culture and recreation:										
Library:										
Number of employees	15	15	15	15	15	18	18	18	21	16
Volumes	99,219	99,219	105,195	114,017	122,395	125,966	132,092	146,998	138,427	123,099
Circulation	315,338	315,338	313,729	372,037	383,038	385,650	390,962	369,263	364,541	381,864
Parks:										
Number of employees	11	11	10	10	10	10	10	9	8	4
Number of parks	6	6	6	7	7	7	8	8	8	8
Acres of parkland - Village owned	900	900	900	1,016	1,016	1,016	1,458	1,506	1,508	1,508
Acres of parkland - County owned	550	550	550	546	546	546	544	544	544	544
Conservation and Development:										
Number of employees	25	25	25	23	25	25	23	18	17	18
Number of permits issued	784	788	865	800	830	825	692	791	636	516
Permit value	93,356,952	84,475,241	62,341,309	72,265,907	99,449,913	97,652,841	87,327,054	87,337,514	59,903,763	37,243,829
Water Utility:										
Number of employees	16	16	16	16	16	16	16	14	15	17
Number of customers	10,241	10,481	10,722	10,944	11,215	11,400	11,559	11,641	11,707	11,755
Gallons pumped annually (in thousands)	1,065,558	1,079,301	1,102,952	1,086,967	1,102,647	1,254,296	1,042,303	1,055,982	1,038,142	1,260,820
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	2,259	2,346	2,387	2,488	2,551	2,598	2,639	2,675	2,692	2,773
Miles of mains	185	191	194	201	205	208	212	215	216	220
Sewer Utility:										
Number of employees	6	9	8	8	8	8	8	7	5	6
Number of customers	9,718	9,900	10,079	10,211	10,415	10,537	10,671	10,771	10,824	10,853
Gallons pumped annually (in thousands)	940,740	939,824	957,097	951,101	969,846	963,149	896,011	903,862	888,214	853,332
Number of lift stations	3	4	4	4	6	6	7	8	8	8
Miles of main	181	186	190	194	199	202	205	208	208	212
Storm Water Utility:										
Number of retention basins	NA	NA	9	10	10	10	10	10	10	10
Miles of storm main	NA	NA	104	107	112	115	117	126	126	140

Source: Village departments
NA - Information is not available

See independent auditors' report.