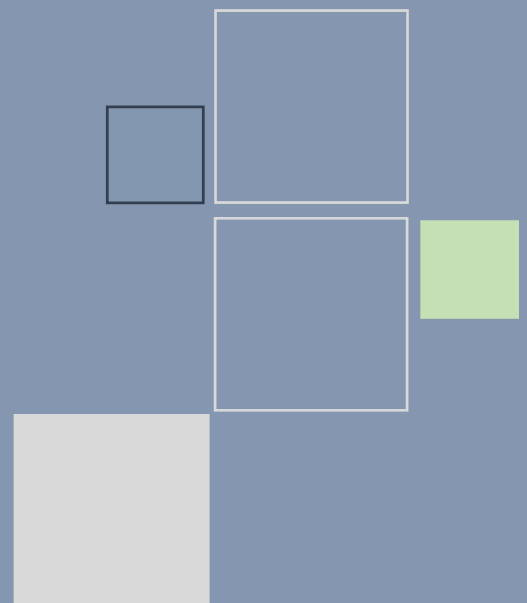


A decorative graphic in the top left corner consisting of a grid of squares. The squares are arranged in a roughly triangular shape, with colors including light blue, dark blue, white, and a small green square. The squares are outlined in white or have solid colors.

2017

Comprehensive
Annual Financial Report
Year Ended December 31, 2017
Village of Menomonee Falls, Wisconsin



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

**Comprehensive Annual Financial Report
Year Ended December 31, 2017**

**Prepared by the Finance Department
Jason Kaczmarek, CPA - Finance Director
Julie Multhauf - Finance Coordinator**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2017

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2017

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INTRODUCTION



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

August 14, 2018

Citizens of Menomonee Falls
Members of the Board of Trustees

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The attached Comprehensive Annual Financial Report of the Village of Menomonee Falls for the fiscal year ended December 31, 2017 satisfies these requirements.

The Village retained the services of Reilly, Penner & Benton, LLP to perform its audit. Based upon standard audit procedures, Reilly, Penner & Benton, LLP has issued an unmodified opinion on the Village's financial statements for the year ended December 31, 2017. The auditor's opinion is located at the front of the financial section of this report.

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

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

The financial section of this report includes Management's Discussion and Analysis (MD&A), an overview of the basic financial statements. The Village's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it.

VILLAGE PROFILE

The Village of Menomonee Falls is located in Waukesha County directly northwest of the City of Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the Village of Menomonee Falls covers approximately 33 square miles and has a population of 37,413 (per the State of Wisconsin Department of Administration). Approximately one third of the Village remains undeveloped.

VILLAGE PROFILE (continued)

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

The Village provides typical municipal services including; police, fire, and ambulance services; public works activities such as highway and street maintenance, refuse and recycling collection; recreational activities such as parks, public library and historical center; community development activities including planning and zoning enforcement, economic development, and supportive services such as general administration and finance. The Village operates Water, Sewer and Storm Water utilities as enterprise funds. Risk management services for property liability are accounted for in the Village's Internal Service Fund.

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

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

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

In developing the Village's overall accounting system, consideration was given to the adequacy of the internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial resources for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

The annual capital budget summarizes long range plans for infrastructure and major equipment purchases. The adopted capital budget is typically funded through a debt issuance. The Village works closely with financial advisors from Ehler's Inc. in the management of overall debt. Additional information related to Village debt can be found in Footnote 3-F.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The fiscal health of a municipality can be assessed in several ways: current growth, preparation for the future, and the results of operations. The Village continues to forge new directions and is emerging as a regional leader in economic innovation. Using a variety of financing tools such as impact fees, tax incremental financing, municipal revenue obligations, and close partnerships with businesses, the Village is preparing for a more robust economic future. Evidence of the health of the Village is reflected in unemployment percentages consistently lower than the State average. The Village's 2017 unemployment rate is 2.9% versus the State's 3.3%.

In 2017 the Village's equalized value (including TIDs) increased 5% which; reflects evidence of a macro economic turnaround. Menomonee Falls has a growing residential sector and continues to be a desirable location for both large and small businesses to locate and expand. This development trend supports a resilient tax base and was evidenced by the Village having the 6th highest gain in net new construction value in Wisconsin in 2017.

In 2017, the Village issued 761 residential and 143 non-residential building permits for an estimated construction value of more than \$101 million. This value was a slight decrease over the previous three years; however, it still ranks as the 4th highest value every recorded. Major contributors to the 2017 value include construction and remodeling of single-family homes (\$53.6 million), new commercial and industrial buildings (\$14.7 million), construction of the Village's new centralized public works facility (\$10.2 million), School District of Menomonee Falls renovations (\$8.1 million), and Froedert & the Medical College of Wisconsin property renovations (\$2.2 million). At 904, the total number of permits issued in 2017 was higher than 2016 and is highest recorded total since the Village staff began tallying these totals electronically in 1997.

While many of the developments in Menomonee Falls in 2017 were conceptual multi-phase developments, the Village ultimately approved 120 new single-family lots in four subdivisions and three Certified Survey Maps. This total was the second highest in the Village since 2007 (134 new single-family lots were platted in 2014). The 121 single-family housing starts in 2017 reveal the continued strength of the post-recession housing market and marks the highest number of housing starts since 2005. With 121 housing starts in 2017, the Village accounted for over 14% of all new single-family homes constructed in Waukesha County. This percentage of county housing starts was notably higher than the typical percentage of around 9%, and was the highest percentage of housing starts within Waukesha County during the last decade.

The Village aggressively uses Tax Incremental Financing Districts (TIDs) as catalysts for development. The Village Board policy of working for continued growth is evident in its commitment to capital expenditures and public improvements in the TIDs. In 2017, tax increment value increased \$63.2 million (23%). Nearly two-thirds of this increase is attributable to TID #8 (Falls Parkway). Significant redevelopment also occurred in TID #5 (Westbrook Corp. Center) and TID #12 (Lilly Rd Industrial).

Financial Policies

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

The Village Board is committed to maintaining an unassigned General Fund balance of around 3 months of operating expenditures. As of December 31, 2017, the unassigned General Fund balance approximated 3.1 months of 2018 budgeted expenditures, providing a reasonable cushion for unanticipated emergencies.

One of the biggest impacts of the 2008 economic down turn has been in the area of earnings on investments. Although earnings on investment income is low compared to the high interest rates in prior years, management continues to follow a conservative approach to investing excess funds, placing safety and liquidity before return on investment.

FACTORS AFFECTING FINANCIAL CONDITION

Financial Planning

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

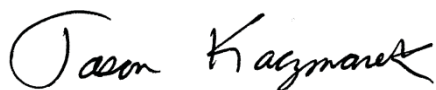
The Village policy towards budget and tax stabilization prompted the development of an internal Revolving Capital Loan program which provides departments with an interest-free method of funding large equipment and vehicle purchases with amortized repayments included in the operating budget. Consolidation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

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

ACKNOWLEDGEMENTS

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

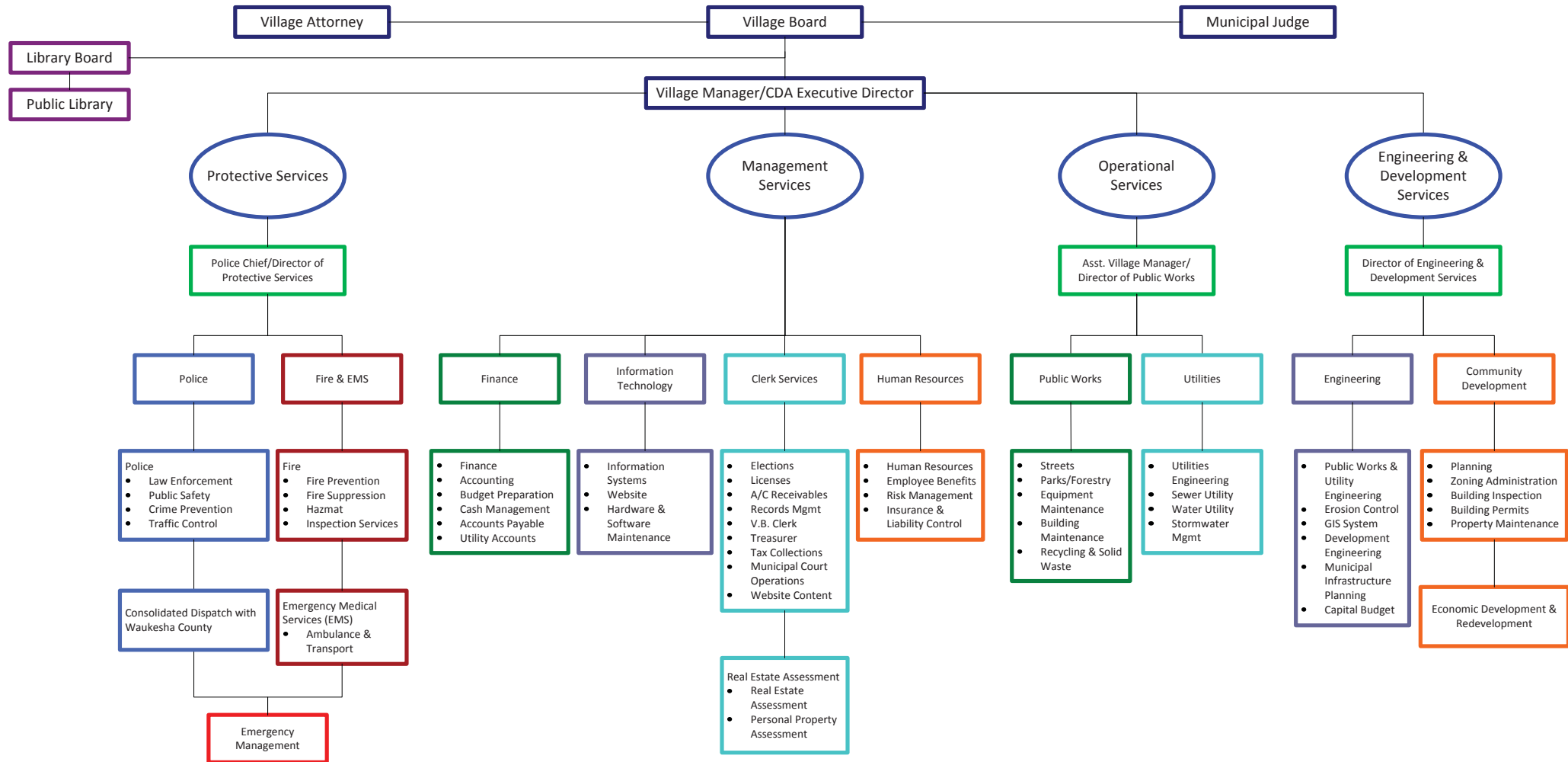
Respectfully submitted,

A handwritten signature in black ink that reads "Jason Kaczmarek". The signature is fluid and cursive, with the first name "Jason" written in a larger, more prominent script than the last name "Kaczmarek".

Jason A Kaczmarek, CPA
Finance Director

VILLAGE OF MENOMONEE FALLS

Functional Organization Chart



VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Directory of Officials
As of December 31, 2017

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
Joesph Helm	President	April 2018
Bonnie Lemmer	Trustee	April 2019
Paul Tadda	Trustee	April 2019
Jeremy Walz	Trustee	April 2019
David Glasgow	Trustee	April 2020
Katie Kress	Trustee	April 2020
Randy Van Alstyne	Trustee	April 2020

Certified Public Accountants:

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

Bond Counsel:

Quarles & Brady, Milwaukee, Wisconsin

Financial Advisor:

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

FINANCIAL SECTION

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt



Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin ("Village"), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Menomonee Falls, Wisconsin as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with U.S. GAAP.

Other Matters

Required Supplementary Information

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

Other Information

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

The 2017 combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Menomonee Falls as of and for the year ended December 31, 2016 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Menomonee Falls's basic financial statements as a whole. The supplementary information for the year ended December 31, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Rielly, Penner & Benton LLP

August 14, 2018
Milwaukee, Wisconsin

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis provides management's overview and analysis of the Village's basic financial statements for the year ended December 31, 2017. This discussion is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan.

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

Using This Annual Report

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

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

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

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

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

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

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

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which begins on page 82. Combining and individual fund statements and schedules begin on page 84.

Government-Wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Menomonee Falls, total net position was \$270 million as of December 31, 2017. The largest portion of the Village's net position (86%) reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. An additional portion of the Village's net position, 6%, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased by \$2 million, or 1%.

Condensed Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets:						
Capital assets	\$ 178.0	\$ 165.8	\$ 138.2	\$ 138.3	\$ 316.2	\$ 304.1
Other assets	74.4	73.1	25.2	24.7	99.6	97.8
Total assets	252.4	238.9	163.4	163.0	415.8	401.9
Deferred outflows of resources:	7.8	9.7	0.6	0.8	8.4	10.5
Liabilities:						
Long-term liabilities	87.9	82.6	11.0	11.1	98.9	93.7
Other liabilities	17.8	15.1	2.2	2.1	20.0	17.2
Total liabilities	105.7	97.7	13.2	13.2	118.9	110.9
Deferred inflows of resources:	34.6	32.9	1.2	1.2	35.8	34.1
Net Position:						
Net investment in capital assets	104.2	102.2	128.8	129.7	233.0	231.9
Restricted	7.5	14.1	8.9	8.2	16.4	22.3
Unrestricted	8.2	1.7	11.9	11.5	20.1	13.2
Total net position	<u>\$ 119.9</u>	<u>\$ 118.0</u>	<u>\$ 149.6</u>	<u>\$ 149.4</u>	<u>\$ 269.5</u>	<u>\$ 267.4</u>

Changes in Net Position

During 2017 the net position of governmental activities increased 1.6% to \$120 million. Restricted assets include \$4.6 million for capital projects (including Tax Incremental Financing Districts or TIDs), \$1.5 million for other special revenue fund purposes, \$1.1 million for the Library, and \$0.3 million for Debt Service. The unrestricted net position of governmental activities amounts to \$8.2 million.

Net position of business activities totaled \$150 million as of December 31, 2017. Business-type assets totaling \$9 million are restricted for capital projects, operations and maintenance, depreciation, and projected future pension obligations. The Village may use the unrestricted net position totaling \$12 million to finance continuing operations and capital projects of the utilities.

Changes in Net Position

(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8.1	\$ 8.0	\$ 15.5	\$ 15.3	\$ 23.6	\$ 23.3
Operating grants and contributions	3.3	3.2	-	0.3	3.3	3.5
Capital grants and contributions	0.4	5.6	3.0	7.2	3.4	12.8
General revenues:						
Property taxes	28.9	27.9	0.9	0.9	29.8	28.8
Unrestricted grants and contributions	1.3	1.3	-	-	1.3	1.3
Other revenues	0.9	0.8	0.2	0.1	1.1	0.9
Total revenues	<u>42.9</u>	<u>46.8</u>	<u>19.6</u>	<u>23.8</u>	<u>62.5</u>	<u>70.6</u>
Expenses:						
General government	4.2	4.2	-	-	4.2	4.2
Public safety	15.9	16.1	-	-	15.9	16.1
Public works	12.5	9.2	-	-	12.5	9.2
Culture and recreation	3.4	3.6	-	-	3.4	3.6
Conservation and development	2.6	3.3	-	-	2.6	3.3
Interest on long-term debt	2.4	2.3	-	-	2.4	2.3
Water Utility	-	-	6.9	6.9	6.9	6.9
Sewer Utility	-	-	10.8	9.9	10.8	9.9
Storm Water Utility	-	-	1.7	1.4	1.7	1.4
Total expenses	<u>41.0</u>	<u>38.7</u>	<u>19.4</u>	<u>18.2</u>	<u>60.4</u>	<u>56.9</u>
Increase (decrease) in net position	<u>1.9</u>	<u>8.1</u>	<u>0.2</u>	<u>5.6</u>	<u>2.1</u>	<u>13.7</u>
Net position, beginning of year	<u>118.0</u>	<u>109.9</u>	<u>149.4</u>	<u>143.8</u>	<u>267.4</u>	<u>253.7</u>
Net position, end of year	<u>\$ 119.9</u>	<u>\$ 118.0</u>	<u>\$ 149.6</u>	<u>\$ 149.4</u>	<u>\$ 269.5</u>	<u>\$ 267.4</u>

Governmental activities increased net position by \$1.9 million. Significant changes in governmental revenues and expenses were as follows.

Revenues:

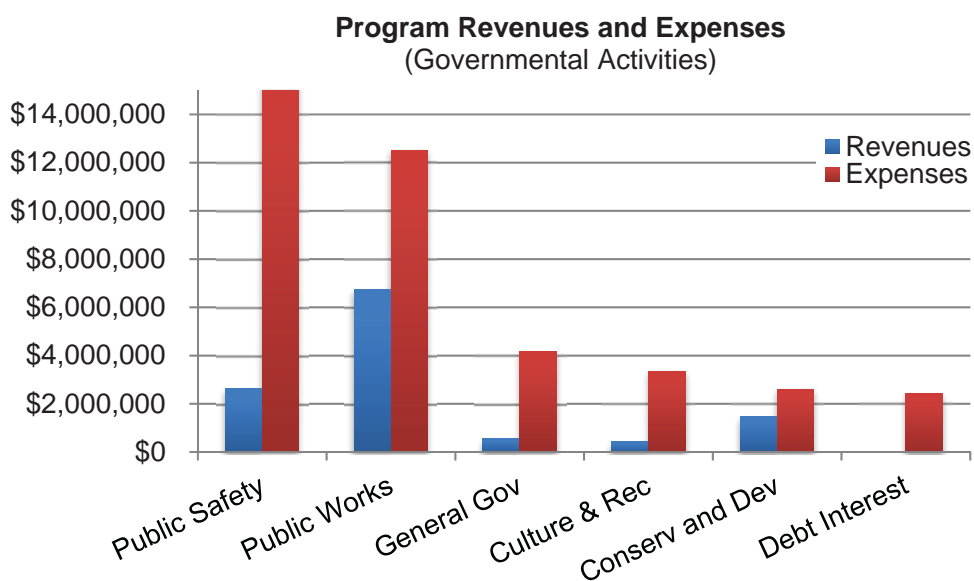
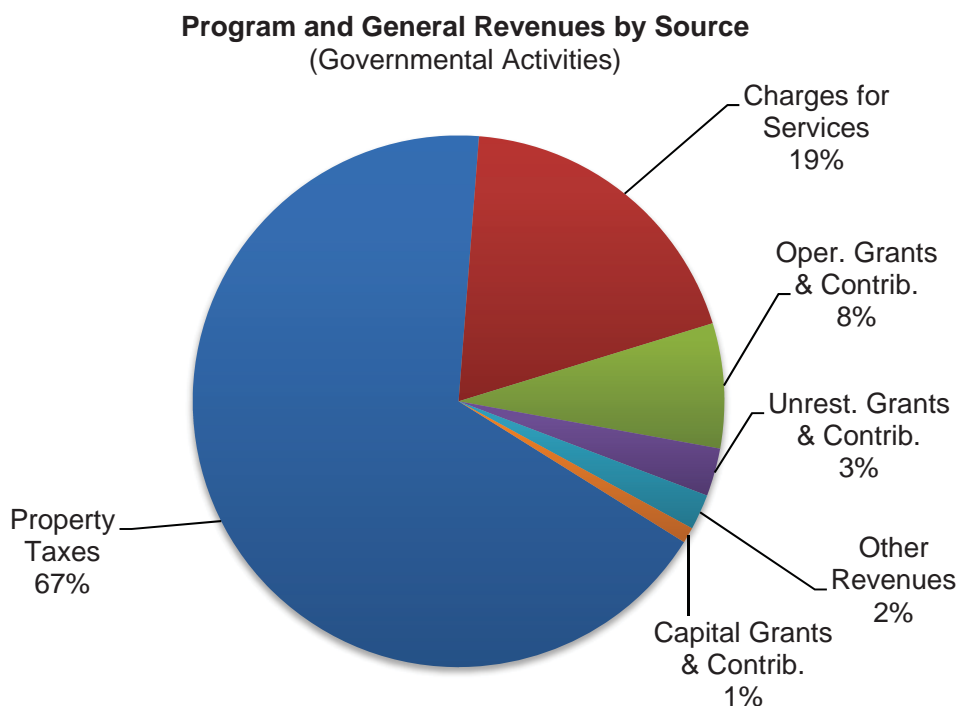
Charges for services totaled \$8.1 million, a minor increase from 2016. The most significant revenues in this category include landfill tipping fees (\$2.9 million), garbage fees (\$1.3 million), EMS services (\$1.1 million), and permits (\$0.8 million). Grants and contributions totaled \$3.7 million, a \$5 million decrease from the prior year. Nearly all of this change is a result of less contributed infrastructure (i.e. roads). Development can vary greatly from year-to-year.

All governmental revenues other than program revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. For 2017, general revenues totaled \$31.1 million, a \$1.1 million increase from the prior year. Property taxes increased \$1 million, making up the majority of this increase.

Expenses:

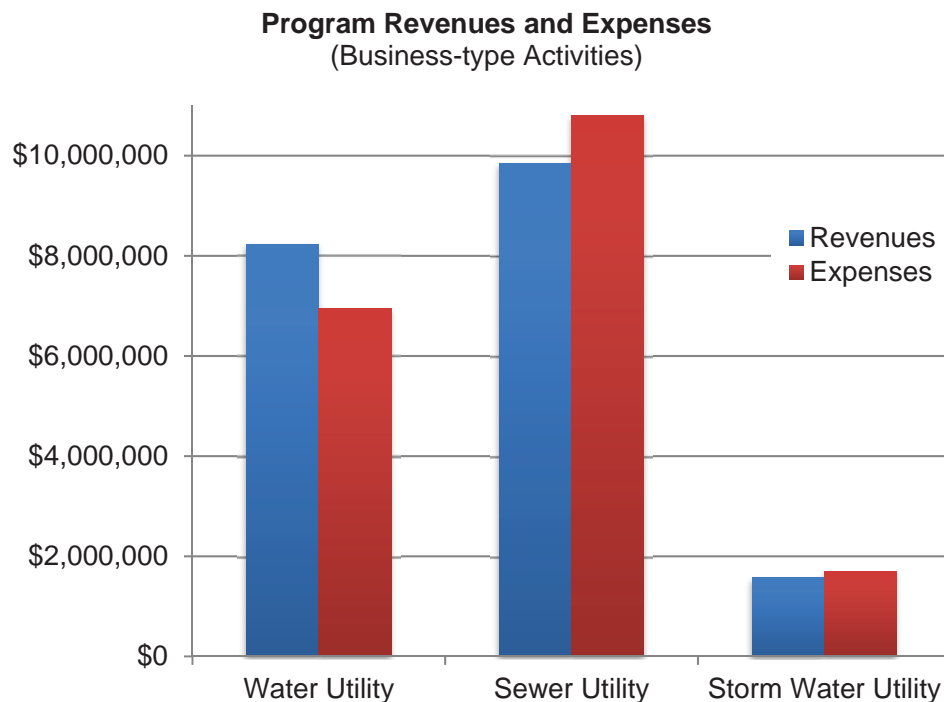
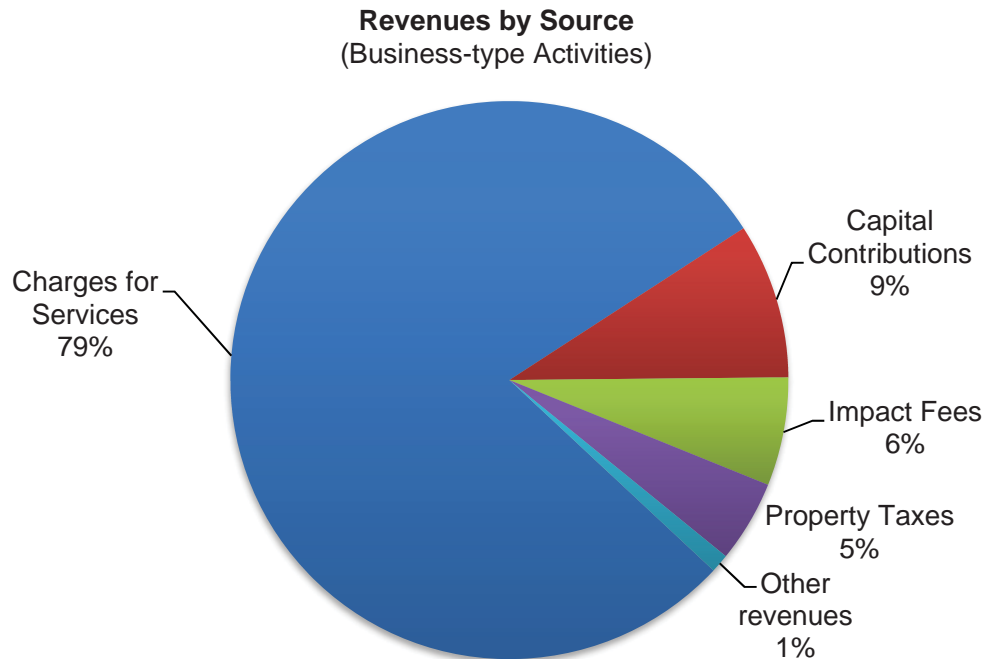
Governmental expenses totaled \$41 million, an overall increase of \$2.3 million from 2016. The most significant change occurred in Public Works, which increased a little over \$3 million. Half of this increase (\$1.5 million) is attributable to increased spending on utility infrastructure. Spending on utility infrastructure projects varies from year-to-year depending on the scope of the projects. It's important to note that \$1 million (of the proceeds from the sale of the former Kohl's Distribution Center) was spent on water utility infrastructure in 2017. This was approved as part of the 2017 Capital Budget to help speed up road replacement schedules. Typically, the Water Utility would have paid for these improvements. The remaining increases in Public Works are spread over multiple areas.

The Village is aggressively dealing with street and road deterioration, spending over \$3.0 million in 2017 on road construction and repairs. Funding for the construction and repairs came from the tax levy, the Municipal Facilities & Equipment Fund, as well as tax incremental districts. Governmental expenses also included \$4.1 million in depreciation expense.



Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$0.2 million in the Village's net position. Total expenses exceeded charges for services by \$3.9 million. The deficit was offset by a tax levy of \$0.9 million and capital grants and contributions totaling \$3 million.



Water Utility

The Water Utility reported net operating income of \$1.5 million for 2017, a minor increase from the \$1.4 million reported in 2016. Operating revenues of the Water Utility totaled \$6.9 million for 2017, \$0.1 million higher than in 2016. Operating expenses totaled \$5.4 million, no change from the prior year. Real estate taxes paid to the Village in 2017 and 2016 were stagnant at \$1.3 million per year. Overall, 2017 net income is \$0.3 million lower than 2016, due to less contributed infrastructure.

The Village purchases water from Milwaukee Water Works (MWW) and supplements with water from Village deep wells. The Village paid \$1.6 million to MWW in 2017, 2.5% higher than 2016. Village water rates were last increased in January 2017.

The Water Utility capitalized \$2.2 million of improvements during 2017, of which \$0.6 million were contributions from developers. The majority of the utility-paid capitalized improvements were related to the continued replacement of old utility infrastructure. Note that capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2017 were \$0.3 million less than in 2016.

Water Utility Activity Summary (in millions of dollars)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Charges for services	\$ 6.9	\$ 6.8	\$ 0.1
Operating expenses	<u>5.4</u>	<u>5.4</u>	<u>-</u>
Operating income	1.5	1.4	0.1
Non-operating income	0.5	0.5	-
Payment-in-lieu of taxes	(1.3)	(1.3)	-
Capital contributions	<u>0.6</u>	<u>0.9</u>	<u>(0.3)</u>
Increase in net position	1.3	1.5	(0.2)
Net position, beginning of year	<u>62.3</u>	<u>60.8</u>	<u>1.5</u>
Net position, end of year	\$ <u>63.6</u>	\$ <u>62.3</u>	\$ <u>1.3</u>

Sewer Utility

The Sewer Utility reported a net operating loss of \$2.2 million for 2017, double the \$1.1 million operating loss in 2016. This degradation is a result of an increase in the MMSD capital charge (see below). Charges for services increased \$0.1 million or 1.5%, which is due to an increase in service volume. The last sewer rate change occurred in 2010.

Operating expenses totaled \$10.7 million, an increase of \$1.2 million from 2016. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2017, the Village paid MMSD \$2 million for user charges and \$5.6 million for capital charges. Overall, total payments to MMSD were \$1.2 million higher when compared to the prior year.

The Sewer Utility capitalized \$0.8 million of improvements during 2017 of which \$0.6 million were contributed by developers. Note that capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2017 were \$2.2 million less than in 2016.

Sewer Utility (continued)

Sewer Utility Activity Summary (in millions of dollars)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Charges for services	\$ 8.5	\$ 8.4	\$ 0.1
Operating expenses	<u>10.7</u>	<u>9.5</u>	<u>1.2</u>
Operating loss	<u>(2.2)</u>	<u>(1.1)</u>	<u>(1.1)</u>
Non-operating income	0.6	0.6	-
Capital contributions	<u>0.6</u>	<u>2.8</u>	<u>(2.2)</u>
Increase (decrease) in net position	<u>(1.0)</u>	<u>2.3</u>	<u>(3.3)</u>
Net position, beginning of year	61.8	59.5	2.3
Net position, end of year	<u>\$ 60.8</u>	<u>\$ 61.8</u>	<u>\$ (1.0)</u>

Storm Water Utility

The Storm Water Utility is funded primarily through property taxes. Operating revenues of the Storm Water Utility totaled \$1.0 million and operating expenses totaled \$1.4 million. The net operating loss of \$0.4 million for 2017 is consistent with the results of 2016 operations.

The Storm Water Utility capitalized \$0.8 million of improvements during 2017, of which \$0.3 million were contributed from developers and \$0.3 million were contributed from TIDs. Most of the infrastructure installed is attributable to the addition of new utility infrastructure. Capital contributions for 2017 were \$0.5 million, \$1.7 million less than in 2016.

Storm Water Utility Activity Summary (in millions of dollars)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 1.0	\$ -
Operating expenses	<u>1.4</u>	<u>1.3</u>	<u>0.1</u>
Operating loss	<u>(0.4)</u>	<u>(0.3)</u>	<u>(0.1)</u>
Non-operating expenses	(0.3)	(0.1)	(0.2)
Capital contributions	<u>0.5</u>	<u>2.2</u>	<u>(1.7)</u>
Increase in net position	<u>(0.2)</u>	<u>1.8</u>	<u>(2.0)</u>
Net position, beginning of year	25.3	23.5	1.8
Net position, end of year	<u>\$ 25.1</u>	<u>\$ 25.3</u>	<u>\$ (0.2)</u>

Fund Financial Analysis

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

Governmental Funds

As of December 31, 2017, Village governmental funds reported a combined fund balance of \$34.1 million, \$1.9 million less than last year's total of \$36 million. Most of this increase is a result of a \$1.3 million surplus in the General Fund. Further details on the General Fund and other significant or "Major" funds are listed below.

General Fund

The General Fund ended the year with a \$1.3 million surplus, which equates to 5% of the operating budget. \$0.4 million of this was used to pay off an advance for pension benefits and the rest was transferred to the Municipal Facilities and Equipment Fund for future capital expenditures. The final balance of the General Fund amounted to \$9.7 million, no change from the prior year. \$2.7 million of the total fund balance is a result of non-spendable assets. The remaining \$7 million is considered "unassigned" and available for spending. The unassigned balance equates to 3.1 months of 2018 budgeted expenditures; which is consistent with our fund balance policy of around 3 months.

Overall, for 2017, General Fund revenues were on target with budget. Around 80% of the General Fund revenues come from property taxes and state revenues. These amounts are known prior to budget preparation.

General Fund expenditures were \$1.2 million less than budgeted. The majority of savings is due to the delay in IT projects totaling \$0.5 million. Delayed projects include a financial system upgrade, continued payroll system implementation, and continued paperless system implementation. Turnover in the Police Department lead to savings of \$0.2 million, and higher than expected billable hours in the Engineering Department lead to \$0.2 million in savings on wages and benefits.

Debt Service Fund

The Debt Service Fund balance increased \$0.2 million because of the net premium received from the Series 2017B notes issuance. Annual debt service requirements were met primarily by transfers from other governmental funds of \$7.2 million and property taxes levied of \$2.3 million. Refinancing of a \$1.3 million balloon payment related to TID #12 was completed in 2017.

Municipal Facilities & Equipment Fund (MFEF)

The MFEF continues to be a strong asset to the Village, providing funds for capital purchases and revolving capital loans. During 2017, the MFEF added \$2.1 million to its fund balance which ended up at \$9.5 million. Landfill tipping fees for 2017 totaled \$2.9 million. In addition, \$0.9 million of the General Fund surplus was transferred into the MFEF.

Proprietary Funds

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

The Village as Trustee

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

Capital Assets

As of December 31, 2017, the Village had \$316 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	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Land	\$ 98.1	\$ 98.2	\$ 0.6	\$ 0.6	\$ 98.7	\$ 98.8
Construction in progress	17.0	2.9	1.4	0.7	18.4	3.6
Total non-depreciable assets	<u>115.1</u>	<u>101.1</u>	<u>2.0</u>	<u>1.3</u>	<u>117.1</u>	<u>102.4</u>
Depreciable assets:						
Land improvements	4.9	4.9	1.9	1.9	6.8	6.8
Buildings and improvements	39.8	39.8	9.3	9.3	49.1	49.1
Equipment and furnishings	19.8	19.6	9.2	9.1	29.0	28.7
Infrastructure	54.1	53.1	187.3	184.6	241.4	237.7
Total depreciable assets	<u>118.6</u>	<u>117.4</u>	<u>207.7</u>	<u>204.9</u>	<u>326.3</u>	<u>322.3</u>
Less accumulated depreciation	<u>55.7</u>	<u>52.7</u>	<u>71.5</u>	<u>67.9</u>	<u>127.2</u>	<u>120.6</u>
Net depreciable assets	<u>62.9</u>	<u>64.7</u>	<u>136.2</u>	<u>137.0</u>	<u>199.1</u>	<u>201.7</u>
Total capital assets	<u>\$ 178.0</u>	<u>\$ 165.8</u>	<u>\$ 138.2</u>	<u>\$ 138.3</u>	<u>\$ 316.2</u>	<u>\$ 304.1</u>

The Village's 2017 capital budget anticipated a spending level of \$28 million for capital projects. The Village borrowed \$14.9 million in to fund these expenditures, with the remaining \$13.1 million being financed with cash on hand.

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

	Book Value
Construction of the new DPW Facility	\$ 11.9
Continued construction of Falls Parkway in TID #8	0.8
Roosevelt Dr improvements in TID #8	0.5

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

	Book Value
Watermain replacements	\$ 1.7
Utility infrastructure contributions from subdivision developments	1.5

Long-term Debt

As of December 31, 2017, long-term debt outstanding totaled \$101 million compared to \$95 million at December 31, 2016, a net increase of \$6 million.

The following debt issuances occurred in 2017:

GO Notes - 2017 Capital Budget	\$ 14,935,000
GO Notes - Refinancing of 2015 notes in TID #12	<u>1,280,000</u>
	<u>\$ 16,215,000</u>

Principal paid on outstanding debt totaled \$9.8 million for 2017; of which, \$1.3 million was refinanced and \$8.5 million was paid toward principal reduction.

The debt issued to fund the 2017 Capital Budget is summarized as follows:

New Centralized DPW Facility	\$ 11,650,000
Streets and Storm Water Infrastructure	2,000,000
Water Utility Infrastructure	<u>1,285,000</u>
Total debt issuance	<u>\$ 14,935,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds/notes	\$ 89.9	\$ 83.4	\$ 10.2	\$ 10.2	\$ 100.1	\$ 93.6
Mortgage revenue bonds	-	-	1.2	1.3	1.2	1.3
	<u>\$ 89.9</u>	<u>\$ 83.4</u>	<u>\$ 11.4</u>	<u>\$ 11.5</u>	<u>\$ 101.3</u>	<u>\$ 94.9</u>

The Village's general obligation bond rating is Aa2 by Moody's; a strong rating for a village of our size. The outstanding Sewer Utility mortgage revenue bonds are clean water fund loans and are therefore not rated by Moody's.

State Statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized value. The current debt limit for the Village of Menomonee Falls is \$248 million. As of December 31, 2017 the Village had \$100 million in outstanding general obligation debt, or 40% of the limit.

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

Economic Factors and Next Year's Budgets and Rates

Property taxes make up 68% of the General Fund's 2018 budget and state revenues account for another 12%. Together, 80% of the General Fund's expenditures are covered by taxes and state revenues. The 2018 General Fund operating budget increased 5% from 2017. This increase is expected to be covered by multiple sources, including a 3% increase in property taxes as well as increases in state aid. The increase in General Fund taxes was a result of new construction.

The total assessed value for the Village increased \$103 million or 2%. Total assessed values for 2017 and 2016 were \$4.8 billion and \$4.7 billion respectively. The ratio of assessed values to equalized values was 97% as of January 1, 2017.

Contacting Village Financial Management

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental	Business-	
	Activities	type	Total
		Activities	
Assets:			
Cash and equivalents	\$ 40,773,094	\$ 10,088,815	\$ 50,861,909
Investments	4,092,054	---	4,092,054
Taxes receivable	20,160,026	931,000	21,091,026
Special charges on the tax roll	1,320,941	506,906	1,827,847
Intergovernmental aid receivable	803,324	---	803,324
Accounts receivable (net)	1,593,366	3,204,630	4,797,996
Inventories	323,819	134,516	458,335
Prepaid items	63,851	2,056	65,907
Notes receivable	246,085	---	246,085
Special assessments	927,537	---	927,537
Restricted assets:			
Cash and equivalents	2,255,039	9,009,815	11,264,854
Advances to enterprise funds	1,806,034	(1,806,034)	---
Prepaid capacity charges	---	3,117,133	3,117,133
Capital assets:			
Land and construction in progress	115,141,906	1,991,410	117,133,316
Other capital assets net of accumulated depreciation	62,845,589	136,166,894	199,012,483
Total assets	252,352,665	163,347,141	415,699,806
Deferred Outflows of Resources:			
Unamortized losses on debt refunding	82,207	---	82,207
Deferred outflows related to pensions	7,773,419	612,146	8,385,565
Total deferred outflows of resources	7,855,626	612,146	8,467,772
Liabilities:			
Accounts payable and accrued expenses	6,377,617	342,017	6,719,634
Deposits	292,676	50,000	342,676
Prepaid rent	5,264	---	5,264
Unearned revenue	---	133,487	133,487
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	74,526	74,526
Accrued interest	708,879	4,878	713,757
Compensated absences - vacation due within one year	1,022,566	167,321	1,189,887
Compensated absences - sick leave due within one year	497,639	48,917	546,556
Compensated absences - sick leave more than one year	2,542,709	468,048	3,010,757
OPEB obligation	1,455,654	326,511	1,782,165
Net pension liability	849,039	66,861	915,900
Bonds and notes - due within one year	8,895,863	1,369,354	10,265,217
Bonds and notes - due in more than one year	83,043,291	10,116,334	93,159,625
Total liabilities	105,691,197	13,168,254	118,859,451
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	31,052,391	931,000	31,983,391
Deferred inflows related to pensions	3,515,614	276,850	3,792,464
Total deferred inflows of resources	34,568,005	1,207,850	35,775,855
Net Position:			
Net investment in capital assets	104,160,129	128,757,520	232,917,649
Restricted for:			
Capital projects	4,647,260	8,019,848	12,667,108
Debt service	282,810	---	282,810
Library operations and maintenance	1,147,216	---	1,147,216
Other	1,532,574	910,563	2,443,137
Unrestricted	8,179,100	11,895,252	20,074,352
Total net position	\$ 119,949,089	\$ 149,583,183	\$ 269,532,272

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, 2017

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
	Expenses				Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 4,153,483	\$ 548,446	\$ ---	\$ ---	\$ (3,605,037)	\$ ---	\$ (3,605,037)
Public safety	15,905,633	2,023,814	629,364	---	(13,252,455)	---	(13,252,455)
Public works	12,515,134	4,249,073	2,069,462	409,960	(5,786,639)	---	(5,786,639)
Culture and recreation	3,356,222	366,769	65,729	---	(2,923,724)	---	(2,923,724)
Conservation and development	2,603,249	973,381	497,291	---	(1,132,577)	---	(1,132,577)
Interest and fiscal charges	2,409,869	---	---	---	(2,409,869)	---	(2,409,869)
Total governmental activities	40,943,590	8,161,483	3,261,846	409,960	(29,110,301)	---	(29,110,301)
Business-type Activities:							
Water Utility	5,627,767	6,913,513	---	1,194,004	---	2,479,750	2,479,750
Sewer Utility	10,805,636	8,543,988	---	1,228,512	---	(1,033,136)	(1,033,136)
Storm Water Utility	1,687,270	45,548	---	581,904	---	(1,059,818)	(1,059,818)
Total business-like activities	18,120,673	15,503,049	---	3,004,420	---	386,796	386,796
Total primary government	\$ 59,064,263	\$ 23,664,532	\$ 3,261,846	\$ 3,414,380	(29,110,301)	386,796	(28,723,505)
General Revenues:							
Taxes:							
Property taxes levied for general purposes					19,882,064	---	19,882,064
Property taxes levied for utility purposes					---	931,250	931,250
Property taxes levied for debt service					2,331,274	---	2,331,274
Property taxes levied for TID districts					5,388,852	---	5,388,852
Grants and contributions not restricted to specific programs					1,251,900	---	1,251,900
Investment earnings					436,866	149,839	586,705
Interest on advances to utilities					29,176	---	29,176
Gain on disposal of capital assets					175,999	---	175,999
Transfers - PILOT					1,294,564	(1,294,564)	---
Proceeds from legal settlement					100,000	---	100,000
Other revenues					184,429	33,837	218,266
Total general revenues					31,075,124	(179,638)	30,895,486
Change in net position					1,964,823	207,158	2,171,981
Net position, beginning of year					117,984,266	149,376,025	267,360,291
Net position, end of year					\$ 119,949,089	\$ 149,583,183	\$ 269,532,272

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, 2017

	General Fund	Debt Service Fund	Municipal Facilities and Equipment Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and equivalents	\$ 14,926,587	\$ 282,810	\$ 9,739,962	\$ 15,123,350	\$ 40,072,709
Restricted assets:					
Cash and equivalents	---	---	---	2,255,039	2,255,039
Restricted cash in escrow	---	---	---	---	---
Certificate of deposit	4,092,054	---	---	---	4,092,054
Accounts receivable:					
Taxes	9,658,096	2,357,000	---	8,144,930	20,160,026
Special charges on the tax roll	16,699	---	---	1,304,242	1,320,941
Intergovernmental aid	205,664	---	---	597,660	803,324
Special assessments	---	---	---	927,537	927,537
Accounts	1,000,888	---	210,264	336,249	1,547,401
Notes	---	---	---	246,085	246,085
Prepaid items	63,851	---	---	---	63,851
Inventory of supplies, at cost	323,819	---	---	---	323,819
Advances to other governmental funds	2,292,007	---	492,091	---	2,784,098
Advances to utilities	---	---	1,806,034	---	1,806,034
Total assets	<u>32,579,665</u>	<u>2,639,810</u>	<u>12,248,351</u>	<u>28,935,092</u>	<u>76,402,918</u>
Liabilities:					
Accounts payable and other accrued liabilities	2,846,569	---	2,791,424	739,624	6,377,617
Accrued compensated absences	961,189	---	---	61,377	1,022,566
Deposits	178,939	---	---	113,737	292,676
Prepaid rent	4,092	---	1,172	---	5,264
Long-term advances from other governmental funds	---	---	---	2,784,098	2,784,098
Total liabilities	<u>3,990,789</u>	<u>---</u>	<u>2,792,596</u>	<u>3,698,836</u>	<u>10,482,221</u>
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	18,689,692	2,357,000	---	10,005,699	31,052,391
Miscellaneous unavailable revenue	213,526	---	---	---	213,526
Special assessments	---	---	---	599,669	599,669
Total deferred inflows of resources	<u>18,903,218</u>	<u>2,357,000</u>	<u>---</u>	<u>10,605,368</u>	<u>31,865,586</u>
Fund Balances (Deficit):					
Nonspendable	2,683,102	---	2,298,125	573,953	5,555,180
Restricted:					
Capital projects	---	---	---	6,667,482	6,667,482
Other	---	282,810	---	2,680,833	2,963,643
Committed	---	---	---	6,970,364	6,970,364
Assigned	---	---	7,157,630	---	7,157,630
Unassigned	7,002,556	---	---	(2,261,744)	4,740,812
Total fund balances (deficit)	<u>\$ 9,685,658</u>	<u>\$ 282,810</u>	<u>\$ 9,455,755</u>	<u>\$ 14,630,888</u>	<u>\$ 34,055,111</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2017

Total fund balance of governmental funds	\$ 34,055,111
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	115,141,906
Other capital assets net of accumulated depreciation	62,845,589
Other unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds.	
Special assessments receivable	599,669
Miscellaneous unavailable revenue	213,526
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds, but amortized over the life of the debt issue on the statement of activities.	
Net unamortized losses on debt refunding	82,207
Net unamortized premiums on debt	(2,087,481)
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	(89,851,673)
Compensated absences payable - sick pay	(3,040,348)
OPEB obligation	(1,455,654)
Accrued interest payable on long-term bonds and notes	(708,879)
The Village's proportionate share of net pension liability at WRS is reported on the statement of net position, but is not report in the governmetnal funds	(849,039)
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	7,773,419
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	(3,515,614)
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.	746,350
Net position of governmental activities	\$ <u>119,949,089</u>

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, 2017

	General Fund	Debt Service Fund	Municipal Facilities and Equipment Fund	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 18,001,498	\$ 2,331,274	\$ ---	\$ 7,093,730	\$ 27,426,502
Other taxes	175,688	---	---	239,248	414,936
Charges for services:					
Licenses and permits	1,436,318	---	---	---	1,436,318
Fines and forfeitures	552,804	---	---	19,862	572,666
Program revenues	---	---	---	1,408,988	1,408,988
Tipping fees	---	---	2,906,713	---	2,906,713
Other charges for services	1,519,262	---	---	---	1,519,262
Operating grants and contributions:					
Intergovernmental	2,841,204	---	---	758,399	3,599,603
Donations	---	---	---	23,388	23,388
Other	---	---	---	27,577	27,577
Capital grants and contributions:					
Special assessments and interest	---	---	---	43,250	43,250
Contributions from developers	---	---	---	174,941	174,941
Impact fees	---	---	---	863,178	863,178
Investment earnings	144,213	5,582	76,308	197,914	424,017
Interest on advances to governmental funds	36,020	---	10,935	---	46,955
Interest on advances to utilities	---	---	29,176	---	29,176
Proceeds from legal settlement	---	---	---	100,000	100,000
Other revenues	138,884	---	11,275	16,046	166,205
Total governmental revenues	<u>24,845,891</u>	<u>2,336,856</u>	<u>3,034,407</u>	<u>10,966,521</u>	<u>41,183,675</u>
Expenditures:					
Current:					
General government	3,398,181	---	8,730	144,266	3,551,177
Public safety	14,137,778	---	31,792	30,097	14,199,667
Public works	3,472,981	---	4,224	6,169,760	9,646,965
Culture and recreation	944,007	---	---	1,896,915	2,840,922
Conservation and development	1,153,722	---	---	1,367,162	2,520,884
Capital outlay	164,026	---	12,803,642	3,565,896	16,533,564
Debt Service:					
Principal on long-term debt	---	7,220,863	---	---	7,220,863
Interest and fiscal charges on long-term debt	---	2,410,053	1,417	---	2,411,470
Bond expenses	---	276,621	---	9,917	286,538
Interest on advances from governmental funds	---	---	---	46,955	46,955
Total expenditures	<u>23,270,695</u>	<u>9,907,537</u>	<u>12,849,805</u>	<u>13,230,968</u>	<u>59,259,005</u>
Excess (deficit) of revenues over (under) expenditures	1,575,196	(7,570,681)	(9,815,398)	(2,264,447)	(18,075,330)
Other Financing Sources (Uses):					
Proceeds from sales of capital assets	---	---	175,999	---	175,999
Transfers in	---	7,236,346	2,161,842	3,165,885	12,564,073
Transfers out	(2,869,760)	---	(2,070,750)	(7,623,563)	(12,564,073)
Transfers from water utility - PILOT	1,294,564	---	---	---	1,294,564
Refunding bonds and notes issued	---	1,280,000	---	---	1,280,000
Principal payments on refunded debt	---	(1,280,000)	---	---	(1,280,000)
Bonds and notes issued	---	---	11,650,000	2,000,000	13,650,000
Debt issuance premiums	---	550,809	---	---	550,809
Total other financing sources (uses)	<u>(1,575,196)</u>	<u>7,787,155</u>	<u>11,917,091</u>	<u>(2,457,678)</u>	<u>15,671,372</u>
Net change in fund balances	---	216,474	2,101,693	(4,722,125)	(2,403,958)
Fund balance, beginning of year	9,685,658	66,336	7,354,062	18,897,488	36,003,544
Prior period adjustment	---	---	---	455,525	455,525
Fund balance, beginning of year, as adjusted	<u>9,685,658</u>	<u>66,336</u>	<u>7,354,062</u>	<u>19,353,013</u>	<u>36,459,069</u>
Fund balance, end of year	<u>\$ 9,685,658</u>	<u>\$ 282,810</u>	<u>\$ 9,455,755</u>	<u>\$ 14,630,888</u>	<u>\$ 34,055,111</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017**

Net change in fund balances of governmental funds	\$ (2,403,958)
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	16,533,564
Depreciation expense in government-wide financial statements	(4,114,498)
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.	
	214,814
In the statement of activities, the net gain or loss on the sale or retirement of capital assets is reported. However, in the governmental funds, only the proceeds from the sale of capital assets provides a current financial resource to be reported. Therefore, the change in fund balance differs from the change in net position by the cost of the assets sold or retired net of the accumulated depreciation on those assets.	
	(447,302)
Governmental funds report proceeds from the issuance of long-term debt and capital leases as other financing sources, but issuing debt and capital leases increases long-term liabilities in the statement of net position. Repayments of long-term debt and capital lease principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net position.	
Proceeds from the issuance of debt in governmental fund financial statements	(14,930,000)
Principal payments on debt in governmental fund financial statements	8,500,863
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the statement of activities.	
Premiums on issuances of debt in governmental fund financial statements	(550,809)
Amortization of these amounts included in interest expense in the statement of activities	416,608
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.	
	(128,472)
The Risk Management Fund, an internal service fund, is used to allocate the cost of insurance to individual funds. The change in net position of this fund is reported under governmental activities statement of activities.	
	17,754
In the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used.	
	(1,085,710)
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 special assessments receivable	(23,045)
Increase in miscellaneous unavailable revenue	37,089
Certain expenses do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are accrued in the government-wide statement of net position and reported as expenses in the statement of activities.	
Decrease in accrued compensated absences - sick pay	3,141
Increase in OPEB obligation	(75,216)
Change in net position of governmental activities	\$ 1,964,823

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund
Year Ended December 31, 2017

	Adopted Budget	Amended Budget	Actual	Variance
Revenues:				
Property taxes	\$ 17,999,639	\$ 17,999,639	\$ 18,001,498	\$ 1,859
Other taxes	261,000	89,000	175,688	86,688
Licenses and permits	1,503,600	1,503,600	1,436,318	(67,282)
Fines and forfeitures	638,000	638,000	552,804	(85,196)
Intergovernmental	2,819,770	2,819,770	2,841,204	21,434
Charges for services	1,444,006	1,444,006	1,519,262	75,256
Investment earnings	90,000	90,000	144,213	54,213
Interest on advances to other governmental funds	30,200	30,200	36,020	5,820
Other	103,805	103,805	138,884	35,079
Total revenues	<u>24,890,020</u>	<u>24,718,020</u>	<u>24,845,891</u>	<u>127,871</u>
Expenditures:				
General government	4,117,416	4,118,581	3,458,818	659,763
Public safety	14,507,295	14,507,295	14,235,074	272,221
Public works	3,633,745	3,633,745	3,479,074	154,671
Culture and recreation	938,950	938,950	944,007	(5,057)
Conservation and development	1,406,314	1,233,149	1,153,722	79,427
Total expenditures	<u>24,603,720</u>	<u>24,431,720</u>	<u>23,270,695</u>	<u>1,161,025</u>
Excess of revenues over expenditures	<u>286,300</u>	<u>286,300</u>	<u>1,575,196</u>	<u>1,288,896</u>
Other Financing Sources (Uses):				
Transfers out	(1,656,300)	(1,656,300)	(2,869,760)	(1,213,460)
Transfers from water utility - PILOT	1,370,000	1,370,000	1,294,564	(75,436)
Net other financing uses	<u>(286,300)</u>	<u>(286,300)</u>	<u>(1,575,196)</u>	<u>(1,288,896)</u>
Net change in fund balance	---	---	---	---
Fund Balance:				
Beginning of year	9,685,658	9,685,658	9,685,658	---
End of year	<u>\$ 9,685,658</u>	<u>\$ 9,685,658</u>	<u>\$ 9,685,658</u>	<u>---</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position - Proprietary Funds
December 31, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Total Enterprise Funds	Internal Service Fund
Assets:					
Current Assets:					
Cash and equivalents	\$ 7,296,946	\$ 2,194,078	\$ 597,791	\$ 10,088,815	\$ 700,385
Cash and equivalents - restricted (current)	---	79,404	---	79,404	---
Receivables:					
Taxes	---	---	931,000	931,000	---
Special charges on the tax roll	162,425	344,481	---	506,906	---
Utility customers	1,081,923	1,763,433	---	2,845,356	---
Other	28,177	330,530	567	359,274	45,965
Prepaid items	2,056	---	---	2,056	---
Inventory	89,115	14,304	31,097	134,516	---
Total current assets	8,660,642	4,726,230	1,560,455	14,947,327	746,350
Noncurrent Assets:					
Restricted:					
Cash and equivalents - restricted (noncurrent)	3,206,462	5,723,949	---	8,930,411	---
Prepaid capacity charge	---	3,117,133	---	3,117,133	---
Land and construction in progress	1,261,123	568,953	161,334	1,991,410	---
Other capital assets, net of accumulated depreciation	58,931,812	48,467,336	28,767,746	136,166,894	---
Total noncurrent assets	63,399,397	57,877,371	28,929,080	150,205,848	---
Total assets	72,060,039	62,603,601	30,489,535	165,153,175	746,350
Deferred Outflows of Resources:					
Deferred outflows related to pensions	368,965	192,868	50,313	612,146	---
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	57,259	232,638	9,126	299,023	---
Deposits	---	---	50,000	50,000	---
Compensated absences - vacation due within one year	98,307	53,945	15,069	167,321	---
Compensated absences - sick due within one year	29,560	15,952	3,405	48,917	---
Unearned revenue	133,487	---	---	133,487	---
Current portion of general obligation notes	755,000	71,090	506,000	1,332,090	---
Current portion of revenue bonds	---	37,264	---	37,264	---
Accrued interest	34,903	364	7,727	42,994	---
Current portion of advances from other funds	---	91,233	---	91,233	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	---	74,526	---	74,526	---
Accrued interest	---	4,878	---	4,878	---
Total current liabilities	1,108,516	581,890	591,327	2,281,733	---
Long-Term Liabilities:					
Compensated absences - sick pay	281,251	146,203	40,594	468,048	---
OPEB obligation	273,351	35,403	17,757	326,511	---
Net pension liability	40,300	21,066	5,495	66,861	---
Advances from other funds	---	---	1,714,801	1,714,801	---
General obligation notes	6,951,699	60,000	2,074,336	9,086,035	---
Revenue bonds	---	1,030,299	---	1,030,299	---
Total long-term liabilities	7,546,601	1,292,971	3,852,983	12,692,555	---
Total liabilities	8,655,117	1,874,861	4,444,310	14,974,288	---
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	---	---	931,000	931,000	---
Deferred inflows related to pensions	166,868	87,227	22,755	276,850	---
Total deferred inflows of resources	166,868	87,227	953,755	1,207,850	---
Net Position:					
Net investment in capital assets	53,008,577	48,905,199	26,843,744	128,757,520	---
Restricted for:					
Operations and maintenance	---	790,895	---	790,895	---
Depreciation	---	119,668	---	119,668	---
Capital projects	3,206,462	4,813,386	---	8,019,848	---
Unrestricted	7,391,980	6,205,233	(1,701,961)	11,895,252	746,350
Total net position	\$ 63,607,019	\$ 60,834,381	\$ 25,141,783	\$ 149,583,183	\$ 746,350

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
Operating Revenues:					
Charges for services	\$ 6,913,513	\$ 8,543,988	\$ 45,548	\$ 15,503,049	\$ ---
General property taxes	---	---	931,250	931,250	---
Total operating revenues	<u>6,913,513</u>	<u>8,543,988</u>	<u>976,798</u>	<u>16,434,299</u>	<u>---</u>
Operating Expenses:					
Operation and maintenance	2,572,408	8,395,470	400,332	11,368,210	54,518
Administrative expense	1,174,729	911,917	294,551	2,381,197	---
Depreciation expense	1,682,899	1,412,207	676,482	3,771,588	---
Regulatory commission remainder assessments	6,764	---	---	6,764	---
Total operating expenses	<u>5,436,800</u>	<u>10,719,594</u>	<u>1,371,365</u>	<u>17,527,759</u>	<u>54,518</u>
Operating income (loss)	<u>1,476,713</u>	<u>(2,175,606)</u>	<u>(394,567)</u>	<u>(1,093,460)</u>	<u>(54,518)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	82,643	59,444	7,752	149,839	36,440
Sale of materials	13,987	---	---	13,987	---
Miscellaneous	---	18,000	1,000	19,000	35,832
Grant revenue	850	---	---	850	---
Private lateral repair	---	(709)	---	(709)	---
Gain (loss) on retirement of property and plant	3,125	(27,884)	(212,209)	(236,968)	---
Donated rent	---	(18,000)	---	(18,000)	---
Fiscal charges on debt	(2,211)	(250)	(695)	(3,156)	---
Amortization of debt premiums, discounts and losses on refundings	18,647	---	5,756	24,403	---
Debt issuance costs	(22,357)	---	---	(22,357)	---
Impact fees	639,813	595,912	---	1,235,725	---
Interest on long-term debt	(188,171)	(35,585)	(83,195)	(306,951)	---
Interest on advances from governmental funds	---	(3,614)	(25,562)	(29,176)	---
Net non-operating revenues (expenses)	<u>546,326</u>	<u>587,314</u>	<u>(307,153)</u>	<u>826,487</u>	<u>72,272</u>
Net income (loss) before capital contributions	<u>2,023,039</u>	<u>(1,588,292)</u>	<u>(701,720)</u>	<u>(266,973)</u>	<u>17,754</u>
Transfers to governmental funds - PILOT	(1,294,564)	---	---	(1,294,564)	---
Capital contributions	554,191	632,600	581,904	1,768,695	---
Net increase (decrease) in net position	<u>1,282,666</u>	<u>(955,692)</u>	<u>(119,816)</u>	<u>207,158</u>	<u>17,754</u>
Net Position:					
Balance, beginning of year	<u>62,324,353</u>	<u>61,790,073</u>	<u>25,261,599</u>	<u>149,376,025</u>	<u>728,596</u>
Balance, end of year	<u>\$ 63,607,019</u>	<u>\$ 60,834,381</u>	<u>\$ 25,141,783</u>	<u>\$ 149,583,183</u>	<u>\$ 746,350</u>

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
Cash Flows from Operating Activities:					
Receipts from customers	\$ 5,224,123	\$ 8,859,787	\$ 46,864	\$ 14,130,774	\$ ---
Payments to suppliers	(2,361,925)	(8,136,720)	(114,230)	(10,612,875)	(54,518)
Payments to and on behalf of employees	(1,292,970)	(768,592)	(554,663)	(2,616,225)	---
Internal activity - receipts from other funds	1,756,476	3,233	759	1,760,468	---
Internal activity - payments to other funds	---	(163,308)	---	(163,308)	---
Other receipts	17,617	---	932,250	949,867	2,855
Other payments	(2,663)	---	---	(2,663)	---
Net cash provided (used) by operating activities	3,340,658	(205,600)	310,980	3,446,038	(51,663)
Cash Flows from Noncapital Financing Activities					
Transfers - PILOT	(1,294,564)	---	---	(1,294,564)	---
Lateral repair program	---	(709)	---	(709)	---
Advances from municipality	---	---	325,562	325,562	---
Interest on advances	---	---	(25,562)	(25,562)	---
Net cash provided (used) by noncapital financing activities	(1,294,564)	(709)	300,000	(995,273)	---
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of property and plant	3,125	---	---	3,125	---
Purchases of property and plant	(1,632,517)	(200,630)	(239,233)	(2,072,380)	---
Fair value of debt issued	1,285,000	---	---	1,285,000	---
Debt issuance premiums	48,169	---	---	48,169	---
Debt issuance costs	(22,357)	---	---	(22,357)	---
Principal payments on debt	(670,000)	(180,047)	(476,000)	(1,326,047)	---
Interest on debt	(184,415)	(36,259)	(84,700)	(305,374)	---
Fiscal charges on debt	(2,211)	(250)	(696)	(3,157)	---
Payment on advances from municipality	---	(89,445)	---	(89,445)	---
Interest on advances	---	(3,614)	---	(3,614)	---
Impact fees	639,813	595,912	---	1,235,725	---
Net cash provided (used) by capital and related financing activities	(535,393)	85,667	(800,629)	(1,250,355)	---
Cash Flows from Investing Activities:					
Investment earnings	82,643	59,444	7,752	149,839	36,440
Net cash provided by investing activities	82,643	59,444	7,752	149,839	36,440
Net increase (decrease) in cash and equivalents	1,593,344	(61,198)	(181,897)	1,350,249	(15,223)
Cash and equivalents, beginning of year	8,910,064	8,058,629	779,688	17,748,381	715,608
Cash and equivalents, end of year	\$ 10,503,408	\$ 7,997,431	\$ 597,791	\$ 19,098,630	\$ 700,385
Reconciliation to cash and cash equivalents on the statement of net assets:					
Cash and cash equivalents - unrestricted	\$ 7,296,946	\$ 2,194,078	\$ 597,791	\$ 10,088,815	\$ 700,385
Cash and cash equivalents - restricted	3,206,462	5,803,353	---	9,009,815	---
Total cash and equivalents	\$ 10,503,408	\$ 7,997,431	\$ 597,791	\$ 19,098,630	\$ 700,385

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2017
(Continued)

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water	Sewer	Storm	Enterprise	Internal
	Utility	Utility	Water	Funds	Service
			Utility		Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,476,713	\$ (2,175,606)	\$ (394,567)	\$ (1,093,460)	\$ (54,518)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,682,899	1,322,559	676,482	3,681,940	---
Depreciation charged to other accounts	115,307	---	---	115,307	---
Amortization of prepaid capacity	---	252,151	---	252,151	---
Proceeds from sales of materials	13,987	---	---	13,987	---
Miscellaneous revenues	---	---	1,000	1,000	---
Grant revenues	850	---	---	850	---
Changes in assets and liabilities related to operations:					
Receivables	(33,799)	319,007	1,566	286,774	2,855
Inventory	(2,417)	(191)	12,467	9,859	---
Prepaid items	(51)	---	---	(51)	---
Due to other funds	5,571	3,233	759	9,563	---
Accounts payable and accrued liabilities	(32,641)	29,584	222	(2,835)	---
WRS pension accrual	61,954	32,164	7,122	101,240	---
Compensated absences	23,792	15,467	5,537	44,796	---
OPEB obligation	18,125	3,032	642	21,799	---
Unearned revenue	10,368	(7,000)	(250)	3,118	---
Net cash provided (used) by operating activities	\$ 3,340,658	\$ (205,600)	\$ 310,980	\$ 3,446,038	\$ (51,663)
Non-Cash Capital Activities:					
Utility plant contributions	\$ 554,191	\$ 632,600	\$ 581,904	\$ 1,768,695	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	(18,647)	---	(5,756)	(24,403)	---
Gain on sale of utility plant	3,125	---	---	3,125	---
Loss on sale of utility plant	---	(27,884)	(212,209)	(240,093)	---

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position - Fiduciary (Agency) Funds
December 31, 2017

	Fiduciary (Agency)
	Funds
Assets:	
Cash and equivalents	\$ 16,627,696
Taxes receivable	43,092,373
Total assets	\$ 59,720,069
Liabilities:	
Due to other taxing units	\$ 59,720,069
Total liabilities	\$ 59,720,069

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

NOTES TO FINANCIAL STATEMENTS

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VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

- Water Utility
- Sewer Utility
- Storm Water Utility

Under U.S. GAAP, an organization should be reported as a component unit of the primary government if the primary government is financially accountable for the organization. The primary government is financially accountable for an organization if the governing board of the primary government is able to appoint a voting majority of the governing board of the organization, is able to impose will upon the organization, a financial benefit or burden relationship exists between the entities, or if the organization is fiscally dependent on the primary government.

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Government-Wide Financial Statements (continued)

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

Fund Financial Statements

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

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

The Village reports the following funds:

Major Governmental Funds

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

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
Police Department
Fire Department
Park Department
Community Development
Library
Teen Court

Community Grant
Cable TV
TID #9 EDMF
Tourism Commission
Solid Waste Collection
Library Operations and Maintenance

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

General Capital Projects
Tax Incremental Financing District #4
Tax Incremental Financing District #5
Tax Incremental Financing District #6
Tax Incremental Financing District #7
Tax Incremental Financing District #8

Tax Incremental Financing District #9
Tax Incremental Financing District #10
Tax Incremental Financing District #11
Tax Incremental Financing District #12
Special Assessments

Non-major Proprietary Funds

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

Fiduciary (Agency) Funds

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting (continued)

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

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

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Enterprise Funds consist of the Water, Sewer and Storm Water Utilities.

Internal Service Funds

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Cash and Investments

For the purpose of the statement of net position and for the purpose of the statement of cash flows – Proprietary Funds “cash and equivalents”: include all demand, savings and money market accounts, and monies invested in the Wisconsin Local Government Investment Pool. Investments are carried at cost, which approximates fair value.

Receivables

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

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

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Property Tax Calendar – 2017 Tax Roll:

Levy date	December 2017
Tax bills mailed	December 2017
Payment in full or first installment due (real property)	January 31, 2018
Second installment due (real property)	July 31, 2018
Personal property taxes due in full	January 31, 2018
Tax settlement with other governmental units:	
First settlement	January 17, 2018
Second settlement	February 21, 2018
Third settlement	April 18, 2018
Final settlement	August 22, 2018
Lien date (by County)	September 1, 2018
Tax sale (by County) - 2017 delinquent real estate taxes	October 2021

Interfund Receivables and Payables

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

Inventories and Prepaid Items

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

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

Restricted Assets

Restricted assets include cash and investments of the proprietary funds and non-major special revenue funds that are legally restricted as to their use. These restrictions are the result of bond covenants and legislation.

Prepaid Capital Charges

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Capital Assets

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

Government-Wide Statements

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

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

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

Buildings and improvements	40 years
Land improvements	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.

Water Utility Depreciation Rates

The Water Utility depreciation rates are set by the Public Service Commission of Wisconsin ("PSC").

Compensated Absences

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences (continued)

Accumulated Vacation Pay

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

Accumulated Sick Pay

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

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

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

Long-term Obligations and Conduit Debt

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

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

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

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2017 was \$31,931,707.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Equity Classifications

Government-Wide Statements

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

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Equity Classifications (continued)

Fund Statements

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

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

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows of Resources

Under U.S. GAAP, in addition to assets, the statement of net position, and the proprietary funds statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category. Unamortized losses on refunding are reported in the statement of net position. An unamortized loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Village also reports deferred outflows of resources related to the Village's pension plan. Deferred outflows related to pensions are reported in the statement of net position and the proprietary funds statements of net position.

Deferred Inflows of Resources

Under U.S. GAAP, in addition to liabilities, the statement of net position, balance sheet governmental funds, and the statement of net position proprietary funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village has four items that qualify for reporting in this category. Taxes levied in one year are not available until the next year and, as a result, are reflected in the financial statements as a deferred inflow of resources. These taxes are deferred in the year levied and recognized as revenue in the following year. The Village reports deferred inflows of resources related to Village's pension plan. The Village also reports unavailable resources for special assessments and police receivables as deferred inflows of resources.

Pensions

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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

The Village does not record encumbrances.

B. Debt Restrictions

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. As of December 31, 2017, the Village was obligated for a total of \$100,094,763 in general obligation debt, or 40.34% of the total debt limit.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Petty Cash	\$ 1,532	\$ ---	\$ 1,532
Custodial Risk:			
Demand deposits	2,604,241	---	2,604,241
Custodial and Interest Rate Risk			
Local Government Investment Pool (LGIP)	---	75,540,762	75,540,762
Money market	---	607,924	607,924
Custodial, Interest Rate and Credit Risk			
Certificates of deposit	---	4,092,054	4,092,054
Total	<u>\$ 2,605,773</u>	<u>\$ 80,240,740</u>	<u>\$ 82,846,513</u>

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

Statement of net position:	
Cash and equivalents	\$ 50,861,909
Investments	4,092,054
Restricted cash and equivalents	11,264,854
Statement of net position - fiduciary fund:	
Cash and equivalents	16,627,696
Total	<u>\$ 82,846,513</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits and the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. Investments in the LGIP are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the SIF and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2017, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

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

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

Custodial Risk: Is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for demand deposits and other investments subject to custodial risk were \$82,844,981 at December 31, 2017 and the bank's carrying value was \$83,344,112, of which \$1,499,840 was fully insured, and \$81,844,272 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

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

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of deposit	\$ 4,092,054	\$ 2,044,077	\$ 2,047,977	\$ ---	\$ ---
Local Government Investment Pool (LGIP)	75,540,762	75,540,762	---	---	---
Money market	607,924	607,924			
Total	\$ 80,240,740	\$ 78,192,763	\$ 2,047,977	\$ ---	\$ ---

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

Presented below is the rating for each type of investment:

Type of Investment	Amount	Rating as of Year End		
		AAA	Aa	Not Rated
Certificates of Deposit	\$ 4,092,054	\$ ---	\$ ---	\$ 4,092,054

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

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

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

The Village categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village does not have any investments that are measured using Level 3 inputs. Investments' fair value measurements are as follows at December 31, 2017:

Type of Investment	Fair Value			Exempt from Disclosure	Total
	Level 1	Level 2	Level 3		
Certificates of deposit	\$ ---	\$ ---	\$ ---	\$ 4,092,054	\$ 4,092,054
Local Government Investment Pool (LGIP)	---	---	---	75,540,762	75,540,762
Money market	---	607,924	---	---	607,924
Total	\$ ---	\$ 607,924	\$ ---	\$ 79,632,816	\$ 80,240,740

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

Governmental Activities

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2018</u>
Taxes	\$ 20,207,015	\$ 46,989	\$ 20,160,026	\$ ---
Special charges on tax roll	1,320,941	---	1,320,941	---
Intergovernmental aid	803,324	---	803,324	---
Accounts	1,887,153	293,787	1,593,366	461,000
Notes	246,085	---	246,085	202,836
Special assessments	927,537	---	927,537	800,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$274,083 and for ambulance billings of \$19,704.

Business-type Activities

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2018</u>
Taxes	\$ 931,000	\$ ---	\$ 931,000	\$ ---
Special charges on tax roll	506,906	---	506,906	---
Accounts	3,221,628	16,998	3,204,630	---

Fiduciary (Agency) Funds

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Expected After December 31, 2018</u>
Taxes	\$ 43,092,373	\$ ---	\$ 43,092,373	\$ ---

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

C. Interfund Balances and Transfers

Advances

Advances between funds represent interfund long-term loans.

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

The Municipal Facilities and Equipment Fund has advanced funds to the General Capital Projects Fund to pay off a prior advance from the Sewer Utility. The proceeds of the previous advance were used to pay off the governmental funds portion of the unfunded pension liability to the Wisconsin Retirement System. Interest is charged on this advance at the average rate offered by the State of Wisconsin Local Government Investment Pool for the first eleven months of the year. The average rate for 2017 was .84%. The advance was paid in full as of December 31, 2017.

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

The Municipal Facilities and Equipment Fund has advanced funds to TID #12 for planning-related expenditures. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

The Municipal Facilities and Equipment Fund has advanced funds to Tourism Commission to fund pre-spending of room taxes. Interest is being charged at the average LGIP rate plus 1% on outstanding balances.

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

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

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	\$ 2,292,007
Municipal Facilities and Equipment Fund	Other governmental funds	492,091
Municipal Facilities and Equipment Fund	Sewer Utility	91,233
Municipal Facilities and Equipment Fund	Storm Water Utility	1,714,801

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

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

C. Interfund Balances and Transfers (continued)

Transfers

Transfers between governmental funds are summarized as follows:

Transfers in	Transfers out	Amount
Debt Service Fund	General Fund	\$ 27,953
Debt Service Fund	Municipal Facilities and Equipment Fund	2,070,750
Debt Service Fund	Other governmental funds	5,137,643
Municipal Facilities and Equipment	General Fund	1,766,742
Municipal Facilities and Equipment	Other governmental funds	395,100
Other governmental funds	General Fund	1,075,065
Other governmental funds	Other governmental funds	2,090,820

These transfers were made for the following purposes:

- Transfers to the Debt Service Fund from the General Fund were made to fund the General Fund's debt service requirements.
- Transfers to the Debt Service Fund from Municipal Facilities and Equipment Fund were made to fund the Municipal Facilities and Equipment Fund's debt service requirements.
- Transfers to the Debt Service Fund from Other governmental funds were made to fund the Other governmental funds' debt service requirements.
- Transfers to Municipal Facilities and Equipment Fund from General Fund were made in the amounts of \$892,848 for revolving loan payments and \$873,894 of surplus for future capital purchases.
- Transfers to Municipal Facilities and Equipment fund from Other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.
- Transfers to the Other governmental funds from the General Fund were made in the amounts of \$489,478 to fund capital expenditures and \$585,587 to subsidize solid waste collection expenditures.
- Transfers between Other governmental funds were made to reallocate resources available for certain expenditures to the funds in which the expenditures were recorded.

Transfers between governmental funds and business-type activities for PILOT are summarized as follows:

Transfers in	Transfers out	Amount
General Fund	Water Utility	\$ 1,294,564

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

- Public fire protection charges from the General fund to the Water Utility
- Interest paid on advances between various funds.
- Reimbursements for depreciation of meters, the return on investment in meters, and the tax equivalent on meters from the Sewer Utility to the Water Utility.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

Restricted cash and equivalents:	Sewer Utility	Water Utility	Total
Interceptor sewer reserve	\$ 1,625,568	\$ ---	\$ 1,625,568
Impact fee reserve	3,187,818	3,206,462	6,394,280
Special redemption reserve	79,404	---	79,404
Operation and maintenance reserve	790,895	---	790,895
Depreciation reserve	119,668	---	119,668
Total	\$ 5,803,353	\$ 3,206,462	\$ 9,009,815

Cash and equivalents of the non-major special revenue funds are restricted as a result of state statutes related to fire and park impact fees. As of December 31, 2017, the restricted cash and equivalents related to fire impact fees was \$---. As of December 31, 2017, the restricted cash and equivalents related to park impact fees was \$2,255,039.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2017 is summarized as follows:

Governmental Activities

	Balance January 1, 2017	Additions	Transfers	Disposals	Balance December 31, 2017
Nondepreciable capital assets:					
Land	\$ 98,194,524	\$ 136,142	\$ ---	\$ (226,512)	\$ 98,104,154
Construction in progress	2,852,743	15,077,108	(671,309)	(220,790)	17,037,752
Total nondepreciable capital assets	101,047,267	15,213,250	(671,309)	(447,302)	115,141,906
Depreciable capital assets:					
Land improvements	4,909,847	---	---	---	4,909,847
Buildings and improvements	39,765,505	---	---	---	39,765,505
Equipment and furnishings	19,598,926	1,051,496	---	(854,073)	19,796,349
Infrastructure	53,149,310	483,632	671,309	(237,000)	54,067,251
Total depreciable capital assets	117,423,588	1,535,128	671,309	(1,091,073)	118,538,952
Less accumulated depreciation:					
Land improvements	2,581,588	229,004	---	---	2,810,592
Buildings and improvements	14,196,648	947,621	---	---	15,144,269
Equipment and furnishings	15,176,272	979,188	---	(854,073)	15,301,387
Infrastructure	20,715,430	1,958,685	---	(237,000)	22,437,115
Total accumulated depreciation	52,669,938	4,114,498	---	(1,091,073)	55,693,363
Net depreciable capital assets	64,753,650	(2,579,370)	671,309	---	62,845,589
Net total capital assets	\$ 165,800,917	\$ 12,633,880	\$ ---	\$ (447,302)	\$ 177,987,495

Depreciation was charged to governmental functions as follows:

General government	\$ 435,610
Public safety	852,520
Public works	2,354,124
Culture and recreation	440,441
Conservation and development	31,803
Total depreciation	<u>\$ 4,114,498</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

E. Capital Assets (continued)

Business-type Activities

	Balance January 1, 2017	Additions	Transfers	Disposals	Balance December 31, 2017
Nondepreciable capital assets:					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	661,181	1,837,697	(905,329)	(210,692)	1,382,857
Total nondepreciable capital assets	1,269,734	1,837,697	(905,329)	(210,692)	1,991,410
Depreciable capital assets:					
Land improvements	1,913,209	---	---	---	1,913,209
Buildings and improvements	9,348,494	---	---	(92,946)	9,255,548
Equipment and furnishings	9,115,199	175,272	6,575	(73,587)	9,223,459
Infrastructure	184,572,430	1,844,808	898,754	(21,960)	187,294,032
Total depreciable capital assets	204,949,332	2,020,080	905,329	(188,493)	207,686,248
Less accumulated depreciation:					
Land improvements	526,560	38,181	---	---	564,741
Buildings and improvements	5,219,257	352,722	---	(65,062)	5,506,917
Equipment and furnishings	5,821,842	385,811	---	(73,586)	6,134,067
Infrastructure	56,313,540	3,020,533	---	(20,444)	59,313,629
Total accumulated depreciation	67,881,199	3,797,247	---	(159,092)	71,519,354
Net depreciable capital assets	137,068,133	(1,777,167)	905,329	(29,401)	136,166,894
Net total capital assets	\$ 138,337,867	\$ 60,530	\$ ---	\$ (240,093)	\$ 138,158,304
Depreciation was charged to proprietary functions as follows:					
Water Utility					\$ 1,682,899
Water Utility - allocated					25,659
Sewer Utility					1,412,207
Storm Water Utility					676,482
Total depreciation					\$ 3,797,247

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2017 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	\$ 83,422,536	\$ 14,930,000	\$ (8,500,863)	\$ 89,851,673	\$ 8,895,863
Other liabilities:					
Accumulated unpaid sick pay	<u>3,043,489</u>	<u>525,387</u>	<u>(528,528)</u>	<u>3,040,348</u>	<u>497,639</u>
Total governmental long-term obligations	<u>\$ 86,466,025</u>	<u>\$ 15,455,387</u>	<u>\$ (9,029,391)</u>	<u>\$ 92,892,021</u>	<u>\$ 9,393,502</u>
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 1,251,046	\$ ---	\$ (108,957)	\$ 1,142,089	\$ 111,790
General obligation debt	<u>10,175,180</u>	<u>1,285,000</u>	<u>(1,217,090)</u>	<u>10,243,090</u>	<u>1,332,090</u>
Total long-term debt	<u>11,426,226</u>	<u>1,285,000</u>	<u>(1,326,047)</u>	<u>11,385,179</u>	<u>1,443,880</u>
Other liabilities:					
Accumulated unpaid sick pay	<u>477,421</u>	<u>89,486</u>	<u>(49,942)</u>	<u>516,965</u>	<u>48,917</u>
Total business-type long-term obligations	<u>\$ 11,903,647</u>	<u>\$ 1,374,486</u>	<u>\$ (1,375,989)</u>	<u>\$ 11,902,144</u>	<u>\$ 1,492,797</u>

The above schedule doesn't include \$2,087,481 of unamortized premiums on issuance, which is included in the governmental activities as bonds and notes on the Statement of Net Position.

The above schedule doesn't include \$175,035 of unamortized premiums on issuance, which is included in the business-type activities as bonds and notes on the Statement of Net Position.

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

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
Balance, beginning of year	\$ 3,043,489	\$ 477,421	\$ 3,520,910
Sick leave benefit earned – current year	525,387	89,486	614,873
Sick leave used – current year	(374,197)	(49,942)	(424,139)
Sick leave paid upon retirement	<u>(154,331)</u>	<u>---</u>	<u>(154,331)</u>
Balance, end of year	<u>\$ 3,040,348</u>	<u>\$ 516,965</u>	<u>\$ 3,557,313</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
07/01/08	12/01/18	4.10%	\$ 3,800,000	\$ 625,000
06/01/09	05/01/19	3.38%	3,320,000	950,000
06/01/10	06/01/20	3.16%	3,955,000	1,850,000
10/05/10	12/01/19	3.06%	11,800,000	3,400,000
06/20/11	06/01/21	2.80%	6,830,000	3,800,000
10/18/11	10/01/19	2.03%	1,800,000	100,000
07/02/12	06/01/22	2.80%	4,610,000	3,100,000
07/02/12	03/01/21	3.42%	6,400,000	3,075,000
07/02/12	03/01/22	3.34%	7,950,000	4,575,000
09/28/12	09/01/19	2.43%	1,850,000	1,350,000
06/17/13	06/01/23	2.28%	1,930,000	1,200,000
06/17/13	06/01/23	2.99%	2,370,000	1,945,000
04/01/14	04/01/18	1.95%	3,825,000	1,025,000
06/16/14	06/01/24	2.91%	4,920,000	4,170,000
10/30/14	05/01/30	4.00%	8,450,000	8,400,000
11/17/14	02/15/22	0.00%	223,622	139,763
03/30/15	03/01/25	2.95%	7,850,000	7,400,000
03/30/15	03/01/25	3.11%	4,300,000	4,000,000
05/04/15	05/01/25	2.86%	3,110,000	3,000,000
08/17/15	08/01/19	2.50%	9,975,000	9,975,000
05/02/16	05/01/26	2.00%	3,190,000	3,095,000
09/01/16	09/01/19	2.00%	1,280,000	1,280,000
09/01/16	09/01/19	2.13%	5,500,000	5,500,000
11/21/16	06/01/26	2.00%	2,500,000	2,500,000
11/21/16	06/01/33	2.99%	7,425,000	7,425,000
11/22/17	03/01/20	3.38%	1,280,000	1,280,000
06/20/17	06/01/27	2.64%	14,935,000	14,935,000
Total general obligation debt				\$ 100,094,763
Governmental activity debt				\$ 89,851,673
Business-type activity debt				10,243,090
Total general obligation debt				\$ 100,094,763

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

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

F. Long-Term Obligations (continued)

General Obligation Debt (continued)

During the year ended December 31, 2017, the Village paid off one general obligation bond through current refundings. The refinanced principal of the refundings issued totaled \$1,280,000. As a result of the current refunding the Village increased its future debt service requirements by \$116,280, resulting in an economic loss of \$29,401.

The following summarizes the debt limit calculation as of December 31, 2017:

Equalized Value January 1, 2017	\$ <u>4,962,647,400</u>
Debt limit (5% of equalized value)	\$ <u>248,132,370</u>

General Obligation Debt by Funding Source:

Tax levy	\$ 14,260,363
Tipping fees	20,700,000
Special assessments	246,310
TID increments	54,645,000
Utility user fees	10,243,090
Total General Obligation debt	\$ <u>100,094,763</u>

Ratio of applicable general obligation debt to debt limit	<u>40.34 %</u>
---	----------------

Revenue Bonds

Sewer Utility revenue bonds are payable solely from revenues generated by the utility. A statutory mortgage lien upon the 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 the Sewer Utility remain subject to the lien until payment in full of the principal and interest on the bonds.

Details of revenue bonds outstanding are presented below:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
Business-type Activities:					
Clean Water Fund Loans:					
Sewer Utility:	02/19/01	05/01/20	2.97%	\$ 217,231	\$ 42,923
	08/22/07	05/01/27	2.55%	1,887,778	<u>1,099,166</u>
Total business-type					\$ <u>1,142,089</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

F. Long-Term Obligations (continued)

Subsequent Debt Issuances

In June 2018, the Village Board approved the issuance and sale of \$3,340,000 general obligation promissory notes. The debt was issued on June 18, 2018. The proceeds from the issuance will be used to fund capital expenditures in capital projects and water utility funds. The loan matures on June 1, 2028, with an average interest rate of 3.00%.

In June 2018, the Village Board approved the issuance and sale of \$1,900,000 general obligation promissory notes. The debt was issued on June 18, 2018. The proceeds from the issuance will be used to fund capital expenditures in TID #12. The loan matures on March 1, 2020, with an average interest rate of 3.38%.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

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

F. Long-Term Obligations (continued)

Debt Maturities

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

Governmental Activities:

Year	General Obligation Debt		Anticipation Notes		Total
	Principal	Interest	Principal	Interest	
2018	\$ 8,895,863	\$ 2,684,714	\$ ---	\$ ---	\$ 11,580,577
2019	25,621,953	2,285,607	---	---	27,907,560
2020	7,512,953	1,592,357	---	---	9,105,310
2021	6,332,953	1,377,614	---	---	7,710,567
2022	6,672,951	1,191,589	---	---	7,864,540
2023-2027	27,465,000	3,203,430	---	---	30,668,430
2028-2032	6,525,000	590,931	---	---	7,115,931
2033	825,000	12,994	---	---	837,994
Totals	\$ 89,851,673	\$ 12,939,236	\$ ---	\$ ---	\$ 102,790,909

Business-type Activities:

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2018	\$ 1,332,090	\$ 279,080	\$ 111,790	\$ 27,817	\$ 1,750,777
2019	1,346,000	229,756	114,696	24,874	1,715,326
2020	1,135,000	195,765	117,677	21,853	1,470,295
2021	990,000	165,251	105,571	18,979	1,279,801
2022	745,000	139,792	108,260	16,256	1,009,308
2023-2027	4,695,000	244,583	584,095	37,940	5,561,618
2028-2032	---	---	---	---	---
2033	---	---	---	---	---
Totals	\$ 10,243,090	\$ 1,254,227	\$ 1,142,089	\$ 147,719	\$ 12,787,125

Total Primary Government:

Year	General Obligation Debt		Anticipation Notes and Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2018	\$ 10,227,953	\$ 2,963,794	\$ 111,790	\$ 27,817	\$ 13,331,354
2019	26,967,953	2,515,363	114,696	24,874	29,622,886
2020	8,647,953	1,788,122	117,677	21,853	10,575,605
2021	7,322,953	1,542,865	105,571	18,979	8,990,368
2022	7,417,951	1,331,381	108,260	16,256	8,873,848
2023-2027	32,160,000	3,448,013	584,095	37,940	36,230,048
2028-2032	6,525,000	590,931	---	---	7,115,931
2033	825,000	12,994	---	---	837,994
Totals	\$ 100,094,763	\$ 14,193,463	\$ 1,142,089	\$ 147,719	\$ 115,578,034

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

Business-type Activities:

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

Activity for the year ended December 31, 2017 is summarized as follows:

	Balance January 1, 2017	Additions	Amortization Expense (Benefit)	Balance December 31, 2017
Governmental Activities	\$ <u>1,871,072</u>	\$ <u>550,810</u>	\$ <u>(416,608)</u>	\$ <u>2,005,274</u>
Business-type Activities:				
Water Utility	\$ 117,176	\$ 48,169	\$ (18,647)	\$ 146,698
Storm Water Utility	34,093	---	(5,756)	28,337
Total business-type activities	\$ <u>151,269</u>	\$ <u>48,169</u>	\$ <u>(24,403)</u>	\$ <u>175,035</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

3. Detail Notes on Transaction Classes and Accounts (continued)**G. Net Position and Fund Balances*****Government-wide Financial Statement Net Position******Governmental Activities***

Governmental net position consists of the following:

Net Investment in Capital Assets:

Land and construction in progress	\$ 115,141,906	
Other capital assets net of accumulated depreciation	62,845,589	
Less related long-term debt	<u>(73,827,366)</u>	
Total net investment in capital assets		\$ 104,160,129

Restricted for:

Capital Projects:

Park development and land acquisition	2,583,708	
Library facilities	176,017	
Tax Incremental District projects	<u>1,887,535</u>	
Total restricted for capital projects		4,647,260

Debt service 282,810

Library operations and maintenance 1,147,216

Other:

Community development	1,284,593	
Public safety programs	240,471	
Parks operations	<u>7,510</u>	
Total restricted for other		1,532,574

Unrestricted 8,179,100

Total governmental net position \$ 119,949,089

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

3. Detail Notes on Transaction Classes and Accounts (continued)**G. Net Position and Fund Balances (continued)*****Government-wide Financial Statement Net Position (continued)******Business-type Activities***

Business-type net position consists of the following:

Net Investment in Capital Assets:

Land and construction in progress	\$	1,991,410	
Other capital assets net of accumulated depreciation		136,166,894	
Less related long-term debt		(9,400,784)	
Total net investment in capital assets			\$ 128,757,520

Restricted for:

Capital Projects:

Interceptor sewer improvements	1,625,568	
Other sewer infrastructure improvements	3,187,818	
Other water infrastructure improvements	3,206,462	
Total restricted for capital projects		8,019,848

Other:

Operation and maintenance – sewer	790,895	
Depreciation fund – sewer	119,668	
Total restricted for other		910,563

Unrestricted

		11,895,252	
Total business-type net position	\$		<u>149,583,183</u>

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

3. Detail Notes on Transaction Classes and Accounts (continued)**G. Net Position and Fund Balances (continued)*****Fund Financial Statements***

Governmental fund balances consist of the following:

General Fund:

Nonspendable:

Prepaid items	\$	63,851	
Advances to other funds		2,292,007	
Delinquent personal property taxes receivable		3,425	
Inventory of supplies		323,819	
Total nonspendable			\$ 2,683,102

Unassigned

7,002,556

Total General Fund

9,685,658

Debt Service:

Restricted: for debt service

282,810

Municipal Facilities and Equipment Fund:

Nonspendable:

Advances to other funds	2,298,125	
Total nonspendable		2,298,125

Assigned:

Capital projects	7,157,630	
Total assigned		7,157,630

Total Municipal Facilities and Equipment Fund

9,455,755

Non-major Funds:

Nonspendable:

Revolving loan receivable	246,085	
Long-term special assessments	327,868	
Total nonspendable		573,953

Restricted:

Revolving loans for community development	1,038,508	
Public safety programs	240,471	
Park development and land acquisition	2,583,708	
Parks operations	7,510	
Library facilities	176,017	
Library operations and maintenance	1,394,344	
TIF district improvements and related debt service	3,907,757	
Total restricted		9,348,315

Committed:

Community grants	10,042	
Capital projects	6,788,916	
Special assessments	171,406	
Total committed		6,970,364

Unassigned

(2,261,744)

Total non-major funds

\$ 14,630,888

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes

A. Employee Pension Plan

Plan Description

The Wisconsin Retirement System ("WRS") is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Vesting

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

Benefits Provided

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

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

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

WRS also provides death and disability benefits for employees.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

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

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period (calendar year 2016), the WRS recognized \$1,087,135 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources

At December 31, 2017, the Village reported a liability of \$915,900 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.11112074%, which was an increase of 0.00126031% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$2,274,085.

At December 31, 2017, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 349,233	\$ 2,880,427
Changes in assumptions	957,609	---
Net difference between projected and actual earnings on pension plan investments	5,462,115	903,054
Changes in proportion and differences between employer contributions and proportionate share of contributions	110,768	8,983
Employer contributions subsequent to the measurement date	1,505,840	---
Total	\$ 8,385,565	\$ 3,792,464

The amount of \$1,505,840 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 2,401,410	\$ (1,147,600)
2019	2,401,410	(1,147,600)
2020	1,999,710	(1,147,601)
2021	75,604	(349,556)
2022	1,591	(107)

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Core Fund Asset Class	Current Asset Allocation	Destination Target Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	50.0%	45.0%	8.3%	5.4%
Fixed Income	24.5	37.0	4.2	1.4
Inflation Sensitive Assets	15.5	20.0	4.3	1.5
Real Estate	8.0	7.0	6.5	3.6
Private Equity/Debt	8.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.6	3.7
Total Core Fund	110.0	120.0	7.4	4.5
Variable Fund Asset Class				
US Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0	100.0	7.9	5.0

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

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

A. Actuarial Assumptions (continued)

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

	1% Decrease to Discount Rate 6.20%	Current Discount Rate 7.20%	1% Increase To Discount Rate 8.20%
Village's proportionate share of the net pension liability (asset)	\$12,049,254	\$ 915,900	\$ (7,657,287)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://eft.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

The Village's portion of payables to the pension plan at December 31, 2017 were \$182,555. This represents contributions earned as of December 31, 2017, but for which payment was not remitted to the pension plan until subsequent to year-end.

B. Other Post-Employment Benefits

Plan Description

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

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

Funding Policy

The Village funds these costs on a pay-as-you-go basis. Currently, the only Village contribution towards the costs of this obligation is the current period's implied subsidy, or the difference between the retiree contribution and the actual age-adjusted cost of retiree premiums paid by the Village. Employees participating in the OPEB benefit consisted of the following at January 1, 2017, the date of the latest actuarial valuation:

Retirees	19
Active	158
Number of participating employees	177

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)**B. Other Post-Employment Benefits (continued)****Annual OPEB Cost and Net OPEB Obligation**

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

Annual required contribution	\$	171,534
Interest on net OPEB obligation		63,193
Adjustment to annual required contribution		(64,615)
Annual OPEB cost		<u>170,112</u>
Contributions made		(73,097)
Increase in net OPEB obligation		<u>97,015</u>
Net OPEB obligation – beginning of year		1,685,150
Net OPEB obligation – end of year	\$	<u><u>1,782,165</u></u>

Trend Information

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	241,860	45%	1,511,603
2016	241,892	28%	1,685,150
2017	170,112	43%	1,782,165

Funding Status and Funding Progress

As of January 1, 2017, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability ("UAAL") of \$1,618,170. The covered payroll (annual payroll of active employees covered by the plan) was \$13,631,654 and the ratio of the UAAL to covered payroll was 11.9%.

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)**B. Other Post-Employment Benefits (continued)****Actuarial Methods and Assumptions**

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

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

Actuarial valuation date	01/01/17
Actuarial cost method	Entry Age Normal - Level % of Salary
Amortization method	30 year level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	3.75%
Medical care trend*	7.50% reduced by decrements down to 5.0%

* Implicit in these rates is an assumed rate of inflation of 2.50%

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.

The CVMIC is made up of a membership of Wisconsin municipalities. The Village's share of assets, liabilities, and fund equity was approximately 3% as of December 31, 2017. The CVMIC insures the Village with \$5 million (per occurrence) coverage; a \$125,000 deductible; and \$500,000 stop loss.

The Village's Risk Management Fund was established to account for and finance the Village's uninsured risk of loss. At December 31, 2017, this fund had a net position totaling \$746,350 which is available to pay future claims. Annually, a liability for claims incurred but not yet reported is calculated by an actuary. The claims are listed at full (non-discounted) value. The following is a summary of the changes in this liability account:

Fiscal Year	Balance January 1,	Claims and Changes In Estimates	Claim Payments	Balance December 31,
2017	\$ 35,832	\$ (35,832)	\$ ---	\$ ---
2016	187,602	(147,435)	(4,335)	35,832

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2017

4. Other Notes (continued)

C. Risk Management (continued)

Summary financial information for CVMIC and WMIC for the year ended December 31, 2017 is available from the CVMIC offices. As of December 31, 2017, the CVMIC had assets of \$52,104,920 and a policyholders' surplus of \$28,589,461.

D. Tax Incremental Districts

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

T.I.D. #4 – Heritage Reserve

On May 6, 1996, the Village created Tax Incremental District #4 ("TID #4"). TID #4 has a statutory life of 23 years which will expire May 6, 2019. On April 15, 2002, the original project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. In 2010, the Village and joint review board approved sharing increments from the District (donor district) to TID 8 (donee district). The amendment requires the District to maintain a net recovered cost of approximately \$1.8 million, which shall be paid to the overlying taxing jurisdictions and to the General Fund of the Village upon termination of the District. Transfers for the year ending December 31, 2017 of \$2,090,820 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2011. TIF increment sharing is valid for the life of the district and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes. The last date to incur project costs was May 6, 2014. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 56,085,164	\$ 31,708,083	\$ 56,085,164	\$ 29,820,548	\$ ---

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

On June 14, 1999, the Village created Tax Incremental District #5 ("TID #5"). TID #5 has a statutory life of 23 years which will expire June 14, 2022. On December 18, 2000, the original project plan was amended to increase certain planned project expenditures. On July 16, 2001, the project plan was amended to expand the original plan boundaries and to increase certain planned project expenditures. On July 20, 2009, the original project plan was amended to include developer grants and a multi-use path. The last date to incur project costs was June 14, 2017. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 20,527,977	\$ 17,221,541	\$ 20,527,977	\$ 19,338,621	\$ 2,975,000

T.I.D. #6 – Main St Corridor

On April 17, 2006, the Village created Tax Incremental District #6 ("TID #6"). TID #6 has a statutory life of 27 years which will expire April 17, 2033. The last date to incur project costs is April 17, 2028. On July 21, 2008, the original project plan was amended to change the original plan boundaries. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 26,760,500	\$ 1,781,351	\$ 26,760,500	\$ 13,802,979	\$ 12,122,166

T.I.D. #7 – First Park

On February 18, 2008, the Village created Tax Incremental District #7 ("TID #7"). TID #7 has a statutory life of 20 years which will expire February 18, 2028. The last date to incur project costs is February 18, 2023. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 11,096,724	\$ 2,827,793	\$ 11,096,724	\$ 2,999,923	\$ 239,275

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

On July 21, 2008, the Village created Tax Incremental District #8 ("TID #8"). TID #8 has a statutory life of 27 years which will expire July 21, 2035. On January 18, 2010, the project plan was amended by the addition of certain provisions and to provide transfers in from TID #4. The last date to incur project costs is July 21, 2030. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 58,945,750	\$ 15,938,447	\$ 58,945,750	\$ 40,928,254	\$ 24,985,000

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

On January 18, 2010, the Village created Tax Incremental District #9 ("TID #9"). TID #9 has a statutory life of 20 years which will expire January 18, 2030. The last date to incur project costs is January 18, 2025. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 23,481,963	\$ 482,338	\$ 23,481,963	\$ 1,229,109	\$ 984,869

T.I.D. #10 – Woodland Prime

On August 17, 2011, the Village created Tax Incremental District #10 ("TID #10"). TID #10 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 40,307,876	\$ 3,299,911	\$ 40,307,876	\$ 16,342,004	\$ 14,075,000

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

On August 17, 2011, the Village created Tax Incremental District #11 ("TID #11"). TID #11 has a statutory life of 20 years which will expire August 17, 2031. The last date to incur project costs is August 17, 2026. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 4,501,500	\$ 577,412	\$ 4,501,500	\$ 973,017	\$ 525,000

T.I.D. #12 – Lilly Rd Industrial

On September 15, 2014, the Village created Tax Incremental District #12 ("TID #12"). TID #12 has a statutory life of 20 years which will expire September 15, 2034. The last date to incur project costs is September 15, 2029. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2017:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/17</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/17</u>	<u>Outstanding Debt as of 12/31/17</u>
\$ 4,157,250	\$ 119,604	\$ 4,157,250	\$ 1,489,014	\$ 1,442,787

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

E. Contingent Liabilities

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

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

F. Municipal Revenue Obligations

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

TID	Principal	Paid in 2017	Total Paid	Potential Remaining Obligation	Maturity Year
5	\$ 3,100,000	\$ 266,627	\$ 1,564,629	\$ 1,535,371	2018
7	5,100,000	333,239	2,580,491	7,717,784	2026 *
8	4,000,000	---	---	4,000,000	2035
9	1,200,000	---	---	1,200,000	2030
9	3,952,860	---	---	3,952,860	2030
10	2,500,000	188,420	922,825	1,577,175	2024
11	500,000	49,116	340,687	159,313	2019

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

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

G. Other Commitments

During 2008, the Village entered into an agreement with the City of Milwaukee wherein the Village agrees to purchase all of the water supplied to a portion of the Village from Milwaukee Water Works for a period of ten years from the effective date of the agreement. Charges under this agreement are approximately \$130,000 per month.

During 2017, the Village entered into multiple construction contracts for the building of a new Department of Public Works facility. The total amount of the construction contracts amounted to \$14,898,691. As of December 31, 2017, \$9,735,348 has been paid on the contract.

H. Letters of Credit

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

I. Regulatory Agency - Water Utility

The Utility operates under service rules established by the Public Service Commission of Wisconsin ("PSCW"). Rates charged are regulated by the PSCW and the accounting records of the Utility are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW. Water rates were increased effective January 1, 2017.

J. Leases as Lessor

The Village has entered a lease agreement with a local school district, wherein the Village has agreed to allow the use of Village property for the purpose of the school district's operations. Revenue from this activity totaled \$32,780 for the year ended December 31, 2017. Future minimum lease payments receivable in conjunction with this lease is as follows:

Year:	Amount
2018	\$ 32,780
2019	32,780
2020	13,658
Total	\$ 79,218

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

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

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. Payments received on these leases totaled \$51,510 for the year ended December 31, 2017. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2018	\$ 37,368
2019	38,754
2020	34,109
2021	11,900
2022	12,258
2023	12,625
Total	\$ 147,014

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Payments received on these leases totaled \$215,964 for the year ended December 31, 2017. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2018	\$ 247,165
2019	258,582
2020	267,964
2021	131,958
2022	63,771
2023-2027	108,782
2028-2032	120,000
2033-2037	120,000
2038-2039	28,000
Total	\$ 1,346,222

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

K. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (August 14, 2018). See note 3.F for disclosure of subsequent debt issuances. There were no other disclosures necessary for subsequent events.

L. Deficit Fund Balances

As of December 31, 2017, the following non-major individual funds had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Capital Projects Funds:	
T.I.D. #6	\$ 1,466,628
T.I.D. #7	172,130
T.I.D. #8	4,807
T.I.D. #9	496,771
T.I.D. #12	89,410
Special Revenue Funds:	
Solid Waste Collection	7,505
Tourism Commission	24,493

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

M. Effect of New Accounting Standards on Financial Statements

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

- Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain disclosures related to debt including direct borrowing and direct placements*

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

The Government Accounting Standards Board has issued Statement No. 75 which will require the Village to accrue its net OPEB liability on its statement of net position, effective for the year ending December 31, 2018. GASB Statement No. 75 defines the liability as the actuarial value of projected future benefit payments that is attributable to past periods of employee service. As of January 1, 2017 (the most recent measurement date) the Village's unfunded OPEB liability was \$1,618,170.

VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2017

4. Other Notes (continued)

N. Excess of Expenditures over Appropriations

Certain departments in the General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2017:

<u>Department</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund:			
Culture and recreation	\$ 938,950	\$ 944,007	\$ 5,057

O. Prior Period Adjustment

An adjustment was made to the beginning fund balance of the non-major governmental funds. The purpose of the adjustment was to remove deferred inflows recorded in error associated with notes receivable recorded in the special revenue funds. As a result, an adjustment of \$455,525 was made to increase the December 31, 2016 fund balance and to decrease deferred inflows.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information

Schedule of Funding Progress of Net OPEB Obligation
December 31, 2017

<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, 2011	\$ ---	\$ 4,745,889	\$ 4,745,889	---	\$ 11,523,749	41.2%
January 1, 2014	---	2,535,426	2,535,426	---	12,290,831	20.6%
January 1, 2017	---	1,618,170	1,618,170	---	13,631,654	11.9%

Notes:

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

Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2010	\$ 578,795	\$ 301,784	52.1%
2011	606,741	459,869	75.8%
2012	509,519	445,044	87.3%
2013	529,050	314,927	59.5%
2014	241,510	129,505	53.6%
2015	241,510	108,054	44.7%
2016	241,510	68,345	28.3%
2017	171,534	73,097	42.6%

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Milwaukee County, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset (Liability)
Year Ended December 31, 2017

Wisconsin Retirement System
Last 10 Fiscal Years*

	Village's Proportion of the Net Pension Asset (Liability)	Village's Proportionate Share of the Net Pension Asset (Liability)	Village's Covered- Employee Payroll	Net Pension Asset (Liability) as a Percentage of Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
2017	0.1111%	\$ (915,900)	\$ 13,622,704	6.72%	99.12%
2016	0.1099%	(1,785,211)	13,201,573	13.52%	98.20%
2015	0.1120%	2,745,315	12,593,512	21.80%	102.74%

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

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

Schedule of Employer Contributions
Year Ended December 31, 2017

Wisconsin Retirement System
Last 10 Fiscal Years*

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Village's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2017	\$ 1,087,135	\$ 1,087,135	\$ ---	\$ 13,622,704	7.98%
2016	1,068,023	1,068,023	---	13,201,573	8.09%
2015	1,067,234	1,067,234	---	12,593,512	8.47%

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

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

See independent auditors' report

OTHER SUPPLEMENTARY INFORMATION

**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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and equivalents	\$ 14,926,587	\$ 23,024,013
Certificate of deposit	4,092,054	538,691
Accounts receivable:		
Taxes	9,658,096	5,823,456
Special charges on the tax roll	16,699	8,307
Intergovernmental aid	205,664	283,725
Accounts	1,000,888	848,552
Prepaid items	63,851	77,536
Inventory	323,819	367,740
Advance to other governmental funds	<u>2,292,007</u>	<u>1,812,610</u>
Total assets	32,579,665	32,784,630
Liabilities:		
Accounts payable and other accrued liabilities	2,846,569	3,461,804
Compensated absences	961,189	1,051,858
Deposits	178,939	158,957
Prepaid rent	4,092	4,078
Due to other funds	<u>---</u>	<u>10,248</u>
Total liabilities	3,990,789	4,686,945
Deferred Inflows of Resources:		
Deferred revenue - subsequent year's taxes	18,689,692	18,193,370
Miscellaneous unavailable revenue	<u>213,526</u>	<u>218,657</u>
Total deferred inflows of resources	18,903,218	18,412,027
Fund Balances:		
Nonspendable	2,683,102	2,264,263
Unassigned	<u>7,002,556</u>	<u>7,421,395</u>
Total fund balances	\$ <u><u>9,685,658</u></u>	\$ <u><u>9,685,658</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues:			
Property taxes	\$ 18,001,498	\$ 17,622,750	\$ 378,748
Other taxes	175,688	252,375	(76,687)
Licenses and permits	1,436,318	1,791,721	(355,403)
Fines and forfeitures	552,804	589,394	(36,590)
Intergovernmental	2,841,204	2,892,178	(50,974)
Donations	---	8,000	(8,000)
Charges for services	1,519,262	1,411,740	107,522
Investment earnings	144,213	79,598	64,615
Interest on advances to governmental funds	36,020	25,181	10,839
Other	138,884	121,180	17,704
Total revenues	<u>24,845,891</u>	<u>24,794,117</u>	<u>51,774</u>
Expenditures:			
General Government:			
Village board	56,340	55,275	1,065
Village manager	73,827	78,741	(4,914)
Clerk services	539,936	635,660	(95,724)
Human resources	103,273	100,885	2,388
Assessment of property	182,504	182,432	72
Building maintenance	345,352	360,275	(14,923)
Insurance and benefits	89,891	74,919	14,972
Judicial	228,679	242,017	(13,338)
Legal services	363,891	351,509	12,382
Financial services	385,440	354,062	31,378
Communications and information services	1,029,048	995,208	33,840
Capital outlay	60,637	71,207	(10,570)
Total general government	<u>3,458,818</u>	<u>3,502,190</u>	<u>(43,372)</u>
Public Safety:			
Police	8,475,136	8,586,853	(111,717)
Emergency dispatch	16,018	202,478	(186,460)
Fire	660,394	957,673	(297,279)
Fire protection services	1,573,861	1,573,861	---
Weed control	42,103	40,087	2,016
Emergency government	1,635	4,339	(2,704)
EMS	3,358,251	2,861,676	496,575
Other protection services	10,380	19,425	(9,045)
Capital outlay	97,296	98,822	(1,526)
Total public safety	<u>14,235,074</u>	<u>14,345,214</u>	<u>(110,140)</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
Years Ended December 31, 2017 and 2016
(Continued)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Public Works:			
Street and alley repair	\$ 2,940,424	\$ 2,955,987	\$ (15,563)
Equipment maintenance	473,465	464,185	9,280
Municipal garages	59,092	76,548	(17,456)
Capital outlay	6,093	31,500	(25,407)
Total public works	<u>3,479,074</u>	<u>3,528,220</u>	<u>(49,146)</u>
Culture and Recreation:			
Historical society and museum	29,866	15,880	13,986
Parks operations	830,095	803,801	26,294
Parks projects	15,043	17,085	(2,042)
Community quality of life	69,003	95,139	(26,136)
Capital outlay	---	61,582	(61,582)
Total culture and recreation	<u>944,007</u>	<u>993,487</u>	<u>(49,480)</u>
Conservation and Development:			
Community development	33,860	50,249	(16,389)
Building inspection	682,225	603,058	79,167
Engineering	54,291	199,098	(144,807)
Planning	383,346	356,996	26,350
Capital outlay	---	9,595	(9,595)
Total conservation and development	<u>1,153,722</u>	<u>1,218,996</u>	<u>(65,274)</u>
Total general fund expenditures	<u>23,270,695</u>	<u>23,588,107</u>	<u>(317,412)</u>
Excess of revenues over expenditures	1,575,196	1,206,010	369,186
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	---	312,116	(312,116)
Transfers in	---	93,830	(93,830)
Transfers from water utility - PILOT	1,294,564	1,316,613	(22,049)
Transfers out	(2,869,760)	(2,883,495)	13,735
Net other financing uses	<u>(1,575,196)</u>	<u>(1,160,936)</u>	<u>(414,260)</u>
Net change in fund balance	---	45,074	(45,074)
Fund Balance:			
Beginning of year	9,685,658	9,640,584	45,074
End of year	<u>\$ 9,685,658</u>	<u>\$ 9,685,658</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, 2017

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Property taxes	\$ 2,331,274	\$ 2,331,274	\$ 2,331,274
Investment earnings	5,000	5,000	5,582
Total revenues	<u>2,336,274</u>	<u>2,336,274</u>	<u>2,336,856</u>
Expenditures:			
Principal	7,220,000	7,220,000	7,220,863
Interest and fiscal charges	2,387,000	2,387,000	2,410,053
Debt issuance costs	200,000	200,000	276,621
Total expenditures	<u>9,807,000</u>	<u>9,807,000</u>	<u>9,907,537</u>
Deficit of revenues under expenditures	(7,470,726)	(7,470,726)	(7,570,681)
Other Financing Sources:			
Transfers in	7,213,667	7,213,667	7,236,346
Refunding bonds and notes issued	1,280,000	1,280,000	1,280,000
Principal payments on refunded debt	(1,280,000)	(1,280,000)	(1,280,000)
Bond premiums	200,000	200,000	550,809
Net other financing sources	<u>7,413,667</u>	<u>7,413,667</u>	<u>7,787,155</u>
Net change in fund balance	(57,059)	(57,059)	216,474
Fund Balance:			
Beginning of year	66,000	66,000	66,336
End of year	<u>\$ 8,941</u>	<u>\$ 8,941</u>	<u>\$ 282,810</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, 2017

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets:			
Cash and equivalents	\$ 3,300,717	\$ 11,822,633	\$ 15,123,350
Restricted assets:			
Cash and equivalents	2,255,039	---	2,255,039
Certificate of deposit	---	---	---
Accounts receivable:			
Taxes	1,732,000	6,412,930	8,144,930
Special charges on tax roll	1,260,911	43,331	1,304,242
Intergovernmental aid	---	597,660	597,660
Special assessments	---	927,537	927,537
Accounts	56,721	279,528	336,249
Notes	246,085	---	246,085
Total assets	8,851,473	20,083,619	28,935,092
Liabilities:			
Accounts payable and other accrued liabilities	50,300	689,324	739,624
Accrued compensated absences	61,377	---	61,377
Deposits	---	113,737	113,737
Long-term advances from other governmental funds	80,000	2,704,098	2,784,098
Total liabilities	191,677	3,507,159	3,698,836
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	2,995,109	7,010,590	10,005,699
Special assessments	---	599,669	599,669
Total deferred inflows of resources	2,995,109	7,610,259	10,605,368
Fund Balances:			
Nonspendable	246,085	327,868	573,953
Restricted:			
Capital projects	2,759,725	3,907,757	6,667,482
Other	2,680,833	---	2,680,833
Committed	10,042	6,960,322	6,970,364
Unassigned	(31,998)	(2,229,746)	(2,261,744)
Total fund balances	\$ 5,664,687	\$ 8,966,201	\$ 14,630,888

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Non-Major Governmental Funds
Year Ended December 31, 2017

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 1,704,878	\$ 5,388,852	\$ 7,093,730
Other taxes	239,248	---	239,248
Charges for services:			
Fines and forfeitures	19,862	---	19,862
Program revenues	1,408,498	490	1,408,988
Operating grants and contributions:			
Intergovernmental	148,404	609,995	758,399
Donations	23,388	---	23,388
Other	27,577	---	27,577
Capital grants and contributions:			
Special assessments and interest	---	43,250	43,250
Contributions from developers	---	174,941	174,941
Impact fees	863,178	---	863,178
Investment earnings	45,154	152,760	197,914
Proceeds from legal settlement	---	100,000	100,000
Other revenues	16,046	---	16,046
Total governmental revenues	<u>4,496,233</u>	<u>6,470,288</u>	<u>10,966,521</u>
Expenditures:			
Current:			
General government	---	144,266	144,266
Public safety	30,097	---	30,097
Public works	1,986,457	4,183,303	6,169,760
Culture and recreation	1,896,915	---	1,896,915
Conservation and development	46,228	1,320,934	1,367,162
Capital outlay	360,163	3,205,733	3,565,896
Debt Service:			
Interest on advances to governmental funds	---	46,955	46,955
Bond expenses	---	9,917	9,917
Total expenditures	<u>4,319,860</u>	<u>8,911,108</u>	<u>13,230,968</u>
Excess (deficit) of revenues over (under) expenditures	176,373	(2,440,820)	(2,264,447)
Other Financing Sources (Uses):			
Transfers in	585,587	2,580,298	3,165,885
Transfers out	(395,100)	(7,228,463)	(7,623,563)
Bonds and notes issued	---	2,000,000	2,000,000
Total other financing sources (uses)	<u>190,487</u>	<u>(2,648,165)</u>	<u>(2,457,678)</u>
Net change in fund balances	366,860	(5,088,985)	(4,722,125)
Fund balance, beginning of year	4,842,302	14,055,186	18,897,488
Prior period adjustment	455,525	---	455,525
Fund balance, beginning of year, as adjusted	<u>5,297,827</u>	<u>14,055,186</u>	<u>19,353,013</u>
Fund balance, end of year	<u>\$ 5,664,687</u>	<u>\$ 8,966,201</u>	<u>\$ 14,630,888</u>

See independent auditors' report.

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

Tourism Commission - To account for the financing and expenditures for tourism funded by hotel room tax.

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

VILLAGE OF MENOMOMNEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2017

	Non-major Special Revenue Funds														Total Non-Major Special Revenue Funds
	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Solid Waste Collection	Library Operations and Maintenance	Tourism Commission	TID #9 EDMF		
Assets:															
Cash and equivalents	\$ 991,804	\$ 189,005	\$ 43,276	\$ 7,510	\$ 328,669	\$ 176,017	\$ 10,042	\$ 8,203	\$ 22,500	\$ ---	\$ 1,474,463	\$ 2,325	\$ 46,903	\$ 3,300,717	
Restricted assets:															
Cash and equivalents	---	---	---	---	2,255,039	---	---	---	---	---	---	---	---	2,255,039	
Receivables:															
Taxes	---	---	---	---	---	---	---	---	---	---	1,732,000	---	---	1,732,000	
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	1,260,911	---	---	---	1,260,911	
Accounts	---	---	---	---	---	---	---	---	---	3,539	---	53,182	---	56,721	
Notes	86,914	---	---	---	---	---	---	---	---	---	---	---	159,171	246,085	
Total assets	1,078,718	189,005	43,276	7,510	2,583,708	176,017	10,042	8,203	22,500	1,264,450	3,206,463	55,507	206,074	8,851,473	
Liabilities:															
Accounts payable and other accrued liabilities	98	---	---	---	---	---	---	13	22,500	8,846	18,742	---	101	50,300	
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	61,377	---	---	61,377	
Advances from other governmental funds	---	---	---	---	---	---	---	---	---	---	---	80,000	---	80,000	
Total liabilities	98	---	---	---	---	---	---	13	22,500	8,846	80,119	80,000	101	191,677	
Deferred Inflows of Resources:															
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	1,263,109	1,732,000	---	---	2,995,109	
Fund Balances:															
Nospendable	86,914	---	---	---	---	---	---	---	---	---	---	---	159,171	246,085	
Restricted:															
Capital projects	---	---	---	---	2,583,708	176,017	---	---	---	---	---	---	---	2,759,725	
Other	991,706	189,005	43,276	7,510	---	---	---	8,190	---	---	1,394,344	---	46,802	2,680,833	
Committed	---	---	---	---	---	---	10,042	---	---	---	---	---	---	10,042	
Unassigned	---	---	---	---	---	---	---	---	---	(7,505)	---	(24,493)	---	(31,998)	
Total fund balances	\$ 1,078,620	\$ 189,005	\$ 43,276	\$ 7,510	\$ 2,583,708	\$ 176,017	\$ 10,042	\$ 8,190	\$ ---	\$ (7,505)	\$ 1,394,344	\$ (24,493)	\$ 205,973	\$ 5,664,687	

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances-
Non-Major Special Revenue Funds
Year Ended December 31, 2017**

Non-major Special Revenue Funds

	Revolving Loan Fund	Police Department	Fire Department	Park Department	Community Development	Library	Community Grant	Teen Court	Cable TV	Solid Waste Collection	Library Operations and Maintenance	Tourism Commission	TID #9 EDMF	Total Non-Major Special Revenue Funds
Revenues:														
Property taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	1,704,878	\$ ---	\$ ---	\$ 1,704,878
Other taxes	---	---	---	---	---	---	---	---	---	---	---	239,248	---	239,248
Public charges for services:														
Fines and forfeitures	---	---	---	---	---	---	---	---	---	---	19,862	---	---	19,862
Program revenue	6,404	826	842	---	---	---	---	775	89,874	1,306,855	---	---	2,922	1,408,498
Operating grants and contributions:														
Intergovernmental	---	681	7,879	---	---	---	---	---	---	79,831	60,013	---	---	148,404
Tree conservation	---	---	---	---	27,577	---	---	---	---	---	---	---	---	27,577
Donations	---	17,372	300	1,372	---	100	---	---	---	---	4,244	---	---	23,388
Capital grants and contributions:														
Impact fees	---	---	393,647	---	469,531	---	---	---	---	---	---	---	---	863,178
Investment earnings	283	1,067	1,785	47	20,502	1,460	69	60	---	3,310	16,292	279	---	45,154
Other revenues	---	---	---	---	---	1,000	---	---	---	---	15,046	---	---	16,046
Total revenues	6,687	19,946	404,453	1,419	517,610	2,560	69	835	89,874	1,389,996	1,820,335	239,527	2,922	4,496,233
Expenditures:														
Current:														
Public safety	---	10,020	18,437	---	---	---	---	1,640	---	---	---	---	---	30,097
Public works	---	---	---	---	---	---	---	---	---	1,986,457	---	---	---	1,986,457
Culture, recreation and education	---	---	---	---	23,229	3,752	---	---	90,000	---	1,739,935	39,999	---	1,896,915
Conservation and development	982	---	---	---	20,220	---	---	---	---	---	---	---	25,026	46,228
Capital outlay	---	---	---	---	136,142	---	---	---	---	---	---	224,021	---	360,163
Total expenditures	982	10,020	18,437	---	179,591	3,752	---	1,640	90,000	1,986,457	1,739,935	264,020	25,026	4,319,860
Excess (deficit) of revenues over (under) expenditures	5,705	9,926	386,016	1,419	338,019	(1,192)	69	(805)	(126)	(596,461)	80,400	(24,493)	(22,104)	176,373
Other Financing Sources (Uses):														
Transfers in	---	---	---	---	---	---	---	---	---	585,587	---	---	---	585,587
Transfers out	---	---	(395,100)	---	---	---	---	---	---	---	---	---	---	(395,100)
Total other financing sources (uses)	---	---	(395,100)	---	---	---	---	---	---	585,587	---	---	---	190,487
Net change in fund balances	5,705	9,926	(9,084)	1,419	338,019	(1,192)	69	(805)	(126)	(10,874)	80,400	(24,493)	(22,104)	366,860
Fund Balance - beginning of year	811,795	179,079	52,360	6,091	2,245,689	177,209	9,973	8,995	126	3,369	1,313,944	---	33,672	4,842,302
Prior period adjustment	261,120	---	---	---	---	---	---	---	---	---	---	---	194,405	455,525
Fund balance, beginning of year, as adjusted	1,072,915	179,079	52,360	6,091	2,245,689	177,209	9,973	8,995	126	3,369	1,313,944	---	228,077	5,297,827
Fund Balance - end of year	\$ 1,078,620	\$ 189,005	\$ 43,276	\$ 7,510	\$ 2,583,708	\$ 176,017	\$ 10,042	\$ 8,190	\$ ---	\$ (7,505)	\$ 1,394,344	\$ (24,493)	\$ 205,973	\$ 5,664,687

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.

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

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

Tax Incremental Financing District #6 - To account for the financing and construction of the Main Street Corridor.

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

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

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

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

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

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

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Capital Projects Funds
December 31, 2017

	Non-major Capital Projects Funds											Total Non-Major Capital Projects Funds
	Capital Projects	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Center	T.I.D. #6 Main St Corridor	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Village Centre/ Appleton Ave	T.I.D. #10 Woodland Prime	T.I.D. #11 Wacker Neuson	T.I.D. #12 Lilly Rd Industrial	Special Assessments	
Assets:												
Cash and equivalents	\$ 6,836,266	\$ 1,893,866	\$ 857,920	\$ 100,538	\$ 67,145	\$ 460,246	\$ 242,897	\$ 1,032,907	\$ 129,395	\$ 73,378	\$ 128,075	\$ 11,822,633
Receivables:												
Taxes	---	1,793,040	1,962,206	241,060	372,703	1,548,548	---	183,754	65,622	245,997	---	6,412,930
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	43,331	43,331
Intergovernmental aid	---	300,940	146,387	4,152	398	7,023	8,646	85,668	44,446	---	---	597,660
Special assessments	---	---	---	---	---	---	---	---	---	---	927,537	927,537
Accounts	279,528	---	---	---	---	---	---	---	---	---	---	279,528
Total assets	7,115,794	3,987,846	2,966,513	345,750	440,246	2,015,817	251,543	1,302,329	239,463	319,375	1,098,943	20,083,619
Liabilities:												
Accounts payable and other accrued liabilities	213,141	6,331	---	---	---	465,053	4,799	---	---	---	---	689,324
Deposits	113,737	---	---	---	---	---	---	---	---	---	---	113,737
Advances from other capital projects funds	---	---	---	---	---	---	280,000	---	---	132,091	---	412,091
Advances from municipality	---	---	---	1,567,166	239,275	---	454,869	---	---	30,697	---	2,292,007
Total liabilities	326,878	6,331	---	1,567,166	239,275	465,053	739,668	---	---	162,788	---	3,507,159
Deferred Inflows of Resources:												
Special assessments	---	---	---	---	---	---	---	---	---	---	599,669	599,669
Deferred revenue - subsequent year's taxes	---	2,093,980	2,108,593	245,212	373,101	1,555,571	8,646	269,422	110,068	245,997	---	7,010,590
Total deferred inflows of resources	---	2,093,980	2,108,593	245,212	373,101	1,555,571	8,646	269,422	110,068	245,997	599,669	7,610,259
Fund Balances:												
Nonspendable	---	---	---	---	---	---	---	---	---	---	327,868	327,868
Restricted	---	1,887,535	857,920	---	---	---	---	1,032,907	129,395	---	---	3,907,757
Committed	6,788,916	---	---	---	---	---	---	---	---	---	171,406	6,960,322
Unassigned	---	---	---	(1,466,628)	(172,130)	(4,807)	(496,771)	---	---	(89,410)	---	(2,229,746)
Total fund balances	\$ 6,788,916	\$ 1,887,535	\$ 857,920	\$ (1,466,628)	\$ (172,130)	\$ (4,807)	\$ (496,771)	\$ 1,032,907	\$ 129,395	\$ (89,410)	\$ 499,274	\$ 8,966,201

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Non-Major Capital Projects Funds
Year Ended December 31, 2017

Non-major Capital Projects Funds

	Capital Projects	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Center	T.I.D. #6 Main St Corridor	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Village Centre/ Appleton Ave	T.I.D. #10 Woodland Prime	T.I.D. #11 Wacker Neuson	T.I.D. #12 Lilly Rd Industrial	Special Assessments	Total Non-Major Capital Projects Funds
Revenues:												
Tax increment	\$ ---	\$ 1,826,186	\$ 1,789,914	\$ 255,977	\$ 341,419	\$ 839,511	\$ ---	\$ 188,420	\$ 48,707	\$ 98,718	\$ ---	\$ 5,388,852
Public charges for services:												
Program revenues	490	---	---	---	---	---	---	---	---	---	---	490
Operating grants and contributions:												
Intergovernmental	---	296,580	144,266	4,092	392	27,915	8,521	84,427	43,802	---	---	609,995
Capital grants and contributions:												
Special assessments and interest	---	---	---	---	---	---	---	---	---	---	43,250	43,250
Contributions from developers	174,941	---	---	---	---	---	---	---	---	---	---	174,941
Investment earnings	84,700	23,474	8,584	483	1,887	20,107	85	10,638	1,209	253	1,340	152,760
Proceeds from legal settlement	---	---	---	100,000	---	---	---	---	---	---	---	100,000
Total revenues	<u>260,131</u>	<u>2,146,240</u>	<u>1,942,764</u>	<u>360,552</u>	<u>343,698</u>	<u>887,533</u>	<u>8,606</u>	<u>283,485</u>	<u>93,718</u>	<u>98,971</u>	<u>44,590</u>	<u>6,470,288</u>
Expenditures:												
Prepaid rent												
Current:												
General government	46,049	5,998	5,688	12,193	6,818	13,522	17,002	24,293	5,903	6,800	---	144,266
Public works	3,135,698	33,699	---	---	---	721,133	268,169	4,989	---	19,615	---	4,183,303
Conservation and development	---	---	348,001	---	333,239	318,795	---	271,783	49,116	---	---	1,320,934
Capital Outlay	1,760,411	---	---	---	---	1,357,224	---	---	---	88,098	---	3,205,733
Debt Service:												
Interest on advances from governmental funds	8,844	---	---	26,624	4,323	---	4,679	---	---	2,485	---	46,955
Interest and fiscal charges	---	---	956	1,750	---	4,057	58	1,000	250	1,100	746	9,917
Total expenditures	<u>4,951,002</u>	<u>39,697</u>	<u>354,645</u>	<u>40,567</u>	<u>344,380</u>	<u>2,414,731</u>	<u>289,908</u>	<u>302,065</u>	<u>55,269</u>	<u>118,098</u>	<u>746</u>	<u>8,911,108</u>
Excess (deficit) of revenues over (under) expenditures	(4,690,871)	2,106,543	1,588,119	319,985	(682)	(1,527,198)	(281,302)	(18,580)	38,449	(19,127)	43,844	(2,440,820)
Other Financing Sources (Uses):												
Transfers in	489,478	---	---	---	---	2,090,820	---	---	---	---	---	2,580,298
Transfers out	---	(2,090,820)	(1,463,063)	(401,194)	---	(2,744,687)	(6,813)	(336,500)	(11,156)	(37,080)	(137,150)	(7,228,463)
Bonds and notes issued	2,000,000	---	---	---	---	---	---	---	---	---	---	2,000,000
Total other financing sources (uses)	<u>2,489,478</u>	<u>(2,090,820)</u>	<u>(1,463,063)</u>	<u>(401,194)</u>	<u>---</u>	<u>(653,867)</u>	<u>(6,813)</u>	<u>(336,500)</u>	<u>(11,156)</u>	<u>(37,080)</u>	<u>(137,150)</u>	<u>(2,648,165)</u>
Net change in fund balances	(2,201,393)	15,723	125,056	(81,209)	(682)	(2,181,065)	(288,115)	(355,080)	27,293	(56,207)	(93,306)	(5,088,985)
Fund balance, beginning of year	8,990,309	1,871,812	732,864	(1,385,419)	(171,448)	2,176,258	(208,656)	1,387,987	102,102	(33,203)	592,580	14,055,186
Fund balance, end of year	<u>\$ 6,788,916</u>	<u>\$ 1,887,535</u>	<u>\$ 857,920</u>	<u>\$ (1,466,628)</u>	<u>\$ (172,130)</u>	<u>\$ (4,807)</u>	<u>\$ (496,771)</u>	<u>\$ 1,032,907</u>	<u>\$ 129,395</u>	<u>\$ (89,410)</u>	<u>\$ 499,274</u>	<u>\$ 8,966,201</u>

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PROPRIETARY FUNDS

Enterprise Funds:

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

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

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

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

Internal Service Funds - Risk Management Fund:

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Water Utility
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 7,296,946	\$ 6,363,082
Receivables:		
Special charges on the tax roll	162,425	175,972
Utility customers	1,081,923	1,028,020
Other	28,177	34,734
Due from other funds	---	5,571
Prepaid items	2,056	2,005
Inventory	89,115	86,698
Total current assets	<u>8,660,642</u>	<u>7,696,082</u>
Noncurrent assets:		
Restricted assets:		
Cash and equivalents - restricted (noncurrent)	3,206,462	2,546,982
Land and construction in progress	1,261,123	548,955
Other capital assets, net of depreciation	58,931,812	59,230,317
Total noncurrent assets	<u>63,399,397</u>	<u>62,326,254</u>
Total assets	<u>72,060,039</u>	<u>70,022,336</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	368,965	478,690
Total deferred outflows of resources	<u>368,965</u>	<u>478,690</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	57,259	64,739
Compensated absences - vacation due within one year	98,307	95,518
Compensated absences - sick due within one year	29,560	28,590
Unearned revenue	133,487	123,119
Current portion of general obligation notes	755,000	670,000
Accrued interest	34,903	31,147
Total current liabilities	<u>1,108,516</u>	<u>1,013,113</u>
Long-Term Liabilities:		
Compensated absences - sick pay	281,251	261,218
OPEB obligation	273,351	255,226
Net pension liability	40,300	82,120
General obligation notes	6,951,699	6,392,177
Total long-term liabilities	<u>7,546,601</u>	<u>6,990,741</u>
Total liabilities	<u>8,655,117</u>	<u>8,003,854</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	166,868	172,819
Net Position:		
Net investment in capital assets	53,008,577	53,624,832
Restricted	3,206,462	2,546,982
Unrestricted	7,391,980	6,152,539
Total net position	<u>\$ 63,607,019</u>	<u>\$ 62,324,353</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Water Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Charges for services	\$ 6,913,513	\$ 6,821,982
Operating Expenses:		
Operation and maintenance	2,572,408	2,631,978
Administrative expense	1,174,729	1,056,553
Depreciation expense	1,682,899	1,672,565
Regulatory commission remainder assessments	6,764	8,020
Total operating expenses	<u>5,436,800</u>	<u>5,369,116</u>
Operating income	1,476,713	1,452,866
Nonoperating Revenues (Expenses):		
Investment earnings	82,643	35,949
Sale of materials	13,987	10,096
Grant revenue	850	---
Gain on retirement of property and plant	3,125	---
Impact fees	639,813	662,091
Fiscal charges on debt	(2,211)	(2,020)
Amortization of debt issuance premiums, discounts and losses on refundings	18,647	(48,880)
Debt issuance costs	(22,357)	(23,661)
Interest on long-term debt	(188,171)	(176,682)
Net nonoperating revenues	<u>546,326</u>	<u>456,893</u>
Net income before capital contributions	2,023,039	1,909,759
Transfers to governmental funds - PILOT	(1,294,564)	(1,316,613)
Capital contributions	554,191	917,408
Net increase in net position	<u>1,282,666</u>	<u>1,510,554</u>
Net position:		
Balance, beginning of year	<u>62,324,353</u>	<u>60,813,799</u>
Balance, end of year	<u><u>\$ 63,607,019</u></u>	<u><u>\$ 62,324,353</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 5,224,123	\$ 5,120,271
Payments to suppliers	(2,361,925)	(2,726,134)
Payments to and on behalf of employees	(1,292,970)	(1,266,754)
Internal activity - receipts from other funds	1,756,476	1,860,572
Other receipts	17,617	10,096
Other payments	(2,663)	---
Net cash provided by operating activities	<u>3,340,658</u>	<u>2,998,051</u>
Cash Flows From Noncapital Financing Activities		
Transfers to governmental funds - PILOT	<u>(1,294,564)</u>	<u>(1,316,613)</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	3,125	---
Additions to property and plant	(1,632,517)	(1,454,557)
Fair value of debt issued	1,285,000	1,190,000
Debt issuance premiums	48,169	31,365
Debt issuance costs	(22,357)	(23,661)
Principal payments on debt	(670,000)	(610,000)
Interest on debt	(184,415)	(176,706)
Fiscal charges on debt	(2,211)	(2,020)
Impact fees	639,813	662,091
Net cash used by capital and related financing activities	<u>(535,393)</u>	<u>(383,488)</u>
Cash Flows From Investing Activities:		
Investment earnings	<u>82,643</u>	<u>35,949</u>
Net cash provided by investing activities	<u>82,643</u>	<u>35,949</u>
Net increase in cash and equivalents	1,593,344	1,333,899
Cash and equivalents, beginning of year	<u>8,910,064</u>	<u>7,576,165</u>
Cash and equivalents, end of year	<u><u>\$ 10,503,408</u></u>	<u><u>\$ 8,910,064</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 7,296,946	\$ 6,363,082
Cash and cash equivalents - restricted	3,206,462	2,546,982
Total cash and equivalents	<u><u>\$ 10,503,408</u></u>	<u><u>\$ 8,910,064</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2017 and 2016
(Continued)

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 1,476,713	\$ 1,452,866
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,682,899	1,672,565
Depreciation charged to other accounts	115,307	115,658
Proceeds from sales of materials	13,987	10,096
Grant revenue	850	---
Changes in assets and liabilities related to operations:		
Receivables	(33,799)	(31,708)
Prepaid items	(51)	(75)
Inventory	(2,417)	10,895
Due from other funds	5,571	102,225
Accounts payable and accrued liabilities	(32,641)	(432,705)
WRS pension accrual	61,954	55,633
Compensated absences	23,792	19,851
OPEB obligation	18,125	23,424
Unearned revenue	10,368	(674)
Net cash provided by operating activities	<u><u>\$ 3,340,658</u></u>	<u><u>\$ 2,998,051</u></u>
Noncash Capital Activities:		
Utility plant contributions	\$ 554,191	\$ 917,408
Amortization of debt issuance premiums, discounts and losses on refundings	(18,647)	(48,880)
Gain on sale of utility plant	3,125	---

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Sewer Utility
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 2,194,078	\$ 2,671,304
Cash and equivalents - restricted (current)	79,404	77,989
Receivables:		
Special charges on the tax roll	344,481	369,522
Utility customers	1,763,433	1,716,410
Other	330,530	671,519
Due from other funds	---	4,113
Inventory	14,304	14,113
Total current assets	<u>4,726,230</u>	<u>5,524,970</u>
Noncurrent Assets:		
Restricted assets:		
Cash and equivalents (noncurrent)	5,723,949	5,309,336
Prepaid capacity charge	3,117,133	3,369,284
Land and construction in progress	568,953	444,866
Other capital assets net of depreciation	48,467,336	49,123,193
Total noncurrent assets	<u>57,877,371</u>	<u>58,246,679</u>
Total assets	<u>62,603,601</u>	<u>63,771,649</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	<u>192,868</u>	<u>249,751</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	232,638	217,611
Compensated absences - vacation due within one year	53,945	52,127
Compensated absences - sick due within one year	15,952	15,162
Unearned revenue	---	7,000
Current portion of advance	91,233	89,445
Due to other funds	---	880
Current portion of general obligation notes	71,090	71,090
Current portion of revenue bonds	37,264	36,319
Accrued interest	364	565
Liabilities payable from restricted assets:		
Current portion of revenue bonds	74,526	72,638
Accrued interest	4,878	5,351
Total current liabilities	<u>581,890</u>	<u>568,188</u>
Long-Term Liabilities:		
Compensated absences - sick pay	146,203	133,344
OPEB obligation	35,403	32,371
Net pension liability	21,066	42,845
Advances from other funds	---	91,233
General obligation notes	60,000	131,090
Revenue bonds	1,030,299	1,142,089
Total long-term liabilities	<u>1,292,971</u>	<u>1,572,972</u>
Total liabilities	<u>1,874,861</u>	<u>2,141,160</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	<u>87,227</u>	<u>90,167</u>
Net Position:		
Net investment in capital assets	48,905,199	49,365,879
Restricted	5,723,949	5,309,336
Unrestricted	6,205,233	7,114,858
Total net position	<u>\$ 60,834,381</u>	<u>\$ 61,790,073</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Sewer Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Charges for services	\$ 8,543,988	\$ 8,418,856
Operating Expenses:		
Operation and maintenance	8,395,470	7,155,910
Administrative expense	911,917	897,533
Depreciation expense	1,412,207	1,437,292
Total operating expenses	<u>10,719,594</u>	<u>9,490,735</u>
Operating loss	(2,175,606)	(1,071,879)
Nonoperating Revenues (Expenses):		
Investment earnings	59,444	29,553
Sale of materials	---	128
Miscellaneous revenues	18,000	18,000
Private lateral repair	(709)	(299,973)
Intergovernmental	---	299,742
Loss on retirement of property and plant	(27,884)	---
Donated rent	(18,000)	(18,000)
Fiscal charges on debt	(250)	(250)
Interest on long-term debt	(35,585)	(41,621)
Impact fees	595,912	616,708
Interest on advances	(3,614)	(5,367)
Net nonoperating revenues	<u>587,314</u>	<u>598,920</u>
Net loss before capital contributions	(1,588,292)	(472,959)
Capital Contributions:		
Capital contributions	632,600	2,777,689
Increase (decrease) in net position	<u>(955,692)</u>	<u>2,304,730</u>
Net Position:		
Balance, beginning of year	\$ <u>61,790,073</u>	\$ <u>59,485,343</u>
Balance, end of year	\$ <u><u>60,834,381</u></u>	\$ <u><u>61,790,073</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 8,859,787	\$ 7,702,704
Payments to suppliers	(8,136,720)	(7,363,366)
Payments to and on behalf of employees	(768,592)	(770,000)
Internal activity - receipts from other funds	3,233	---
Internal activity - payments to other funds	(163,308)	(496,495)
Other receipts	---	128
Net cash used by operating activities	<u>(205,600)</u>	<u>(927,029)</u>
Cash Flows From Noncapital Financing Activities		
Lateral repair program	(709)	(231)
Net cash used by noncapital financing activities	<u>(709)</u>	<u>(231)</u>
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(200,630)	(422,131)
Principal payments on debt	(180,047)	(242,452)
Interest on debt	(36,259)	(42,653)
Fiscal charges on debt	(250)	(250)
Payments on advances from municipality	(89,445)	(87,691)
Interest on advances	(3,614)	(5,367)
Impact fees	595,912	616,708
Net cash provided (used) by capital and related financing activities	<u>85,667</u>	<u>(183,836)</u>
Cash Flows From Investing Activities:		
Investment earnings	59,444	29,553
Net cash provided by investing activities	<u>59,444</u>	<u>29,553</u>
Net decrease in cash and equivalents	(61,198)	(1,081,543)
Cash and equivalents, beginning of year	<u>8,058,629</u>	<u>9,140,172</u>
Cash and equivalents, end of year	<u><u>\$ 7,997,431</u></u>	<u><u>\$ 8,058,629</u></u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 2,194,078	\$ 2,671,304
Cash and cash equivalents - restricted	5,803,353	5,387,325
Total cash and equivalents	<u><u>\$ 7,997,431</u></u>	<u><u>\$ 8,058,629</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2017 and 2016
(Continued)

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating loss	\$ (2,175,606)	\$ (1,071,879)
Adjustments to reconcile operating loss to net cash		
used by operating activities:		
Depreciation	1,322,559	1,347,409
Amortization of prepaid capacity	252,151	252,152
Abandonment of CIP	---	85,771
Proceeds from sales of materials	---	128
Changes in assets and liabilities related to operations:		
Receivables	319,007	(715,516)
Inventory	(191)	110
Due from other funds	3,233	(333,365)
Accounts payable and accrued liabilities	29,584	(517,150)
WRS pension accrual	32,164	19,081
Unearned revenue	(7,000)	(7,000)
Compensated absences	15,467	9,019
OPEB obligation	3,032	4,211
Net cash used by operating activities	\$ <u>(205,600)</u>	\$ <u>(927,029)</u>
 Noncash Capital Activities:		
Utility plant contributions	\$ 632,600	\$ 2,777,689
Loss on sale of utility plant	(27,884)	---

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Storm Water Utility
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 597,791	\$ 779,688
Receivables:		
Taxes	931,000	931,250
Other	567	1,883
Due from other funds	---	759
Inventory	<u>31,097</u>	<u>43,564</u>
Total current assets	<u>1,560,455</u>	<u>1,757,144</u>
Noncurrent Assets:		
Land and construction in progress	161,334	275,913
Other capital assets, net of depreciation	<u>28,767,746</u>	<u>28,714,623</u>
Total noncurrent assets	<u>28,929,080</u>	<u>28,990,536</u>
Total assets	<u>30,489,535</u>	<u>30,747,680</u>
 Deferred Outflows of Resources		
Deferred outflows related to pensions	50,313	62,438
 Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	9,126	2,806
Deposits	50,000	50,000
Compensated absences - vacation due within one year	15,069	14,424
Compensated absences - sick due within one year	3,405	2,845
Current portion of general obligation notes	506,000	476,000
Accrued interest	<u>7,727</u>	<u>9,232</u>
Total current liabilities	<u>591,327</u>	<u>555,307</u>
Long-Term Liabilities:		
Compensated absences - sick pay	40,594	36,262
OPEB obligation	17,757	17,115
Net pension liability	5,495	10,711
Advances from other funds	1,714,801	1,389,239
General obligation notes	<u>2,074,336</u>	<u>2,586,093</u>
Total long-term liabilities	<u>3,852,983</u>	<u>4,039,420</u>
Total liabilities	<u>4,444,310</u>	<u>4,594,727</u>
 Deferred inflows of resources:		
Deferred revenue - subsequent year's taxes	931,000	931,250
Deferred inflows related to pensions	<u>22,755</u>	<u>22,542</u>
Total deferred inflows of resources	<u>953,755</u>	<u>953,792</u>
 Net Position:		
Net investment in capital assets	26,843,744	26,681,766
Unrestricted	<u>(1,701,961)</u>	<u>(1,420,167)</u>
Total net position	<u>\$ 25,141,783</u>	<u>\$ 25,261,599</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Storm Water Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
General property taxes	\$ 931,250	\$ 931,250
Charges for services	45,548	45,841
Total operating revenues	<u>976,798</u>	<u>977,091</u>
Operating Expenses:		
Operation and maintenance	400,332	377,920
Administrative expense	294,551	245,364
Depreciation expense	676,482	665,540
Total operating expenses	<u>1,371,365</u>	<u>1,288,824</u>
Operating loss	(394,567)	(311,733)
Nonoperating Revenues (Expenses):		
Investment earnings	7,752	3,922
Miscellaneous revenues	1,000	1,000
Loss on retirement of property and plant	(212,209)	(18,874)
Fiscal charges on debt	(695)	(695)
Amortization of debt issuance premiums, discounts and losses on refundings	5,756	5,756
Interest on long-term debt	(83,195)	(96,635)
Interest on advances	(25,562)	(14,239)
Net nonoperating expenses	<u>(307,153)</u>	<u>(119,765)</u>
Net loss before capital contributions	(701,720)	(431,498)
Capital contributions	581,904	2,235,518
Increase (decrease) in net position	<u>(119,816)</u>	<u>1,804,020</u>
Net Position:		
Balance, beginning of year	<u>25,261,599</u>	<u>23,457,579</u>
Balance, end of year	<u><u>\$ 25,141,783</u></u>	<u><u>\$ 25,261,599</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 46,864	\$ 45,916
Payments to suppliers	(114,230)	(274,767)
Payments to and on behalf of employees	(554,663)	(490,756)
Internal activity - receipts from other funds	759	---
Internal activity - payments to other funds	---	(223,595)
Other receipts	932,250	932,250
Net cash provided (used) by operating activities	<u>310,980</u>	<u>(10,952)</u>
Cash Flows From Noncapital Financing Activities		
Advances from Municipality	325,562	389,239
Interest on advances	(25,562)	(14,239)
Net cash provided by noncapital financing activities	<u>300,000</u>	<u>375,000</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	---	1,099
Additions to property and plant	(239,233)	(87,358)
Principal payments on debt	(476,000)	(477,494)
Interest on debt	(84,700)	(98,185)
Fiscal charges on debt	(696)	(695)
Net cash used by capital and related financing activities	<u>(800,629)</u>	<u>(662,633)</u>
Cash Flows From Investing Activities:		
Investment earnings	7,752	3,922
Net cash provided by investing activities	<u>7,752</u>	<u>3,922</u>
Net decrease in cash and equivalents	(181,897)	(294,663)
Cash and equivalents, beginning of year	<u>779,688</u>	<u>1,074,351</u>
Cash and equivalents, end of year	<u>\$ 597,791</u>	<u>\$ 779,688</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2017 and 2016
(Continued)

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (394,567)	\$ (311,733)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	676,482	665,540
Miscellaneous revenues	1,000	1,000
Changes in assets and liabilities related to operations:		
Receivables	1,566	75
Inventory	12,467	(37,853)
Due to or from other funds	759	(223,595)
Accounts payable and accrued liabilities	222	(130,419)
WRS pension accrual	7,122	25,619
Compensated absences	5,537	(243)
OPEB obligation	642	657
Deferred revenue	(250)	---
Net cash provided (used) by operating activities	<u><u>\$ 310,980</u></u>	<u><u>\$ (10,952)</u></u>
Noncash Capital Activities:		
Utility plant contributions	\$ 581,904	\$ 2,235,518
Amortization of debt issuance premiums, discounts and losses on refundings	(5,756)	(5,756)
Loss on retirement of property and plant	(212,209)	(18,874)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Risk Management Fund
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and equivalents	\$ 700,385	\$ 715,608
Receivables	<u>45,965</u>	<u>48,820</u>
Total assets	746,350	764,428
Liabilities:		
Incurred but not reported claims	<u>---</u>	<u>35,832</u>
Total liabilities	---	35,832
Net Position:		
Unrestricted	<u>746,350</u>	<u>728,596</u>
Total net position	<u>\$ 746,350</u>	<u>\$ 728,596</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Revenues, Expenses and Changes in Net Position - Risk Management Fund
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Charges for services	\$ ---	\$ ---
Operating Expenses:	<u>54,518</u>	<u>57,967</u>
Operating loss	(54,518)	(57,967)
Nonoperating Revenues:		
Investment earnings	5,735	2,895
Dividend on investment in CVMIC	30,705	32,612
Miscellaneous	<u>35,832</u>	<u>151,770</u>
Net nonoperating revenues	<u>72,272</u>	<u>187,277</u>
Increase in net assets	17,754	129,310
Net Position:		
Balance, beginning of year	<u>728,596</u>	<u>599,286</u>
Balance, end of year	<u><u>\$ 746,350</u></u>	<u><u>\$ 728,596</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (54,518)	\$ (53,632)
Internal activity - receipts from other funds	---	11,882
Other payments	---	(5,815)
Other receipts	2,855	---
Net cash used by operating activities	<u>(51,663)</u>	<u>(47,565)</u>
Cash Flows From Investing Activities:		
Investment earnings	36,440	35,507
Net cash provided by investing activities	<u>36,440</u>	<u>35,507</u>
Net decrease in cash and equivalents	(15,223)	(12,058)
Cash and equivalents, beginning of year	<u>715,608</u>	<u>727,666</u>
Cash and equivalents, end of year	<u><u>\$ 700,385</u></u>	<u><u>\$ 715,608</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:		
Operating loss	\$ (54,518)	\$ (57,967)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	2,855	(1,480)
Due to/from other funds	---	11,882
Net cash used by operating activities	<u><u>\$ (51,663)</u></u>	<u><u>\$ (47,565)</u></u>

See independent auditors' report.

FIDUCIARY (AGENCY) FUNDS

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statements of Net Position - Fiduciary (Agency) Funds
December 31, 2017

	<u>Taxing Jurisdictions</u>
Assets:	
Cash and equivalents	\$ 16,627,696
Taxes receivable	<u>43,092,373</u>
Total assets	<u><u>\$ 59,720,069</u></u>
 Liabilities:	
Due to other taxing units	\$ <u>59,720,069</u>
Total liabilities	<u><u>\$ 59,720,069</u></u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Changes in Assets and Liabilities - Fiduciary (Agency) Funds
Year Ended December 31, 2017

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>
Assets:				
Cash and equivalents	\$ 24,333,019	\$ 52,694,102	\$ (60,399,425)	\$ 16,627,696
Taxes receivable	<u>36,066,406</u>	<u>59,720,069</u>	<u>(52,694,102)</u>	<u>43,092,373</u>
Total assets	<u>\$ 60,399,425</u>	<u>\$ 112,414,171</u>	<u>\$ (113,093,527)</u>	<u>\$ 59,720,069</u>
Liabilities:				
Due to other taxing units	<u>\$ 60,399,425</u>	<u>\$ 59,720,069</u>	<u>\$ (60,399,425)</u>	<u>\$ 59,720,069</u>

See independent auditors' report.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2017

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2017	New Issues	Payments	Balance Outstanding December 31, 2017	Interest Paid 2017	Principal Due 2018	Interest Due 2018
General Fund :												
2007 G.O. Notes	06/01/07	4.32%	06/01	06/01 & 12/01	\$ 1,590,000	\$ 409,000	\$ ---	\$ (409,000)	\$ ---	\$ 8,947	\$ ---	\$ ---
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	2,185,000	940,000	---	(420,000)	520,000	29,200	520,000	10,400
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	753,900	---	(251,300)	502,600	21,769	251,300	13,287
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	1,624,000	---	(291,000)	1,333,000	48,758	406,000	37,432
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	3,200,000	---	(430,000)	2,770,000	88,970	530,000	77,069
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	1,335,000	1,160,000	---	(105,000)	1,055,000	31,337	125,000	28,881
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	2,000,000	---	---	2,000,000	60,000	---	60,000
2014 G.O. Notes	11/17/14	0.00%	02/15	N/A	223,622	167,716	---	(27,953)	139,763	---	27,953	---
2015 G.O. Notes	04/20/15	2.87%	05/01	05/01 & 11/01	2,000,000	2,000,000	---	---	2,000,000	57,000	---	57,000
2016 G.O. Notes	05/02/16	2.00%	05/01	05/01 & 11/01	2,000,000	2,000,000	---	(60,000)	1,940,000	59,288	---	38,800
Total General Fund						<u>\$ 14,254,616</u>	<u>\$ ---</u>	<u>\$ (1,994,253)</u>	<u>\$ 12,260,363</u>	<u>\$ 405,269</u>	<u>\$ 1,860,253</u>	<u>\$ 322,869</u>
Municipal Facilities and Equipment Fund:												
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	\$ 6,400,000	\$ 3,775,000	\$ ---	\$ (700,000)	\$ 3,075,000	\$ 130,000	\$ 725,000	\$ 108,500
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	7,950,000	5,400,000	---	(825,000)	4,575,000	173,750	875,000	156,750
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	1,600,000	---	(200,000)	1,400,000	42,000	200,000	37,000
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	11,650,000	---	11,650,000	---	11,650,000	---	970,000	425,610
Total Municipal Facilities Fund						<u>\$ 10,775,000</u>	<u>\$ 11,650,000</u>	<u>\$ (1,725,000)</u>	<u>\$ 20,700,000</u>	<u>\$ 345,750</u>	<u>\$ 2,770,000</u>	<u>\$ 727,860</u>
Capital Projects Fund:												
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	\$ 2,000,000	---	2,000,000	---	2,000,000	---	175,000	72,767
Special Assessment Fund:												
2008 G.O. Notes	07/01/08	4.16%	06/01	06/01 & 12/01	\$ 160,000	\$ 16,000	\$ ---	\$ (16,000)	\$ ---	\$ 350	\$ ---	\$ ---
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	589,100	117,820	---	(58,910)	58,910	3,534	58,910	1,178
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	53,100	---	(17,700)	35,400	1,533	17,700	936
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	76,000	---	(19,000)	57,000	2,190	19,000	1,572
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	110,000	60,000	---	(10,000)	50,000	1,634	10,000	1,388
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	70,000	50,000	---	(5,000)	45,000	1,300	5,000	1,194
Total Special Assessment Fund						<u>\$ 372,920</u>	<u>\$ ---</u>	<u>\$ (126,610)</u>	<u>\$ 246,310</u>	<u>\$ 10,541</u>	<u>\$ 110,610</u>	<u>\$ 6,268</u>
TID District #5:												
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 900,000	\$ 675,000	\$ ---	\$ (75,000)	\$ 600,000	\$ 17,438	\$ 100,000	\$ 15,563
2012 Refi #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	1,850,000	1,650,000	---	(300,000)	1,350,000	40,125	350,000	34,125
2014 Go Notes Refund #87	03/17/14	1.95%	04/01	04/01 & 10/01	3,825,000	2,025,000	---	(1,000,000)	1,025,000	30,500	1,025,000	10,250
Total TID District #5						<u>\$ 4,350,000</u>	<u>\$ ---</u>	<u>\$ (1,375,000)</u>	<u>\$ 2,975,000</u>	<u>\$ 88,063</u>	<u>\$ 1,475,000</u>	<u>\$ 59,938</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2017

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2017	New Issues	Payments	Balance Outstanding December 31, 2017	Interest Paid 2017	Principal Due 2018	Interest Due 2018
TID District #6:												
2014 GO Hotel Debt Refinance	10/20/14	3.42%	05/01	05/01 & 11/01	\$ 8,450,000	\$ 8,425,000	\$ ---	\$ (25,000)	\$ 8,400,000	\$ 332,000	\$ 100,000	\$ 330,687
2016 G.O Notes - Refinance	09/01/16	2.00%	09/01	03/01 & 09/01	1,280,000	1,280,000	---	---	1,280,000	25,600	---	25,600
2016 G.O Notes - Refinance	09/01/16	2.13%	09/01	03/01 & 09/01	875,000	875,000	---	---	875,000	18,594	---	18,594
Total TID District #6						<u>\$ 10,580,000</u>	<u>\$ ---</u>	<u>\$ (25,000)</u>	<u>\$ 10,555,000</u>	<u>\$ 376,194</u>	<u>\$ 100,000</u>	<u>\$ 374,881</u>
TID District #8:												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 4,925,000	\$ ---	\$ (1,525,000)	\$ 3,400,000	\$ 171,750	\$ 1,650,000	\$ 122,188
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	225,000	---	(125,000)	100,000	5,312	50,000	2,500
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	160,000	---	---	160,000	4,394	30,000	4,056
2015 G.O. Notes	03/16/15	3.11%	03/01	03/01 & 09/01	4,300,000	4,175,000	---	(175,000)	4,000,000	123,156	175,000	119,656
2015 G.O. Notes	03/16/15	2.95%	03/01	03/01 & 09/01	7,850,000	7,550,000	---	(150,000)	7,400,000	212,438	350,000	207,438
2016 G.O. Notes	11/21/16	2.00%	06/01	06/01 & 12/01	2,500,000	2,500,000	---	---	2,500,000	51,389	50,000	49,500
2016 G.O. Notes	11/21/16	2.99%	06/01	06/01 & 12/01	7,425,000	7,425,000	---	---	7,425,000	224,248	50,000	217,687
Total TID District #8						<u>\$ 26,960,000</u>	<u>\$ ---</u>	<u>\$ (1,975,000)</u>	<u>\$ 24,985,000</u>	<u>\$ 792,687</u>	<u>\$ 2,355,000</u>	<u>\$ 723,025</u>
TID District #9:												
2012 G.O. Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 250,000	\$ 250,000	\$ ---	\$ ---	\$ 250,000	\$ 6,813	\$ 50,000	\$ 6,250
TID District #10:												
2015 G.O. Refunding Bonds	08/03/15	2.50%	08/01	02/01 & 08/01	\$ 9,975,000	\$ 9,975,000	\$ ---	\$ ---	\$ 9,975,000	\$ 249,375	\$ ---	\$ 249,375
2016 G.O Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	4,100,000	4,100,000	---	---	4,100,000	87,125	---	87,125
Total TID District #10						<u>\$ 14,075,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,075,000</u>	<u>\$ 336,500</u>	<u>\$ ---</u>	<u>\$ 336,500</u>
TID District #11:												
2016 G.O. Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	\$ 525,000	\$ 525,000	\$ ---	\$ ---	\$ 525,000	\$ 11,156	\$ ---	\$ 11,156
TID District #12:												
2015 G.O. Notes	03/16/15	2.25%	03/01	03/01 & 09/01	\$ 1,280,000	\$ 1,280,000	\$ ---	\$ (1,280,000)	\$ ---	\$ 14,400	\$ ---	\$ ---
2017 G.O. Notes	02/22/17	3.38%	03/01	03/01 & 09/01	1,280,000	---	1,280,000	---	1,280,000	22,680	---	43,200
Total TID District #12						<u>\$ 1,280,000</u>	<u>\$ 1,280,000</u>	<u>\$ (1,280,000)</u>	<u>\$ 1,280,000</u>	<u>\$ 37,080</u>	<u>\$ ---</u>	<u>\$ 43,200</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2017

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2017	New Issues	Payments	Balance Outstanding December 31, 2017	Interest Paid 2017	Principal Due 2018	Interest Due 2018
Water Utility :												
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	\$ 790,000	\$ 340,000	\$ ---	\$ (80,000)	\$ 260,000	\$ 9,885	\$ 85,000	\$ 7,204
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	450,000	---	(85,000)	365,000	11,965	85,000	9,872
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	720,000	---	(115,000)	605,000	17,694	115,000	15,250
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	970,000	---	(50,000)	920,000	28,200	50,000	27,200
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	1,400,000	---	(200,000)	1,200,000	30,300	200,000	27,400
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	920,000	820,000	---	(50,000)	770,000	23,150	50,000	21,900
2015 G.O. Notes	05/04/15	2.83%	05/01	05/01 & 11/01	1,110,000	1,055,000	---	(55,000)	1,000,000	27,937	55,000	26,837
2016 G.O. Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	525,000	1,190,000	---	(35,000)	1,155,000	35,284	50,000	22,600
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	1,285,000	---	1,285,000	---	1,285,000	---	65,000	46,595
Total Water Utility						\$ 6,945,000	\$ 1,285,000	\$ (670,000)	\$ 7,560,000	\$ 184,415	\$ 755,000	\$ 204,858
Sewer Utility:												
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	\$ 217,231	\$ 56,413	\$ ---	\$ (13,490)	\$ 42,923	\$ 1,475	\$ 13,891	\$ 1,068
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,887,778	1,194,633	---	(95,467)	1,099,166	29,212	97,899	26,749
2008 G.O. Notes	07/01/08	4.03%	06/01	06/01 & 12/01	460,900	92,180	---	(46,090)	46,090	2,766	46,090	922
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	110,000	---	(25,000)	85,000	2,806	25,000	2,191
Total Sewer Utility						\$ 1,453,226	\$ ---	\$ (180,047)	\$ 1,273,179	\$ 36,259	\$ 182,880	\$ 30,930
Storm Water Utility:												
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	\$ 1,015,000	\$ 568,000	\$ ---	\$ (156,000)	\$ 412,000	\$ 17,057	\$ 181,000	\$ 11,370
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	260,000	---	(60,000)	200,000	7,580	65,000	5,549
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	655,000	---	(125,000)	530,000	17,388	125,000	14,309
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	460,000	---	(75,000)	385,000	11,275	75,000	9,681
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	1,085,000	---	(60,000)	1,025,000	31,400	60,000	30,200
Total Storm Water Utility						\$ 3,028,000	\$ ---	\$ (476,000)	\$ 2,552,000	\$ 84,700	\$ 506,000	\$ 71,109
Total long-term obligations						\$ 94,848,762	\$ 16,215,000	\$ (9,826,910)	\$ 101,236,852	\$ 2,715,427	\$ 10,339,743	\$ 2,991,611

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.	114 - 126
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.	127 - 131
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.	132 - 137
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.	138 - 139
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.	140 - 142

Sources:

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Net investment in capital assets	\$ 104,160,129	\$ 102,173,468	\$ 96,772,895	\$ 103,412,007	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291	\$ 91,052,481	\$ 72,568,233
Restricted	7,609,860	14,118,882	14,201,491	4,263,413	8,154,210	15,340,255	5,425,086	5,989,717	9,964,612	8,337,633
Unrestricted	8,179,100	1,691,916	(1,058,717)	(2,568,467)	3,202,645	3,353,935	6,247,496	8,956,797	5,714,651	15,515,922
Total governmental activities net position	<u>\$ 119,949,089</u>	<u>\$ 117,984,266</u>	<u>\$ 109,915,669</u>	<u>\$ 105,106,953</u>	<u>\$ 106,388,719</u>	<u>\$ 103,464,235</u>	<u>\$ 105,821,029</u>	<u>\$ 109,063,805</u>	<u>\$ 106,731,744</u>	<u>\$ 96,421,788</u>
Business-type activities:										
Net investment in capital assets	\$ 128,757,520	\$ 129,672,477	\$ 123,987,544	\$ 124,026,180	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050	\$ 121,095,716	\$ 120,252,088
Restricted	8,930,411	8,225,993	7,522,670	5,676,161	4,797,439	4,837,262	6,585,206	10,019,745	13,067,810	13,496,684
Unrestricted	11,895,252	11,477,555	12,246,507	12,454,702	13,322,201	12,262,744	11,038,425	12,191,413	8,893,049	9,917,625
Total business-type activities net position	<u>\$ 149,583,183</u>	<u>\$ 149,376,025</u>	<u>\$ 143,756,721</u>	<u>\$ 142,157,043</u>	<u>\$ 138,751,226</u>	<u>\$ 143,688,283</u>	<u>\$ 143,892,278</u>	<u>\$ 143,998,208</u>	<u>\$ 143,056,575</u>	<u>\$ 143,666,397</u>
Primary government:										
Net investment in capital assets	\$ 232,917,649	\$ 231,845,945	\$ 220,760,439	\$ 227,438,187	\$ 215,663,450	\$ 211,358,322	\$ 220,417,094	\$ 215,904,341	\$ 212,148,197	\$ 192,820,321
Restricted	\$ 16,540,271	\$ 22,344,875	\$ 21,724,161	\$ 9,939,574	\$ 12,951,649	\$ 20,177,517	\$ 12,010,292	\$ 16,009,462	\$ 23,032,422	\$ 21,834,317
Unrestricted	20,074,352	13,169,471	11,187,790	9,886,235	16,524,846	15,616,679	17,285,921	21,148,210	14,607,700	25,433,547
Total primary government net position	<u>\$ 269,532,272</u>	<u>\$ 267,360,291</u>	<u>\$ 253,672,390</u>	<u>\$ 247,263,996</u>	<u>\$ 245,139,945</u>	<u>\$ 247,152,518</u>	<u>\$ 249,713,307</u>	<u>\$ 253,062,013</u>	<u>\$ 249,788,319</u>	<u>\$ 240,088,185</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Total expenses	\$ 40,943,590	\$ 38,813,296	\$ 44,719,283	\$ 47,812,954	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,969,616	\$ 32,963,219	\$ 34,223,341
Total program revenues	11,833,289	16,754,738	14,661,773	17,259,857	10,064,114	13,102,142	10,498,182	10,237,660	16,953,433	10,077,758
Net program expense	<u>(29,110,301)</u>	<u>(22,058,558)</u>	<u>(30,057,510)</u>	<u>(30,553,097)</u>	<u>(25,587,627)</u>	<u>(25,839,029)</u>	<u>(30,478,171)</u>	<u>(24,731,956)</u>	<u>(16,009,786)</u>	<u>(24,145,583)</u>
Total general revenues and other changes in net position	31,075,124	30,127,155	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742	25,950,816
Prior period adjustment	---	---	5,499,742	121,324	(923,763)	---	---	---	---	---
Change in net position	<u>1,964,823</u>	<u>8,068,597</u>	<u>4,808,714</u>	<u>(1,281,766)</u>	<u>2,924,484</u>	<u>(2,356,794)</u>	<u>(3,242,776)</u>	<u>2,332,061</u>	<u>10,309,956</u>	<u>1,805,233</u>
Business-type activities:										
Total expenses	18,120,673	16,889,816	18,411,294	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260	17,509,431	16,855,381
Total program revenues	18,507,469	22,496,093	18,253,238	20,301,675	16,654,785	16,736,310	16,110,592	16,642,735	15,558,718	17,340,658
Net program revenue	<u>386,796</u>	<u>5,606,277</u>	<u>(158,056)</u>	<u>2,127,230</u>	<u>(1,528,781)</u>	<u>(1,521,364)</u>	<u>(1,445,552)</u>	<u>(358,525)</u>	<u>(1,950,713)</u>	<u>485,277</u>
Total general revenues and other changes in net position	(179,638)	13,027	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891	1,761,439
Prior period adjustment	---	---	471,099	---	(4,692,718)	---	---	---	---	---
Change in net position	<u>207,158</u>	<u>5,619,304</u>	<u>1,599,678</u>	<u>3,405,817</u>	<u>(4,937,057)</u>	<u>(203,995)</u>	<u>(105,930)</u>	<u>941,633</u>	<u>(609,822)</u>	<u>2,246,716</u>
Total primary government										
Change in net position	<u>\$ 2,171,981</u>	<u>\$ 13,687,901</u>	<u>\$ 6,408,392</u>	<u>\$ 2,124,051</u>	<u>(2,012,573)</u>	<u>(2,560,789)</u>	<u>(3,348,706)</u>	<u>\$ 3,273,694</u>	<u>\$ 9,700,134</u>	<u>\$ 4,051,949</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
General government	\$ 4,153,483	\$ 4,222,904	\$ 4,228,723	\$ 4,720,166	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070	\$ 4,041,098	\$ 4,180,139
Public safety	15,905,633	16,128,775	14,350,057	14,436,356	14,060,147	14,059,166	14,270,726	14,200,950	13,681,300	13,273,575
Public works	12,515,134	9,181,890	11,973,544	9,346,862	9,161,630	8,508,057	8,643,954	8,700,112	8,134,046	9,956,820
Culture and recreation	3,356,222	3,618,566	3,394,861	3,405,817	3,202,857	3,082,115	3,319,499	3,328,134	3,474,168	3,204,236
Conservation and development	2,603,249	3,322,732	8,573,095	13,245,448	2,075,907	5,322,277	7,316,955	1,639,911	1,044,474	936,484
Loss on retirement of capital assets	---	---	---	---	---	---	---	---	58,698	---
Interest on advances from utilities	---	---	---	---	---	---	---	---	6,388	35,394
Interest and fiscal charges	2,409,869	2,338,429	2,199,003	2,658,305	2,525,635	3,040,542	2,990,375	2,843,439	2,523,047	2,636,693
Total governmental activities expenses	<u>40,943,590</u>	<u>38,813,296</u>	<u>44,719,283</u>	<u>47,812,954</u>	<u>35,651,741</u>	<u>38,941,171</u>	<u>40,976,353</u>	<u>34,969,616</u>	<u>32,963,219</u>	<u>34,223,341</u>
Business-type activities:										
Water Utility	5,627,767	5,620,359	6,720,087	6,641,515	6,784,586	6,728,861	6,677,008	6,473,258	6,389,476	6,352,569
Sewer Utility	10,805,636	9,855,946	10,303,191	10,166,494	10,109,008	10,153,534	9,492,870	9,213,515	9,770,633	9,154,180
Storm Water Utility	1,687,270	1,413,511	1,388,016	1,366,436	1,289,972	1,375,279	1,386,266	1,314,487	1,349,322	1,348,632
Total business-type activities expenses	<u>18,120,673</u>	<u>16,889,816</u>	<u>18,411,294</u>	<u>18,174,445</u>	<u>18,183,566</u>	<u>18,257,674</u>	<u>17,556,144</u>	<u>17,001,260</u>	<u>17,509,431</u>	<u>16,855,381</u>
Total primary government expenses	<u>\$ 59,064,263</u>	<u>\$ 55,703,112</u>	<u>\$ 63,130,577</u>	<u>\$ 65,987,399</u>	<u>\$ 53,835,307</u>	<u>\$ 57,198,845</u>	<u>\$ 58,532,497</u>	<u>\$ 51,970,876</u>	<u>\$ 50,472,650</u>	<u>\$ 51,078,722</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Charges for services	\$ 8,161,483	\$ 7,953,646	\$ 7,998,176	\$ 7,126,005	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835	\$ 6,302,663	\$ 6,467,051
Operating grants and contributions	3,261,846	3,211,421	3,760,572	2,935,157	2,318,766	2,613,573	2,441,155	2,361,517	2,680,384	2,005,597
Capital grants and contributions	409,960	5,589,671	2,903,025	7,198,695	1,048,838	1,714,561	773,126	1,240,308	7,970,386	1,605,110
Total governmental activities program revenues	<u>11,833,289</u>	<u>16,754,738</u>	<u>14,661,773</u>	<u>17,259,857</u>	<u>10,064,114</u>	<u>13,102,142</u>	<u>10,498,182</u>	<u>10,237,660</u>	<u>16,953,433</u>	<u>10,077,758</u>
Business-type activities:										
Charges for services	15,503,049	15,286,679	15,187,279	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582	14,977,719	15,368,939
Capital grants and contributions	3,004,420	7,209,414	3,065,959	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153	580,999	1,971,719
Total business-type activities program revenues	<u>\$ 18,507,469</u>	<u>\$ 22,496,093</u>	<u>\$ 18,253,238</u>	<u>\$ 20,301,675</u>	<u>\$ 16,654,785</u>	<u>\$ 16,736,310</u>	<u>\$ 16,110,592</u>	<u>\$ 16,642,735</u>	<u>\$ 15,558,718</u>	<u>\$ 17,340,658</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
General government	\$ 548,446	\$ 633,606	\$ 555,285	\$ 539,299	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962	\$ 461,226	\$ 369,566
Public safety	2,023,814	1,795,184	1,875,189	1,585,437	1,641,121	1,639,585	1,513,795	1,548,880	1,439,822	1,255,531
Public works	4,249,073	4,247,237	4,204,374	3,978,709	3,644,103	5,779,785	4,479,108	3,773,328	3,793,143	3,864,882
Culture and recreation	366,769	62,504	123,286	122,347	122,973	120,513	124,526	127,391	108,368	323,646
Conservation and development	973,381	1,215,115	1,240,042	900,213	707,409	667,551	642,507	707,274	500,104	653,426
Total governmental activities charges for services	<u>8,161,483</u>	<u>7,953,646</u>	<u>7,998,176</u>	<u>7,126,005</u>	<u>6,696,510</u>	<u>8,774,008</u>	<u>7,283,901</u>	<u>6,635,835</u>	<u>6,302,663</u>	<u>6,467,051</u>
Business-type activities:										
Sewer Utility	8,543,988	8,418,856	8,309,028	8,114,553	8,229,711	8,526,609	8,287,181	8,652,539	8,789,253	9,017,943
Water Utility	6,913,513	6,821,982	6,838,038	6,535,141	6,641,814	7,097,796	6,577,855	6,144,447	6,154,632	6,310,089
Storm Water Utility	45,548	45,841	40,213	28,633	27,926	28,260	32,237	33,596	33,834	40,907
Total business-type activities charges for services	<u>15,503,049</u>	<u>15,286,679</u>	<u>15,187,279</u>	<u>14,678,327</u>	<u>14,899,451</u>	<u>15,652,665</u>	<u>14,897,273</u>	<u>14,830,582</u>	<u>14,977,719</u>	<u>15,368,939</u>
Total primary government charges for services	<u>\$ 23,664,532</u>	<u>\$ 23,240,325</u>	<u>\$ 23,185,455</u>	<u>\$ 21,804,332</u>	<u>\$ 21,595,961</u>	<u>\$ 24,426,673</u>	<u>\$ 22,181,174</u>	<u>\$ 21,466,417</u>	<u>\$ 21,280,382</u>	<u>\$ 21,835,990</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
General government	\$ ---	\$ 2,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Public safety	629,364	637,730	900,570	586,717	440,209	487,864	311,550	242,256	302,725	211,964
Public works	2,069,462	2,031,294	2,133,358	1,826,242	1,774,408	1,977,282	2,033,841	2,027,059	2,127,402	1,528,727
Culture and recreation	65,729	63,225	61,116	42,057	28,177	41,352	34,814	44,121	45,431	34,995
Conservation and development	497,291	477,172	665,528	480,141	75,972	107,075	60,950	48,081	204,826	229,911
Total governmental activities operating grants and contributions	<u>\$ 3,261,846</u>	<u>\$ 3,211,421</u>	<u>\$ 3,760,572</u>	<u>\$ 2,935,157</u>	<u>\$ 2,318,766</u>	<u>\$ 2,613,573</u>	<u>\$ 2,441,155</u>	<u>\$ 2,361,517</u>	<u>\$ 2,680,384</u>	<u>\$ 2,005,597</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
General government	\$ ---	\$ 178,616	\$ 103,000	\$ 4,269,900	\$ ---	\$ ---	\$ 5,000	\$ 14,569	\$ ---	\$ ---
Public safety	---	---	---	---	---	107,000	---	---	60,000	---
Public works	409,960	5,236,347	2,800,025	2,928,795	1,048,838	1,604,161	768,126	1,225,739	7,910,386	1,604,249
Culture and recreation	---	---	---	---	---	---	---	---	---	861
Conservation and development	---	174,708	---	---	---	3,400	---	---	---	---
Total governmental activities capital grants and contributions	<u>409,960</u>	<u>5,589,671</u>	<u>2,903,025</u>	<u>7,198,695</u>	<u>1,048,838</u>	<u>1,714,561</u>	<u>773,126</u>	<u>1,240,308</u>	<u>7,970,386</u>	<u>1,605,110</u>
Business-type activities:										
Water Utility	1,194,004	1,579,499	1,333,453	2,583,029	367,561	709,702	543,002	830,793	287,657	1,137,181
Sewer Utility	1,228,512	3,394,397	1,160,330	1,606,521	308,582	373,943	454,450	981,360	278,529	492,911
Storm Water Utility	<u>581,904</u>	<u>2,235,518</u>	<u>572,176</u>	<u>1,433,798</u>	<u>1,079,191</u>	<u>---</u>	<u>215,867</u>	<u>---</u>	<u>14,813</u>	<u>341,627</u>
Total business-type activities capital grants and contributions	<u>3,004,420</u>	<u>7,209,414</u>	<u>3,065,959</u>	<u>5,623,348</u>	<u>1,755,334</u>	<u>1,083,645</u>	<u>1,213,319</u>	<u>1,812,153</u>	<u>580,999</u>	<u>1,971,719</u>
Total primary government capital grants and contributions	<u>\$ 3,414,380</u>	<u>\$ 12,799,085</u>	<u>\$ 5,968,984</u>	<u>\$ 12,822,043</u>	<u>\$ 2,804,172</u>	<u>\$ 2,798,206</u>	<u>\$ 1,986,445</u>	<u>\$ 3,052,461</u>	<u>\$ 8,551,385</u>	<u>\$ 3,576,829</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Taxes	\$ 28,896,754	\$ 27,932,557	\$ 27,213,075	\$ 27,345,166	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386	\$ 24,728,311	\$ 23,522,724
Grants and contributions not restricted to specific programs	1,251,900	1,360,274	1,762,237	1,542,891	1,050,489	1,047,409	1,230,437	1,100,295	1,263,645	1,227,423
Impact fees	---	305,993	---	---	---	---	---	---	---	---
Investments earnings	436,866	223,544	100,583	71,074	65,991	118,049	120,702	151,238	234,227	1,052,148
Interest on advances to utilities	29,176	19,606	7,087	12,849	19,171	25,232	22,082	38,824	31,048	34,537
Gain (loss) on retirement of capital assets	175,999	---	149,057	---	(192,379)	(4,138,753)	13,182	32,391	---	56,912
Debt payments received	---	---	---	---	---	213,716	---	---	---	---
Developer incentives returned	---	---	---	---	2,000,000	---	---	---	---	---
Other revenues	284,429	285,181	134,443	178,027	118,125	81,500	97,446	65,883	62,511	57,072
Total governmental activities general revenues and other changes in net position	31,075,124	30,127,155	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017	26,319,742	25,950,816
Business-type activities:										
Taxes	931,250	931,250	1,231,250	1,231,250	1,231,250	1,231,250	1,231,250	1,212,990	1,195,085	1,177,535
Transfers - PILOT	(1,294,564)	(1,316,613)	---	---	---	---	---	---	---	---
Investments earnings	149,839	69,424	18,838	13,602	14,561	24,509	27,662	41,540	124,673	567,393
Interest on advances to governmental funds	---	---	---	---	---	---	---	---	6,388	35,394
Gain (loss) on retirement of capital assets	---	---	---	---	5,178	(1,575)	24,135	4,678	147	(21,138)
Other revenues	33,837	328,966	36,547	33,735	33,453	63,185	56,575	40,950	14,598	2,255
Total business-type activities general revenues and other changes in net position	(179,638)	13,027	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158	1,340,891	1,761,439
Total primary government general revenues and other changes in net position	\$ 30,895,486	\$ 30,140,182	\$ 30,653,117	\$ 30,428,594	\$ 30,720,316	\$ 24,799,604	\$ 28,575,017	\$ 28,364,175	\$ 27,660,633	\$ 27,712,255

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Nonspendable	\$ 2,683,102	\$ 2,264,263	\$ 2,252,876	\$ 2,375,001	\$ 2,189,844	\$ 2,498,367	\$ 2,391,707	\$ ---	\$ ---	\$ ---
Restricted	---	---	---	---	---	91,526	11,094	---	---	---
Unassigned	7,002,556	7,421,395	7,387,708	7,265,583	7,340,740	6,675,691	6,843,969	---	---	---
Reserved	---	---	---	---	---	---	---	2,018,827	2,060,963	2,225,144
Unreserved	---	---	---	---	---	---	---	6,076,505	6,034,369	5,870,188
Total general fund	<u>9,685,658</u>	<u>9,685,658</u>	<u>9,640,584</u>	<u>9,640,584</u>	<u>9,530,584</u>	<u>9,265,584</u>	<u>9,246,770</u>	<u>8,095,332</u>	<u>8,095,332</u>	<u>8,095,332</u>
All Other Governmental Funds:										
Nonspendable	2,872,078	2,090,552	1,881,590	1,232,169	15,369,451	15,985,377	17,818,086	---	---	---
Restricted	9,631,125	11,169,562	10,819,886	8,961,001	10,579,623	17,177,241	11,860,659	---	---	---
Committed	6,970,364	9,592,988	8,918,811	2,995,623	4,114,678	1,043,079	6,311,798	---	---	---
Assigned	7,157,630	5,263,510	4,174,551	4,487,089	3,215,701	7,399,395	534,957	---	---	---
Unassigned	(2,261,744)	(1,798,726)	(1,381,051)	(1,174,729)	(386,481)	(3,289,054)	(887,452)	---	---	---
Reserved	---	---	---	---	---	---	---	30,420,048	14,826,220	12,438,231
Unreserved, reported in:										
Special Revenue funds	---	---	---	---	---	---	---	6,485,333	91,966	304,130
Capital Projects funds	---	---	---	---	---	---	---	(230,554)	3,429,420	5,917,809
Total all other governmental funds	<u>24,369,453</u>	<u>26,317,886</u>	<u>24,413,787</u>	<u>16,501,153</u>	<u>32,892,972</u>	<u>38,316,038</u>	<u>35,638,048</u>	<u>36,674,827</u>	<u>18,347,606</u>	<u>18,660,170</u>
Total all governmental funds	<u>\$ 34,055,111</u>	<u>\$ 36,003,544</u>	<u>\$ 34,054,371</u>	<u>\$ 26,141,737</u>	<u>\$ 42,423,556</u>	<u>\$ 47,581,622</u>	<u>\$ 44,884,818</u>	<u>\$ 44,770,159</u>	<u>\$ 26,442,938</u>	<u>\$ 26,755,502</u>

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

Source: Comprehensive Annual Financial Reports

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues	\$ 41,183,675	\$ 40,383,973	\$ 40,435,293	\$ 38,641,760	\$ 38,062,033	\$ 37,617,444	\$ 36,384,093	\$ 35,084,872	\$ 34,781,784	\$ 35,239,380
Expenditures	<u>59,259,005</u>	<u>45,543,439</u>	<u>56,789,395</u>	<u>60,851,335</u>	<u>43,561,974</u>	<u>58,281,312</u>	<u>49,578,107</u>	<u>54,945,695</u>	<u>40,537,373</u>	<u>42,473,059</u>
Deficiency of revenues under expenditures	(18,075,330)	(5,159,466)	(16,354,102)	(22,209,575)	(5,499,941)	(20,663,868)	(13,194,014)	(19,860,823)	(5,755,589)	(7,233,679)
Other financing sources (uses) and other Changes in fund balances	15,671,372	7,108,639	24,266,735	5,806,432	341,875	23,360,672	13,308,673	38,188,044	5,443,025	7,211,144
Prior period adjustment	<u>455,525</u>	---	---	121,324	---	---	---	---	---	---
Total change in fund balance	<u>\$ (1,948,433)</u>	<u>\$ 1,949,173</u>	<u>\$ 7,912,633</u>	<u>\$ (16,281,819)</u>	<u>\$ (5,158,066)</u>	<u>\$ 2,696,804</u>	<u>\$ 114,659</u>	<u>\$ 18,327,221</u>	<u>\$ (312,564)</u>	<u>\$ (22,535)</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Taxes	\$ 27,841,438	\$ 26,597,863	\$ 25,904,061	\$ 26,266,221	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550	\$ 23,618,142	\$ 22,520,264
Special assessment & interest	43,250	39,096	208,782	192,256	95,737	178,285	195,095	156,193	271,814	303,739
Licenses and permits	1,436,318	1,791,721	1,728,039	1,347,111	1,187,601	1,141,357	1,094,714	1,102,585	877,195	875,180
Fines and penalties	572,666	607,211	609,413	563,671	744,985	649,989	648,116	755,247	662,503	661,095
Intergovernmental aid	3,599,603	3,675,400	4,681,534	3,607,341	3,219,203	3,186,673	3,800,609	3,355,012	3,821,062	3,714,531
Program revenues	1,408,988	1,371,170	1,384,278	1,440,025	1,474,779	1,447,884	1,511,174	1,410,802	1,244,290	1,492,130
Other charges for service	4,425,975	4,367,503	4,212,352	3,726,595	3,322,434	5,395,570	4,064,142	3,346,548	3,472,847	3,448,579
Interest income	424,017	197,861	72,211	42,985	48,315	70,775	89,279	120,726	222,381	1,073,689
Interest on advances	76,131	47,201	27,703	32,280	237,966	241,269	104,066	112,724	84,728	85,392
Developer incentives returned	---	---	---	---	2,000,000	---	---	---	---	---
Other revenue	1,355,289	1,688,947	1,606,920	1,423,275	750,477	462,596	329,325	250,485	506,822	1,064,781
Total revenues	<u>\$ 41,183,675</u>	<u>\$ 40,383,973</u>	<u>\$ 40,435,293</u>	<u>\$ 38,641,760</u>	<u>\$ 38,062,033</u>	<u>\$ 37,617,444</u>	<u>\$ 36,384,093</u>	<u>\$ 35,084,872</u>	<u>\$ 34,781,784</u>	<u>\$ 35,239,380</u>

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current:										
General government	\$ 3,551,177	\$ 3,630,500	\$ 3,656,043	\$ 3,909,661	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621	\$ 3,462,236	\$ 3,461,298
Public safety	14,199,667	14,378,386	13,860,652	13,823,637	13,403,094	13,349,480	13,532,420	13,440,800	13,087,197	12,648,113
Public works	9,646,965	6,809,817	9,951,007	7,101,179	7,331,797	6,806,723	6,915,529	6,905,932	6,390,586	8,627,095
Culture and recreation	2,840,922	3,079,854	2,891,428	2,921,152	2,666,107	2,587,993	2,758,347	2,792,380	2,933,828	2,646,871
Conservation and development	2,520,884	3,028,937	7,006,218	1,486,607	2,039,586	5,111,837	7,410,485	1,645,679	1,145,049	870,587
Uncollectible accounts	---	---	---	5,261,620	---	---	---	---	---	---
Capital outlay	16,533,564	4,769,966	10,381,143	7,579,866	4,120,998	16,066,598	5,119,767	10,597,430	2,730,380	1,532,375
Debt service:										
Principal	7,220,863	6,984,369	6,434,369	15,756,416	6,670,417	6,548,416	6,258,415	12,688,416	8,027,416	9,913,506
Interest and fiscal charges	2,411,470	2,485,688	2,178,219	2,667,067	2,956,176	3,022,128	3,355,521	2,465,653	2,609,863	2,618,722
Interest on advances	46,955	27,594	20,616	19,431	218,795	216,037	81,984	73,900	60,068	86,249
Debt issuance costs	286,538	348,328	409,700	324,699	200,271	393,613	205,922	692,884	90,750	68,243
Total expenditures	<u><u>\$ 59,259,005</u></u>	<u><u>\$ 45,543,439</u></u>	<u><u>\$ 56,789,395</u></u>	<u><u>\$ 60,851,335</u></u>	<u><u>\$ 43,561,974</u></u>	<u><u>\$ 58,281,312</u></u>	<u><u>\$ 49,578,107</u></u>	<u><u>\$ 54,945,695</u></u>	<u><u>\$ 40,537,373</u></u>	<u><u>\$ 42,473,059</u></u>
Noncapital expenditures	<u>22.54%</u>	<u>23.23%</u>	<u>18.56%</u>	<u>34.58%</u>	<u>24.41%</u>	<u>22.67%</u>	<u>21.62%</u>	<u>34.17%</u>	<u>28.14%</u>	<u>30.61%</u>

Source: Comprehensive Annual Financial Reports

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating transfers in	\$ 12,564,073	\$ 12,630,432	\$ 18,816,352	\$ 21,284,579	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073	\$ 7,471,082	\$ 11,304,685
Operating transfers out	(12,564,073)	(12,630,432)	(18,816,352)	(21,284,578)	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)	(7,471,082)	(11,304,685)
Transfers - PILOT	1,294,564	1,316,613	1,290,385	1,259,422	1,393,941	1,292,036	1,203,973	1,200,836	1,110,169	1,002,460
Residual equity transfer	---	---	---	---	---	---	---	---	---	---
Proceeds from sale of capital assets	175,999	646,594	6,997,349	(55,294)	41,906	---	13,182	32,391	87,106	66,341
Fair market of bond/notes issued	13,650,000	4,750,000	15,430,000	4,223,622	7,175,000	28,940,000	11,855,000	32,025,000	4,155,000	6,074,100
Fair market of refunding bonds issued	1,280,000	13,955,000	9,975,000	12,275,000	6,780,000	---	---	4,080,000	---	---
Payment to refunding escrow agent	(1,280,000)	(13,955,000)	(10,025,000)	(12,325,000)	(15,154,270)	(8,600,000)	---	---	---	---
Debt issuance premiums	550,809	395,432	599,001	609,158	105,298	1,514,920	236,518	849,817	90,750	68,243
Debt payments received	---	---	---	---	---	213,716	---	---	---	---
Distribution upon closure of TID	---	---	---	(180,477)	---	---	---	---	---	---
Total other financing sources (uses)										
and other changes in fund balance	<u>\$ 15,671,372</u>	<u>\$ 7,108,639</u>	<u>\$ 24,266,735</u>	<u>\$ 5,806,432</u>	<u>\$ 341,875</u>	<u>\$ 23,360,672</u>	<u>\$ 13,308,673</u>	<u>\$ 38,188,044</u>	<u>\$ 5,443,025</u>	<u>\$ 7,211,144</u>

Source: Comprehensive Annual Financial Reports

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		Total Assessed Value	Total Direct Tax Rate	Total Taxable Equalized Value	Assessment Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2017	\$ 4,646,965,460	\$ 4,782,064,200	\$ 179,374,930	\$ 180,583,200	\$ 4,826,340,390	\$ 5.23	\$ 4,962,647,400	0.9725
2016	4,548,546,260	4,550,377,900	174,516,280	177,999,900	4,723,062,540	5.17	4,728,377,800	0.9989
2015	4,427,051,360	4,424,078,642	159,081,780	158,974,958	4,586,133,140	5.20	4,583,053,600	1.0007
2014	4,377,881,960	4,331,625,189	163,982,250	162,249,611	4,541,864,210	5.20	4,493,874,800	1.0107
2013	4,356,357,660	4,092,149,876	162,733,300	152,863,724	4,519,090,960	5.20	4,245,013,600	1.0646
2012	4,277,627,360	4,176,224,340	142,649,120	139,267,560	4,420,276,480	5.20	4,315,491,900	1.0243
2011	4,248,742,200	4,299,841,843	140,072,010	141,756,657	4,388,814,210	5.20	4,441,598,500	0.9881
2010	4,224,701,290	4,291,691,236	143,615,590	145,892,864	4,368,316,880	5.17	4,437,584,100	0.9844
2009	4,169,912,100	4,438,094,157	142,107,780	151,247,243	4,312,019,880	5.22	4,589,341,400	0.9396
2008	4,119,463,500	4,486,663,248	136,375,450	148,531,652	4,255,838,950	5.17	4,635,194,900	0.9182

Menomonee Falls School District	\$ 3,734,891,870
Hamilton Sussex School District	<u>1,091,448,520</u>
Total assessed value	<u>\$ 4,826,340,390</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
2017	\$ 3,137,555,560	\$ 1,492,015,900	\$ 17,394,000	\$ 4,646,965,460	761	\$ 53,590,000	143	\$ 48,020,000
2016	3,084,284,360	1,447,556,700	16,705,200	4,548,546,260	740	47,560,000	146	70,020,000
2015	3,045,248,960	1,365,294,700	16,507,700	4,427,051,360	696	37,791,221	169	115,540,528
2014	3,011,686,460	1,349,447,800	16,747,700	4,377,881,960	695	24,504,020	166	89,112,115
2013	2,986,655,260	1,352,997,000	16,705,400	4,356,357,660	688	27,219,724	177	32,992,395
2012	2,963,751,660	1,296,913,100	16,962,600	4,277,627,360	608	22,753,135	126	34,157,895
2011	2,954,622,401	1,277,237,401	16,882,401	4,248,742,203	573	18,709,627	147	47,333,453
2010	2,945,222,501	1,262,085,590	17,393,200	4,224,701,291	617	23,057,560	128	36,981,941
2009	2,935,215,100	1,216,139,000	18,558,000	4,169,912,100	439	15,597,552	77	21,646,277
2008	2,907,864,700	1,193,039,000	18,559,800	4,119,463,500	512	23,265,366	124	36,638,397

(1) Values from Statement of Assessment

(2) From Village Zoning and Inspection Department records

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

For Fiscal Year	Village Direct Rates						Overlapping Rates					School Tax Credit	Net Tax Rate	
	Basic Rate	General Obligation Debt Service Rate	Library Operations & Maint	Sewer Capital Costs	Storm Water Costs	Total Direct	State of Wisconsin	Waukesha County	Menomonee Falls School District	Sussex Hamilton School District	Waukesha County Technical College		Menomonee Falls School District	Sussex Hamilton School District
2018	\$ 4.19	\$ 0.49	\$ 0.36	\$ ---	\$ 0.19	\$ 5.23	\$ ---	\$ 2.01	\$ 11.56	\$ 8.79	\$ 0.38	\$ (1.94)	\$ 17.24	\$ 14.47
2017	4.12	0.49	0.36	---	0.20	5.17	0.17	2.00	11.69	8.93	0.37	(1.80)	17.60	14.84
2016	4.12	0.51	0.37	---	0.20	5.20	0.17	2.04	11.60	9.60	0.38	(1.87)	17.52	15.52
2015	4.02	0.52	0.38	0.07	0.21	5.20	0.17	2.06	11.41	9.66	0.38	(1.66)	17.56	15.81
2014	4.00	0.53	0.39	0.07	0.21	5.20	0.17	2.06	11.50	10.15	1.27	(1.72)	18.48	17.13
2013	3.97	0.55	0.40	0.07	0.21	5.20	0.17	2.04	11.61	10.25	1.27	(1.72)	18.57	17.21
2012	3.97	0.55	0.40	0.07	0.21	5.20	0.17	2.04	11.61	10.25	1.27	(1.72)	18.57	17.21
2011	3.94	0.54	0.41	0.07	0.21	5.17	0.17	2.00	11.88	10.41	1.25	(1.69)	18.78	17.31
2010	4.01	0.52	0.41	0.07	0.21	5.22	0.18	1.99	11.50	10.12	1.23	(1.69)	18.43	17.05
2009	3.70	0.78	0.41	0.07	0.21	5.17	0.19	1.95	10.65	10.12	1.20	(1.69)	17.47	16.94

Source: Village Financial Services Department taxation records

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ten Largest Assessed Valuations
Years 2017 and 2008

Name	Nature of Business	2017			2008		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 130,502,080	2.70%	1	\$ 89,257,500	2.10%	1
Harley Davidson	Manufacturer of motorcycles	36,818,400	0.76%	2	27,193,120	0.64%	3
HRH Acquisitions (formerly Woodland Prime LLC)	Property management	28,899,400	0.60%	3	32,665,578	0.77%	2
Ryan X LLC	Property development	28,556,200	0.59%	4	---	---	
NHMC Land LLC	Real estate	22,722,700	0.47%	5	---	---	
Woodmans Food Market	Supermarket	20,135,650	0.42%	6	---	---	
Wells Fargo Financial	Finance	18,009,850	0.37%	7	21,965,774	0.52%	5
Eaton Corporation	Power products and management	16,412,300	0.34%	9	---	---	
Burke Business Park	Property development	17,839,400	0.37%	8	18,628,783	0.44%	7
Waste Management	Solid waste management	15,898,020	0.33%	10	21,430,449	0.50%	6
Centerpoint Properties Trust	Property development	---	---		22,443,066	0.53%	4
R-K of Waukesha	Various commercial	---	---		17,250,751	0.41%	10
Arandell Corp	Publishing	---	---		18,120,183	0.43%	8
Gillville LLC	Real estate	---	---		17,745,156	0.42%	9
Total, ten largest taxpayers		<u>335,794,000</u>	<u>6.95%</u>		<u>286,700,360</u>	<u>6.76%</u>	
Total, other taxpayers		<u>4,490,546,390</u>	<u>93.05%</u>		<u>3,969,138,590</u>	<u>93.26%</u>	
Total assessed valuations		<u>\$ 4,826,340,390</u>	<u>100.00%</u>		<u>\$ 4,255,838,950</u>	<u>100.00%</u>	

Source: Village Department of Assessing

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Property Tax Levies and Collections
Last Ten Years

Levy Year	Taxes Levied	Collected Within the Year Levied for		Subsequent Collections	Totals Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 29,925,929	\$ 8,264,831	27.62%	\$ ---	\$ 8,264,831	27.62%
2016	28,355,892	11,315,400	39.90%	17,039,224	28,354,624	100.00%
2015	27,266,228	10,119,445	37.11%	17,141,401	27,260,846	99.98%
2014	26,885,382	7,153,462	26.61%	19,727,415	26,880,877	99.98%
2013	27,276,674	7,077,544	25.95%	20,191,984	27,269,528	99.97%
2012	26,031,321	5,629,313	21.63%	20,399,280	26,028,593	99.99%
2011	25,923,450	6,245,829	24.09%	19,672,090	25,917,919	99.98%
2010	25,677,430	3,577,353	13.93%	22,061,363	25,638,716	99.85%
2009	25,669,521	4,794,029	18.68%	20,873,205	25,667,234	99.99%
2008	24,786,337	4,610,434	18.60%	20,172,064	24,782,498	99.98%

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

Source: Statements of taxes, Village Clerk Services Department

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

Year	Governmental Activities			Business Type Activities				Total Primary Government	Percentage of		Per Capita
	General Obligation Bonds & Notes	Bond/Note Anticipation Notes	Clean Water Fund Loans	Utility Mortgage Revenue Bonds	Clean Water Fund Loans	General Obligation Notes	Utility Mortgage Revenue BANS		Personal Income	Property Value	
2017	\$ 89,851,673	\$ ---	\$ ---	\$ ---	\$ 1,142,089	\$ 10,243,090	\$ ---	\$ 101,236,852	4.13%	2.04%	\$ 2,706
2016	83,422,536	---	---	---	1,251,046	10,175,180	---	94,848,762	4.02%	2.01%	2,570
2015	85,656,905	---	---	---	1,422,408	10,143,764	---	97,223,077	6.12%	2.12%	2,706
2014	76,711,274	---	---	---	1,589,055	10,192,348	---	88,492,677	4.16%	1.97%	2,472
2013	88,294,068	---	---	---	1,751,118	10,345,932	---	100,391,118	4.84%	2.36%	2,811
2012	94,709,484	1,280,000	---	2,735,000	2,000,613	6,850,516	---	107,575,613	5.58%	2.49%	3,015
2011	80,917,900	1,280,000	---	4,085,000	2,242,935	5,537,100	---	94,062,935	4.97%	2.12%	2,637
2010	75,321,315	1,280,000	---	6,270,000	2,478,293	3,633,685	---	88,983,293	4.92%	2.01%	2,572
2009	51,934,731	1,250,000	---	7,595,000	2,706,889	2,495,269	---	65,981,889	3.65%	1.44%	1,907
2008	53,957,147	3,100,000	---	14,130,000	2,931,618	1,702,853	---	75,821,618	4.09%	1.64%	2,191

Source: General Purpose Financial Statements

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

Year	Gross Bonded Debt	Bonded Debt Supported by Revenues	Tax Obligation Bonded Debt			Ratio of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
			Gross	Designated Funds for Debt Service	Net		
2017	\$ 100,094,763	\$ 85,834,400	\$ 14,260,363	\$ 282,810	\$ 13,977,553	0.28%	\$ 374
2016	93,597,716	76,315,100	17,282,616	66,336	17,216,280	0.36%	466
2015	95,800,669	82,985,708	12,814,961	116,906	12,698,055	0.28%	353
2014	86,903,622	64,301,555	22,602,067	65,095	22,536,972	0.50%	630
2013	98,640,000	84,745,700	13,894,300	---	13,894,300	0.33%	389
2012	101,560,000	77,622,400	23,937,600	8,718,485	15,219,115	0.35%	427
2011	86,455,000	70,247,600	16,207,400	35,973	16,171,427	0.36%	453
2010	78,955,000	65,398,300	13,556,700	187,212	13,369,488	0.30%	386
2009	54,430,000	42,448,000	11,982,000	2,779	11,979,221	0.26%	346
2008	55,660,000	43,182,840	12,477,160	5,853	12,471,307	0.27%	360

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Sewer Utility Revenue Bond Coverage
Last Ten Years

<u>Year</u>	<u>Operating Revenue</u>		<u>Operating Expenses (A)</u>		<u>Operating Income</u>		<u>Debt Service Requirements</u>			<u>Coverage (C)</u>
							<u>Principal (B)</u>	<u>Interest</u>	<u>Total</u>	
2017	\$	9,188,751	\$	9,307,387	\$	(118,636)	\$ 108,957	\$ 30,687	\$ 139,644	(0.8496)
2016		9,083,014		8,053,443		1,029,571	171,362	37,871	209,233	4.9207
2015		9,673,484		8,900,342		773,142	166,647	43,153	209,800	3.6851
2014		9,285,340		8,754,564		530,776	162,063	43,958	206,021	2.5763
2013		8,720,703		8,745,565		(24,862)	249,495	49,943	299,438	(0.0830)
2012		8,994,807		8,745,692		249,115	242,322	57,223	299,545	0.8316
2011		8,709,658		8,001,934		707,724	1,160,358	119,046	1,279,404	0.5532
2010		9,134,505		7,716,467		1,418,038	328,596	126,091	454,687	3.1187
2009		9,379,933		7,603,234		1,776,699	1,724,729	287,903	2,012,632	0.8828
2008		9,892,073		7,428,640		2,463,433	1,589,526	335,864	1,925,390	1.2794

(A) Operating expenses before depreciation

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

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

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Water Utility Revenue Bond Coverage
Last Ten Years

<u>Year</u>	<u>Operating</u>		<u>Operating</u>		<u>Debt Service Requirements</u>			<u>Coverage</u>
	<u>Revenue (A)(D)</u>		<u>Expenses (B)</u>	<u>Income</u>	<u>Principal (E)</u>	<u>Interest</u>	<u>Total</u>	
2017	\$ 7,653,931	\$	3,753,901	\$ 3,900,030	\$ ---	\$ ---	\$ ---	---
2016	7,530,118		3,696,551	3,833,567	---	---	---	---
2015	7,630,437		3,584,133	4,046,304	---	---	---	---
2014	6,936,849		3,594,305	3,342,544	---	---	---	---
2013	6,829,451		3,594,987	3,234,464	2,735,000	67,660	2,802,660	1.1541
2012	7,256,273		3,594,200	3,662,073	1,350,000	187,100	1,537,100	2.3825
2011	6,783,135		3,628,490	3,154,645	1,260,000	243,350	1,503,350	2.0984
2010	6,342,076		3,386,391	2,955,685	1,225,000	297,375	1,522,375	1.9415
2009	6,396,980		3,349,804	3,047,176	1,175,000	347,250	1,522,250	2.0018
2008	6,686,233		3,348,158	3,338,075	1,165,000	394,737	1,559,737	2.1402

Source: Comprehensive Annual Financial Reports

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

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

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

(D) Principal and interest do not include GO requirements

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Legal Debt Margin
December 31, 2017

Equalized value of real and personal property	\$ 4,962,647,400
Debt limit, five percent of equalized valuation	\$ 248,132,370
Total obligation bonds and notes applicable to debt limit at December 31, 2017	<u>(100,094,763) *</u>
Remaining legal debt margin	\$ <u>148,037,607</u>
* Includes:	
Water Utility portion of G.O. notes	\$ 7,560,000
Sewer Utility portion of G.O. notes	131,090
Storm Water Utility portion of G.O. notes	2,552,000

Historical Data					
Year		Limit	Debt to Limit	Legal Margin	Percentage of Legal Limit
2017	\$	248,132,370	\$ 100,094,763	\$ 148,037,607	40.34%
2016		236,418,890	93,597,716	142,821,174	39.59%
2015		229,152,680	95,800,669	133,352,011	41.81%
2014		224,693,740	86,903,622	137,790,118	38.68%
2013		212,250,680	98,640,000	113,610,680	46.47%
2012		215,774,595	101,560,000	114,214,595	47.07%
2011		222,079,925	86,455,000	135,624,925	38.93%
2010		221,879,205	78,955,000	142,924,205	35.58%
2009		229,467,070	54,430,000	175,037,070	23.72%
2008		231,759,745	55,660,000	176,099,745	24.02%

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Direct and Overlapping Debt
December 31, 2017

	<u>Total Direct Debt</u>		<u>Applicable to Village Residents</u>
		<u>Percent</u>	<u>Amount</u>
Direct debt	\$ <u>89,851,673</u>	100.00%	\$ <u>89,851,673</u>
Overlapping Debt:			
Menomonee Falls School District	\$ 48,510,000	97.49%	\$ 47,292,399
Hamilton School District	3,150,000	32.43%	1,021,545
Waukesha County	75,125,000	8.56%	6,430,700
Waukesha County Technical College	<u>28,070,000</u>	8.36%	<u>2,346,652</u>
Total overlapping debt	<u>154,855,000</u>		<u>57,091,296</u>

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rates (2)</u>			<u>Per-Capita Income (3)</u>		<u>Total Income Village of Menomonee Falls (4)</u>
		<u>Village of Menomonee Falls</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u>	<u>State of Wisconsin</u>	
2017	37,413	2.9 %	2.9 %	3.3 %	\$ 65,522	\$ 47,850	\$ 2,451,374,586
2016	36,907	3.6	3.6	4.1	63,995	47,275	2,361,863,465
2015	35,928	3.7	3.8	4.6	44,186	45,617	1,587,514,608
2014	35,798	4.5	4.5	5.5	59,379	44,585	2,125,649,442
2013	35,710	5.5	5.9	6.7	58,055	43,149	2,073,144,050
2012	35,680	5.8	6.0	6.9	54,050	38,703	1,928,504,000
2011	35,675	6.2	6.5	7.5	53,034	37,670	1,891,987,950
2010	34,600	6.6	7.0	7.4	52,276	36,815	1,808,749,600
2009	34,600	7.3	7.5	8.5	52,290	36,822	1,809,234,000
2008	34,600	3.8	3.9	4.8	53,636	37,770	1,855,805,600

(1) Source: Department of Administration, State of Wisconsin

(2) Source: Department of Workforce Development, State of Wisconsin

(3) Source: U.S. Department of Commerce, Bureau of Economic Analysis (2010-2017 Waukesha County are estimates)

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Principal Employers
Years 2017 and 2008

<u>Employer</u>	<u>Number of Employees</u>	
	<u>2017</u>	<u>2008</u>
Kohls Corporation	4,936	4,000
Froedtert Health (formerly Community Memorial Hospital)	1,538	1,456
Harley Davidson	917	979
FIS Management Services LLC (formerly Metavante)	655	---
Arandell Schmidt	625	750
Menomonee Falls School District	559	975
Wacker Neuson Corporation	550	424
Wells Fargo Financial	531	729
Bradley Corporation	370	366
Alto-Schaam	---	355
Village of Menomonee Falls	232	239
Maysteel	---	291
Citation Custom Products	---	234

Sources:

Employer list and related employee data from debt issuance Official Statement
Employment in 2008 obtained from HSE report as of February 2008 inquiries of employers

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Full-Time Equivalent Employees By Function
Last Ten Years

Function	Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government and administration	24	25	25	35	33	34	33	33	34	36
Public Safety	132	137	133	95	96	96	100	100	104	105
Public Works	20	20	20	20	21	22	26	26	30	32
Culture and recreation	23	24	23	25	25	25	26	27	25	29
Conservation and Development	16	16	16	14	13	13	14	14	18	17
Sanitary Sewer	3	3	3	4	4	5	4	4	6	5
Water Utility	14	15	14	14	14	15	17	17	17	15
Storm Water Utility	---	---	---	1	1	1	1	1	1	1
Totals	<u>232</u>	<u>240</u>	<u>234</u>	<u>208</u>	<u>207</u>	<u>211</u>	<u>221</u>	<u>222</u>	<u>235</u>	<u>240</u>

Source: Financial Services Budget Documents

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Number of employees	24	25	25	35	33	34	33	33	34	36
Registered voters	24,038	26,373	23,888	24,735	24,083	24,206	24,539	25,180	24,697	24,697
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	75	71	71	64	64	66	67	69	70	70
Crimes	986	1,022	1,027	991	905	846	1,038	1,053	1,121	1,401
Number of violations/enforcement	14,028	16,249	17,208	15,059	17,630	18,475	19,221	21,797	22,039	18,189
Accidents	764	789	763	765	717	700	780	510	557	877
Fire:										
Number of stations	5	5	5	4	4	4	4	4	4	4
Number of employees	56	55	50	18	20	18	22	21	21	22
Number of fires	64	55	69	54	64	80	73	60	73	78
Rescue and EMS	3,061	2,708	2,479	2,306	2,128	2,063	2,033	1,852	1,812	1,904
Hazardous conditions	149	99	100	106	83	74	91	96	103	100
Service call	408	390	371	296	239	251	320	341	255	235
Good intent call	298	122	102	71	80	106	125	119	114	106
False alarm and false call	304	269	245	206	198	191	185	201	264	254
*Dispatch:										
Number of employees	1	10	11	13	12	12	12	13	13	13
Number of event calls	30,349	42,425	44,058	40,881	40,059	43,268	41,928	43,027	65,562	65,562
Public Works:										
Number of employees	20	20	20	20	21	22	26	26	30	32
Miles of streets and roads-Village owned	215	215	211	209	208	207	207	207	207	207
Miles - All roads, State, County, Village	241	241	236	234	233	233	233	249	249	248

Source: Village departments

*- Dispatch was operated at the Village through January 2017. Therefore, the total employee count only represents full-time equivalent employees for one month's time. Waukesha County now provides the Village dispatch services. The number of event calls is not comparable to prior years due to the County's way of tracking calls differs from prior years tracking at the Village.

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Culture and recreation:										
Library:										
Number of employees	19	19	19	19	19	19	21	21	16	16
Volumes	134,457	136,261	134,864	137,946	139,932	136,259	141,577	124,337	123,099	138,427
E-Volumes *	250,476	189,525	174,660	152,975	103,097	39,063	N/A	N/A	N/A	N/A
Circulation	343,176	344,279	337,449	365,898	374,917	334,305	351,023	371,600	381,864	364,541
Parks:										
Number of employees	4	5	6	6	6	5	5	6	4	8
Number of parks	22	22	16	16	16	16	11	11	8	8
Acres of parkland - Village owned	814	814	1,165	1,165	1,165	1,165	1,525	1,525	1,508	1,508
Acres of parkland - County owned	458	458	321	321	321	321	321	321	544	544
Conservation and Development:										
Number of employees	16	16	16	14	13	13	14	14	18	17
Number of permits issued	904	886	865	861	865	734	720	745	516	636
Permit value	101,610,000	117,580,000	153,331,749	113,616,135	60,212,119	56,911,030	66,043,080	60,039,501	37,243,829	59,903,763
Water Utility:										
Number of employees	14	15	14	14	14	15	17	17	17	15
Number of customers	12,348	12,194	12,118	12,029	11,979	11,911	11,853	11,802	11,755	11,707
Gallons pumped annually (in thousands)	1,219,158	1,266,342	1,274,354	1,251,716	1,220,082	1,355,139	1,206,533	1,175,398	1,260,820	1,038,142
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	2,923	2,896	2,868	2,818	2,804	2,790	2,777	2,780	2,773	2,692
Miles of mains	233	230	226	225	221	221	218	218	220	216
Sewer Utility:										
Number of employees	3	3	3	4	4	5	4	4	6	5
Number of customers	12,592	11,668	11,568	11,536	11,508	11,462	11,407	11,571	10,853	10,824
Gallons pumped annually (in thousands)	856,184	847,902	836,712	825,492	839,355	890,894	843,689	808,422	853,332	888,214
Number of lift stations	10	10	11	11	11	10	10	10	8	8
Miles of main	223	222	219	218	216	213	213	212	212	208
Storm Water Utility:										
Number of employees	---	---	---	1	1	1	1	1	1	1
Number of retention basins	14	13	13	13	10	10	10	10	10	10
Miles of storm main	154	153	148	147	145	143	142	141	140	126

Source: Village departments

N/A - Information is not available

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

See independent auditors' report.