

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2021

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

VILLAGE OF MENOMONEE FALLS, WISCONSIN (Waukesha County)

\$3,180,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A

BID OPENING: April 21, 2021, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on April 21, 2021 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$3,180,000* General Obligation Promissory Notes, Series 2021A (the "Notes") of the Village of Menomonee Falls, Wisconsin (the "Village") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects, storm sewer projects and parks projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES:

May 13, 2021

MATURITY:

February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$125,000	2026	\$365,000	2030	\$415,000
2023	135,000	2027	365,000	2031	425,000
2024	210,000	2028	390,000		
2025	360,000	2029	390,000		

***MATURITY ADJUSTMENTS:**

The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$75,000 per maturity. Increases or decreases may be made in an maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

February 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION:

Notes maturing on February 1, 2030 and thereafter are subject to call for prior optional redemption on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID:

\$3,148,200.

MAXIMUM BID:

\$3,307,200.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$63,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE COUNSEL:

Quarles & Brady LLP.

MUNICIPAL ADVISOR:

Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY:

See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



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REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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VILLAGE OF MENOMONEE FALLS VILLAGE BOARD

		<u>Term Expires</u>
Dave Glasgow	Village President	April 2024
Katie Kress	Village Trustee	April 2023
Timothy Newman	Village Trustee	April 2023
Paul Tadda	Village Trustee	April 2022
Steve Taggart	Village Trustee	April 2022
Randy Van Alstyne	Village Trustee	April 2023
Jeremy Walz	Village Trustee	April 2022

ADMINISTRATION

Mark Fitzgerald, Village Manager
Julie Multhauf, Acting Finance Director
Janice Moyer, Village Clerk and Village Treasurer

PROFESSIONAL SERVICES

Adam Koenings, Village Attorney, Menomonee Falls, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Menomonee Falls, Wisconsin (the "Village") and the issuance of its \$3,180,000* General Obligation Promissory Notes, Series 2021A (the "Notes"). **The Village Board adopted a resolution on March 15, 2021 (the "Parameters Resolution"), which authorized the Village Manager or the Finance Director (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 21, 2021, neither the Village Manager or the Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 13, 2021. The Notes will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Parameters Resolution.

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects, storm sewer projects and parks projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$3,180,000	
Estimated Interest Earnings	<u>1,938</u>	
Total Sources		\$3,181,938
Uses		
Estimated Underwriter's Discount	\$31,800	
Costs of Issuance	48,550	
Deposit to Project Construction Fund	3,100,000	
Rounding Amount	<u>1,588</u>	
Total Uses		\$3,181,938

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrevocable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the Village is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The Village has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

On September 3, 2019, the Village adopted a resolution issuing a municipal revenue obligation ("Obligation"). Notice of the Obligation was not filed within 10 business days upon the Village adopting the resolution. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village, and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Village has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Village comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Note over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Note for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Note upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Note that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

BOND PREMIUM

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Notes") will be considered to have bond premium.

Any Premium Note purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Note is calculated on a daily basis from the issue date of such Premium Note until its stated maturity date (or call date, if any) on the basis

of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Note that has amortizable premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Note by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Note. The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

Owners of Premium Notes who did not purchase such Premium Notes in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Notes. Owners of Premium Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Notes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2019 have been audited by Reilly, Penner & Benton LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Notes. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

Ratings; Interest Rates: In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Village and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Village, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, former President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on former President Trump's guidelines. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in

connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Village's allocation is \$634,028. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue, and economic hardship related to the COVID-19 pandemic. The State's allocation and the subsequent allocations to individual municipalities are not yet available.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the Village. The Village cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the Village may materially adversely affect the financial condition of the Village (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2020 Equalized Value	\$5,621,021,400
2020 Equalized Value Reduced by Tax Increment Valuation	\$5,367,307,000
2020 Assessed Value	\$4,984,826,010

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 3,815,700,400	67.883%
Commercial	1,338,561,600	23.813%
Manufacturing	332,067,000	5.908%
Agricultural	470,500	0.008%
Undeveloped	1,467,200	0.026%
Ag Forest	988,200	0.018%
Forest	2,818,200	0.050%
Other	20,345,100	0.362%
Personal Property	108,603,200	1.932%
Total	<u><u>\$ 5,621,021,400</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2016	\$4,723,062,540	\$4,728,377,800	3.17%
2017	4,826,340,390	4,962,647,400	4.95%
2018	4,846,847,760	5,097,458,000	2.72%
2019	4,892,430,140	5,289,929,600	3.78%
2020	4,984,826,010	5,621,021,400	6.26%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2020 Equalized Value¹	Percent of Village's Total Equalized Value
Kohl's Department Stores Inc.	Department Store	\$ 111,047,065	1.98%
Froedtert	Hospital	37,094,075	0.66%
Harley Davidson	Manufacturing	36,976,099	0.66%
North Hills Health Center	Medical Office	25,731,627	0.46%
Burke Business Park	Manufacturing	20,690,209	0.37%
Wells Fargo	Bank/Office	19,546,567	0.35%
Arandell Corporation	Manufacturing	18,210,324	0.32%
Falls Medical Building Inc.	Medical Office	17,702,434	0.31%
Woodman's Food Market Inc.	Supermarket	17,198,949	0.31%
Woodland Prime	Office Building	16,585,981	0.30%
Total		\$ 320,783,330	5.71%

Village's Total 2020 Equalized Value² \$5,621,021,400

Source: The Village.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes and the Concurrent Obligations, as defined herein)*

\$ 87,632,951

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues

\$ 692,357

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Notes and excludes the obligations to be refunded by the Concurrent Obligations.

Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/13/2021)

Dated Amount	Promissory Notes		Refunding Bonds Series 2012B		Promissory Notes		Refunding Bonds Series 2012B		Promissory Notes		Taxable Refunding Bonds	
	06/20/2011 \$6,830,000	06/01	07/02/2012 \$4,610,000	06/01	07/02/2012 \$7,950,000	03/01	06/17/2013 \$2,370,000	06/01	06/17/2013 \$1,930,000	06/01		
Maturity												
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	1,050,000	17,063										
2022			800,000	37,000	0		115,000	27,725	200,000	14,600		
2023			800,000	12,500	1,000,000	20,000	120,000	2,400	200,000	9,100		
2024									200,000	3,100		
2025												
2026												
2027												
2028												
2029												
2030												
2031												
2032												
2033												
2034												
2035												
2036												
2037												
2038												
2039												
2040												
2041	1,050,000	17,063	1,600,000	49,500	1,000,000	40,000	235,000	30,125	600,000	26,800		

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Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/13/2021)

Dated Amount	Promissory Notes		Taxable Refunding Bonds		Waukesha County Promissory Note (Digital Radio System)		Taxable Promissory Notes Series 2015B		Promissory Notes Series 2015C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Maturity	06/16/2014		10/30/2014		11/17/2014		03/30/2015		03/30/2015	
	\$4,920,000		\$8,450,000		\$223,622		\$4,300,000		\$7,850,000	
	06/01		05/01		02/15		03/01		03/01	
Calendar Year Ending										
2021	245,000	99,225	0	150,781	0	0	0	52,500	0	90,250
2022	645,000	85,875	600,000	291,063	27,951	0	200,000	102,250	375,000	175,813
2023	1,045,000	60,525	650,000	267,563			200,000	96,625	400,000	165,875
2024	1,495,000	22,425	775,000	239,063			200,000	90,750	425,000	154,781
2025			825,000	207,063			2,700,000	43,875	4,725,000	74,469
2026			875,000	173,063						
2027			900,000	136,438						
2028			925,000	97,656						
2029			950,000	59,000						
2030			1,000,000	20,000						
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041	3,430,000	268,050	7,500,000	1,641,688	27,951	0	3,300,000	386,000	5,925,000	661,188

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Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/13/2021)

Dated Amount	Maturity	Promissory Notes Series 2015D		Promissory Notes Series 2016A		Promissory Notes Series 2016D		Taxable Refunding Bonds Series 2016E		Promissory Notes Series 2017B	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
05/04/2015 \$3,110,000	05/01	0	39,994	0	28,900	300,000	36,000	275,000	202,188	1,475,000	273,475
		455,000	74,869	1,195,000	45,850	300,000	30,000	275,000	193,938	1,225,000	246,475
		755,000	58,425	255,000	31,350	350,000	23,500	300,000	185,313	1,425,000	205,725
		755,000	35,775	255,000	26,250	325,000	16,750	300,000	176,313	1,375,000	149,725
		815,000	12,225	255,000	21,150	325,000	10,250	300,000	167,313	1,550,000	106,725
				930,000	9,300	350,000	3,500	325,000	157,938	1,575,000	73,113
								650,000	143,313	2,200,000	27,500
								675,000	124,281		
								700,000	105,025		
								725,000	84,356		
								750,000	62,225		
								800,000	38,388		
								825,000	12,994		
		2,780,000	221,288	2,890,000	162,800	1,950,000	120,000	6,900,000	1,653,581	10,825,000	1,082,738

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Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/13/2021)

Dated Amount	Maturity	Promissory Notes Series 2018A		Promissory Notes Series 2019A		Corporate Purpose Bonds Series 2019B		Taxable Corporate Purpose Bonds Series 2019C		Promissory Notes Series 2020A	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
06/18/2018	06/01	270,000	79,950	0	24,575	0	59,500	245,000	249,331	0	33,238
\$3,340,000		160,000	73,500	90,000	47,350	150,000	116,375	250,000	493,640	360,000	62,875
		410,000	64,950	190,000	41,750	155,000	111,038	355,000	488,390	335,000	54,250
		130,000	56,850	195,000	35,025	245,000	104,038	420,000	480,758	240,000	45,625
		275,000	50,775	195,000	29,175	245,000	95,463	790,000	471,518	345,000	36,850
		275,000	42,525	195,000	22,350	260,000	86,625	1,295,000	453,348	345,000	26,500
		295,000	33,975	205,000	15,375	270,000	77,350	1,495,000	420,973	345,000	17,875
		985,000	14,775	205,000	9,225	280,000	69,125	1,820,000	382,103	350,000	10,925
				205,000	3,075	300,000	61,875	2,345,000	332,963	350,000	5,063
						330,000	54,000	2,860,000	268,475	200,000	1,350
						365,000	45,313	2,815,000	188,395		
						370,000	36,125	2,800,000	108,168		
						395,000	25,575	125,000	26,968		
						210,000	16,500	120,000	22,780		
						215,000	10,125	140,000	18,760		
						60,000	6,000	140,000	14,070		
						60,000	4,200	140,000	9,380		
						60,000	2,400	140,000	4,690		
						50,000	750				
		2,800,000	417,300	1,480,000	227,900	4,020,000	982,375	18,295,000	4,434,706	2,870,000	294,550

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Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/13/2021)

Water Project Bonds Series 2020B			Promissory Notes Series 2021A			Corporate Purpose Bonds Series 2021B		
Dated Amount	07/07/2020 \$1,460,000	05/13/2021 \$3,180,000*	05/13/2021 \$3,180,000*	05/13/2021 \$3,590,000*				
Maturity	02/01	02/01	02/01	02/01				
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Principal	Estimated Interest	Total Principal	Total Interest
2021	0	13,850	0	0	0	0	4,975,000	1,550,144
2022	75,000	26,950	125,000	41,262	215,000	56,961	8,842,951	2,209,045
2023	75,000	25,450	135,000	33,034	225,000	45,326	7,460,000	1,962,188
2024	75,000	23,950	210,000	31,860	225,000	43,808	7,645,000	1,733,744
2025	75,000	22,450	360,000	29,775	225,000	42,176	14,005,000	1,421,250
2026	75,000	20,950	365,000	26,691	225,000	40,264	7,090,000	1,136,165
2027	75,000	19,450	390,000	23,041	225,000	38,014	7,025,000	953,303
2028	75,000	17,950	390,000	18,883	225,000	35,539	5,930,000	780,461
2029	75,000	16,450	390,000	14,203	225,000	32,839	5,540,000	630,491
2030	75,000	14,950	415,000	8,964	225,000	29,914	5,830,000	482,009
2031	75,000	13,450	425,000	3,081	230,000	26,728	4,660,000	339,191
2032	75,000	11,950			235,000	23,239	4,280,000	217,869
2033	70,000	10,500			235,000	19,479	1,650,000	95,515
2034	70,000	9,100			110,000	16,578	510,000	64,958
2035	70,000	7,700			110,000	14,598	535,000	51,183
2036	70,000	6,300			110,000	12,535	380,000	38,905
2037	70,000	4,900			110,000	10,418	380,000	28,898
2038	70,000	3,500			110,000	8,245	380,000	18,835
2039	70,000	2,100			110,000	5,990	230,000	8,840
2040	70,000	700			110,000	3,625	180,000	4,325
2041					105,000	1,208	105,000	1,208
	1,385,000	272,600	3,180,000	230,794	3,590,000	507,480	87,632,951	13,728,524
							101,361,474	

* Preliminary, subject to change.

**Village of Menomonee Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 05/13/2021)**

**Sewer System Revenue Bonds*
Series 2007**

Dated Amount	08/22/2007 \$1,867,778	Maturity	05/01								
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending			
2021	0	8,817	0	8,817	8,817	692,357	.00%	2021			
2022	108,260	16,256	108,260	16,256	124,516	584,097	15.64%	2022			
2023	111,018	13,463	111,018	13,463	124,482	473,079	31.67%	2023			
2024	113,845	10,600	113,845	10,600	124,445	359,234	48.11%	2024			
2025	116,746	7,663	116,746	7,663	124,409	242,488	64.98%	2025			
2026	119,719	4,652	119,719	4,652	124,371	122,769	82.27%	2026			
2027	122,769	1,563	122,769	1,563	124,332	0	100.00%	2027			
	692,357	63,013	692,357	63,013	755,370						

* Represents a share of the debt service payable by the Village to the Village of Sussex under an Intergovernmental Agreement

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 5,621,021,400
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 281,051,070
Less: General Obligation Debt*	<u>(87,632,951)</u>
Unused Debt Limit*	<u><u>\$ 193,418,119</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2020 Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Waukesha County	\$ 62,620,157,900	8.98%	\$ 71,805,000	\$ 6,448,089
Menomonee Falls School District	4,392,576,662	98.22%	38,820,000	38,129,004
Hamilton School District	3,975,428,783	32.87%	53,505,000	17,587,094
Waukesha Technical College District	64,072,165,069	8.77%	18,090,000	<u>1,586,493</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 63,750,680</u></u>

¹ Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$5,621,021,400	Debt/ Per Capita 38,948¹
Total General Obligation Debt*	\$ 87,632,951	1.56%	\$ 2,250.00
Village's Share of Total Overlapping Debt	<u>63,750,680</u>	<u>1.13%</u>	<u>1,636.82</u>
Total*	\$151,383,631	2.69%	\$ 3,886.82

DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Concurrently with the Notes, the Village expects to issue its \$3,590,000* General Obligation Corporate Purpose Bonds, Series 2021B (the "Concurrent Obligations"). In addition to the Concurrent Obligations, the Village plans to issue general obligation debt for its annual capital projects in the next 12 months, but the amount of such borrowing has not yet been determined. Aside from the preceding, the Village currently has no plans to issue additional debt in the next 12 months.

*Preliminary, subject to change.

¹ Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2016/17	\$22,967,041	100%	\$5.16
2017/18	23,513,000	100%	5.09
2018/19	23,475,000	100%	4.98
2019/20	24,635,000	100%	4.81
2020/21	24,775,000	In Process	4.62

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid

taxes, interest, and penalties on September 20, 2020. Waukesha County and the Village did not adopt such resolutions. The Village cannot predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, including the Notes.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2016/17	\$11.39	\$2.00	\$5.16	\$0.18	\$18.73
2017/18	10.96	1.95	5.09	0.00	18.00
2018/19	10.57	1.89	4.98	0.00	17.44
2019/20	9.71	1.82	4.81	0.00	16.34
2020/21	9.57	1.76	4.62	0.00	15.95

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

THE ISSUER

VILLAGE GOVERNMENT

The Village is governed by a Village President and a six-member Village Board, of which the President is a voting member. Trustees are elected for three-year overlapping terms. The appointed Village Manager, Finance Director, Village Clerk and Village Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 187 full-time and 100 part-time employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$1,087,135, \$1,205,134 and \$1,238,425, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2018, the total pension liability of the WRS was calculated as \$100.29 billion and the fiduciary net position of the WRS was calculated as \$96.74 billion, resulting in a net pension liability of \$3.56 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the Village reported a liability of \$4,195,484 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.11792733% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
Menomonee Falls Police Association, Local 313	December 31, 2022
International Association of Firefighters, Local 3879	December 31, 2020 (In negotiations)

OTHER POST EMPLOYMENT BENEFITS

The Village provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) through a single-employer defined benefit plan to employees who have terminated their employment with the Village and have satisfied specified eligibility standards. Eligible employees may remain on the Village's group health plan after retirement if they pay the full cost of premiums. Membership in the plan consisted of 12 retirees receiving benefits and 164 active eligible plan members as of December 31, 2018, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefit Concepts, LLC

in November 2019 with an actuarial valuation date of December 31, 2018. The Village will have a new actuarial study completed in 2021.

For Fiscal Year 2019, the Village's contributions for the plan totaled \$60,262. The Village's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2019, the plan's total OPEB liability was \$2,349,432 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$2,349,432.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 4.C. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The Village also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2019, the Village's portion of contributions to the LRLIF totaled \$5,756. For Fiscal Year 2019, the Village reported a liability of \$770,930 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.298771% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 4.B. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of December 31, 2020)

Fund	Total Cash and Investments
General Fund	\$ 3,144,712
Special Revenue	2,729,617
Tourism Commission	347,113
EDMF	56,355
Garbage & Recycling	233,185
Library	1,227,985
Special Assessments	85,560
Debt Service	648,751
Municipal Facilities	2,213,673
Capital Projects	905,941
TID 6	44,349
TID 7	23,470
TID 8	709,880
TID 9	261,385
TID 10	865
TID 11	232,492
TID 12	377,675
TID 13	104
TID 14	7,542
Internal Service	498,815
Water Utility	12,006,021
Sewer Utility	9,745,224
Storm Utility	8,374
Total Funds on Hand	<u>\$ 35,509,088</u>

ENTERPRISE FUNDS

Revenues available for debt service for the Village's enterprise funds have been as follows as of December 31 each year:

	2018 Audited	2019 Audited	2020 Projected
Water			
Total Operating Revenues	\$ 6,818,479	\$ 6,937,672	\$ 6,911,500
Less: Operating Expenses	<u>(5,449,501)</u>	<u>(5,771,679)</u>	<u>(6,219,500)</u>
Operating Income	\$ 1,368,978	\$ 1,165,993	\$ 692,000
Plus: Depreciation	1,709,682	1,792,958	1,860,000
Interest Income	<u>226,019</u>	<u>282,348</u>	<u>60,000</u>
Revenues Available for Debt Service	<u><u>\$ 3,304,679</u></u>	<u><u>\$ 3,241,299</u></u>	<u><u>\$ 2,612,000</u></u>
Sewer			
Total Operating Revenues	\$ 8,951,157	\$ 9,612,636	\$ 9,789,000
Less: Operating Expenses	<u>(10,939,680)</u>	<u>(10,914,856)</u>	<u>(10,454,300)</u>
Operating Income	\$ (1,988,523)	\$ (1,302,220)	\$ (665,300)
Plus: Depreciation	1,454,588	1,477,809	1,400,000
Interest Income	<u>131,557</u>	<u>171,217</u>	<u>45,000</u>
Revenues Available for Debt Service	<u><u>\$ (402,378)</u></u>	<u><u>\$ 346,806</u></u>	<u><u>\$ 779,700</u></u>
Stormwater			
Total Operating Revenues	\$ 976,842	\$ 984,837	\$ 977,000
Less: Operating Expenses	<u>(1,310,752)</u>	<u>(1,404,738)</u>	<u>(1,464,100)</u>
Operating Income	\$ (333,910)	\$ (419,901)	\$ (487,100)
Plus: Depreciation	700,085	721,645	825,000
Interest Income	<u>14,598</u>	<u>13,279</u>	<u>2,000</u>
Revenues Available for Debt Service	<u><u>\$ 380,773</u></u>	<u><u>\$ 315,023</u></u>	<u><u>\$ 339,900</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Unaudited	2021 Amended Budget ¹
Revenues					
Taxes	\$18,177,186	\$18,676,604	\$18,611,315	\$20,799,895	\$21,027,000
Licenses and permits	1,436,318	1,534,990	1,619,720	1,805,549	1,214,800
Fines and forfeits	552,804	482,625	499,252	609,195	524,000
Intergovernmental	2,841,204	2,832,692	3,681,900	4,909,542	3,854,000
Charges for services	1,519,262	1,445,902	1,743,325	1,528,893	1,671,000
Investment earnings	144,213	308,838	380,514	203,576	17,000
Interest on advances to other governmental funds	36,020	64,791	60,265	19,817	12,000
Interest on advances to utilities	0	0	2,948	0	0
Other	138,884	198,761	181,844	1,617,606	477,560
Total Revenues	<u>\$24,845,891</u>	<u>\$25,545,203</u>	<u>\$26,781,083</u>	<u>\$31,494,073</u>	<u>\$28,797,360</u>
Expenditures					
Current:					
General government	\$ 3,398,181	\$ 3,911,137	\$ 3,727,444	\$ 4,302,340	\$ 4,526,510
Public safety	14,137,778	14,662,655	15,358,640	17,062,475	17,196,150
Public works	3,472,981	3,796,422	3,859,009	4,530,508	4,945,000
Culture and recreation	944,007	834,528	902,571	866,419	1,013,400
Conservation and development	1,153,722	1,138,304	1,134,780	1,052,650	1,116,300
Capital outlay	164,026	316,781	19,603	1,344,342	0
Total Expenditures	<u>\$23,270,695</u>	<u>\$24,659,827</u>	<u>\$25,002,047</u>	<u>\$29,158,734</u>	<u>\$28,797,360</u>
Excess of revenues over (under) expenditures	\$ 1,575,196	\$ 885,376	\$ 1,779,036	\$ 2,335,339	\$ 0
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	0	371,467	4,719	0	
Transfer from water utility - PILOT	1,294,564	1,266,520	1,190,006	0	
Transfers out	(2,869,760)	(2,251,371)	(2,817,175)	0	
Total Other Financing Sources (Uses)	(1,575,196)	\$ (613,384)	(1,622,450)	\$ 0	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 0	\$ 271,992	\$ 156,586	\$ 2,335,339	
General Fund Balance January 1	9,685,658	9,685,658	9,957,650	10,114,236	
General Fund Balance December 31	<u>\$ 9,685,658</u>	<u>\$ 9,957,650</u>	<u>\$10,114,236</u>	<u>\$12,449,575</u>	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	2,683,102	2,955,091	2,567,417	2,800,000	
Unassigned	7,002,556	7,002,559	7,546,819	9,649,575	
Total	<u>\$ 9,685,658</u>	<u>\$ 9,957,650</u>	<u>\$10,114,236</u>	<u>\$12,449,575</u>	

¹ The 2021 budget was adopted on November 16, 2020; numbers reflect budget amendments approved since its adoption.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 35,626 and a current estimated population of 38,948 comprises an area of 33.3 square miles and is located northwest of the City of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Kohl's Department Stores	Retail/Corporate Headquarters	4,500
Froedtert Health	Health services	3,000
Briggs & Stratton	Manufacturing	1,300 ²
Harley-Davidson	Manufacturing	950
Wells Capital Management	Financial advisory services	650
Leonardo DRS	Defense contractor	600
Menomonee Falls School District	Elementary and secondary education	625
Arandell Schmidt	Commercial Printing	500
Wacker Neuson	Manufacturing/Corporate Headquarters	550
Alto-Shaam	Manufacturing	500

Source: *Data Axle Reference Solutions, written and telephone survey (April 2021), Village's 2020 Annual Development Report, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

² Total local employees for Menomonee Falls, Germantown and Wauwatosa locations.

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Residential Construction</u>					
No. of building permits	761	802	738	825	206
Valuation	\$53,590,000	\$49,950,000	\$56,810,000	\$52,380,000	\$14,160,000
<u>New Non-Residential Construction</u>					
No. of building permits	143	149	117	109	27
Valuation	\$48,020,000	\$83,110,000	\$64,110,000	\$71,090,000	\$4,140,000
<u>All Building Permits</u>					
No. of building permits	904	951	855	934	233
Valuation	\$101,600,000	\$133,060,000	\$120,920,000	\$123,470,000	\$18,300,000

Source: The Village.

¹ As of April 12, 2021.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	32,647
2010 U.S. Census	35,626
2020 Estimated Population	38,948
Percent of Change 2000 - 2010	9.12%

Income and Age Statistics

	The Village	Waukesha County	State of Wisconsin	United States
2019 per capita income	\$45,976	\$46,073	\$33,375	\$34,103
2019 median household income	\$82,396	\$87,277	\$61,747	\$62,843
2019 median family income	\$105,716	\$108,123	\$78,679	\$77,263
2019 median gross rent	\$1,052	\$1,046	\$856	\$1,062
2019 median value owner occupied units	\$247,300	\$282,300	\$180,600	\$217,500
2019 median age	43.3 yrs.	43.2 yrs.	39.5 yrs.	38.1 yrs.

	State of Wisconsin	United States
Village % of 2019 per capita income	137.76%	134.82%
Village % of 2019 median family income	134.36%	136.83%

Housing Statistics

	<u>The Village</u>		Percent of Change
	2010	2019	
All Housing Units	15,142	15,986	5.57%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	The Village	Waukesha County	The Village	Waukesha County	State of Wisconsin
2017	20,196	219,636	2.8%	2.9%	3.3%
2018	20,202	219,707	2.5%	2.6%	3.0%
2019	20,059	218,151	2.9%	2.9%	3.3%
2020 ¹	19,269	208,246	5.7%	5.6%	6.3%
2021, January	19,259	208,136	3.6%	3.7%	4.5%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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

**Comprehensive Annual Financial Report
Year Ended December 31, 2019**

Prepared by the Finance Department

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2019

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comprehensive Annual Financial Report
Year Ended December 31, 2019

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October 29, 2020

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, 2019 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, 2019. 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 Finance 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 38,999 (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, garbage 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. I 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 (Wis Stats 65.90(5)(a)).

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 robust economic future. Evidence of the health of the Village is reflected in unemployment percentages consistently lower than the State average. The Village's 2019 unemployment rate is 2.9%, versus the State's 3.3%.

In 2019, the Village's equalized value (including TIDs) increased 4% which reflects evidence of continued economic growth. 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 second highest gain in net new construction value in Waukesha County in 2019.

In 2019, the Village issued 738 residential and 117 non-residential building permits with an estimated construction value of \$121 million. This value was the 3rd highest estimated construction value ever recorded for the Village. Major contributors to the 2019 value include construction and remodeling of single-family homes/duplexes (\$56.8 million), the new Leonardo DRS campus (\$20.8 million), two international Autos dealerships (\$6.8 million), and Milwaukee Tool's interior renovation on Flint Drive (\$4.5 million). At 855, the total number of permits issued in 2019 was fewer than the number issued in 2018, but pretty typical for the Village in the past 10 years. The construction value of residential projects was the highest since 2004.

While many of the developments in Menomonee Falls in 2019 were conceptual multi-phase developments, the Village ultimately approved 75 new single-family lots in three subdivisions and five certified survey maps. This total was lower than the last few years. The 118 single-family housing starts in 2019 reveal the continued strength of the post-recession housing market and marks the second-highest number of housing starts since 2005. With 118 housing starts in 2019, the Village accounted for nearly 15% of all new single-family homes constructed in Waukesha County. This percentage of county housing starts was higher than the typical percentage of around 10.6%, and was the largest 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 2019, tax increment value increased \$17.3 million (6%). Tax increment values in TID #6 (Falls Parkway) and TID #12 (Lilly Road) decreased by \$11.1 million due to newly exempt personal property and other Board of Review adjustments. These tax increment value decreases were more than offset by tax increment value increases of \$28.4 million in the Village's remaining TID districts. The Village closed TID #4 (Heritage Reserve) and TID#5 (Westbrook Corporate Center) in 2019 adding a total of \$211.0 million of property value to the Village's non-TID tax base as well as creating 4,300 new jobs.

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, 2019, the unassigned General Fund balance approximated 3.1 months of 2020 budgeted expenditures, providing a reasonable cushion for unanticipated emergencies.

One of the biggest impacts of the 2008 economic down turn had been in the area of earnings on investments. Although not as high as pre-recession rates, interest earnings have continued to improve in recent years. State statutes limit the investment options available for public funds.

FACTORS AFFECTING FINANCIAL CONDITION (continued)

Based on what's allowed, management chooses to follow a conservative approach to investing excess funds, placing safety and liquidity before return on investment.

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 the 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 General Fund 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 tax stabilization.

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 issuances in light of resources on hand and effects on future cash flows. The Village maintains a solid Aa2 general obligation bond rating from Moody's, 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.

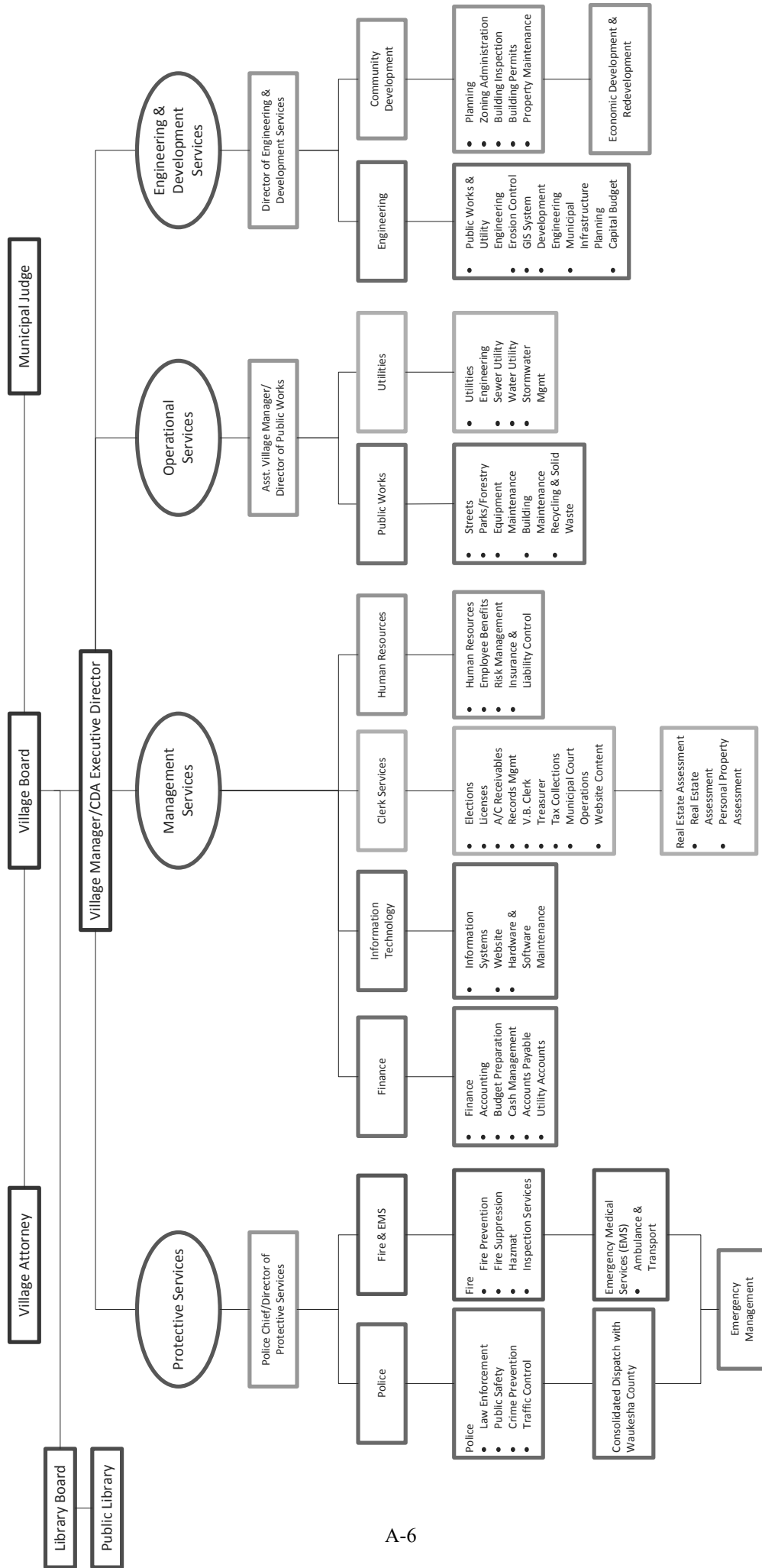
Respectfully submitted,



Julie A. Multhauf
Assistant Finance Director

VILLAGE OF MENOMONEE FALLS

Functional Organization Chart



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

**Directory of Officials
As of December 31, 2019**

Elected Officials:

Village Board:	<u>Title</u>	<u>Term Expires</u>
David Glasgow	President	April 2021
Katie Kress	Trustee	April 2020
Timothy Newmann	Trustee	April 2020
Paul Tadda	Trustee	April 2022
Steve Taggart	Trustee	April 2022
Randy Van Alstyne	Trustee	April 2020
Jeremy Walz	Trustee	April 2022

Certified Public Accountants:

Reilly, Penner & Benton LLP, Milwaukee, Wisconsin

Bond Counsel:

Quarles & Brady, Milwaukee, Wisconsin

Financial Advisor:

Ehlers, Waukesha, Wisconsin



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, 2019 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, 2019, 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.

Change in Accounting Principle

As discussed in Note 1E to the financial statements, in 2019 the Village adopted new accounting guidance, GASB Statement No. 84, *Fiduciary and GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis, schedule of changes in total OPEB - health liability and related ratios, schedule of proportionate share of the net pension asset (liability) and employer contributions and schedule of proportionate share of the net OPEB - life insurance 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 2019 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, 2018 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' basic financial statements as a whole. The supplementary information for the year ended December 31, 2018 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 is derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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 2018 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Ridley, Penner & Barton LLP

October 29, 2020
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, 2019. 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 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 cover the cost of water and sanitary sewer utility services. The Village funds storm water activities 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 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 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 86. Combining and individual fund statements and schedules begin on page 90.

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 \$282.8 million as of December 31, 2019. The largest portion of the Village's net position (96%) 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 \$4.6 million, or 2%.

Condensed Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Capital assets	\$ 184.2	\$ 182.5	\$ 145.0	\$ 141.8	\$ 329.2	\$ 324.3
Other assets	61.3	69.5	27.3	27.5	88.6	97.0
Total assets	245.5	252.0	172.3	169.3	417.8	421.3
Deferred outflows of resources:	11.1	9.6	0.9	0.8	12.0	10.4
Liabilities:						
Long-term liabilities	82.7	65.6	10.8	10.6	93.5	76.2
Other liabilities	14.2	31.6	2.5	2.6	16.7	34.2
Total liabilities	96.9	97.2	13.3	13.2	110.2	110.4
Deferred inflows of resources:	35.4	41.4	1.4	1.7	36.8	43.1
Net Position:						
Net investment in capital assets	135.0	111.2	135.7	133.4	270.7	244.6
Restricted	5.6	8.0	10.8	10.1	16.4	18.1
Unrestricted	(16.3)	3.8	12.0	11.7	(4.3)	15.5
Total net position	\$ 124.3	\$ 123.0	\$ 158.5	\$ 155.2	\$ 282.8	\$ 278.2

Changes in Net Position

During 2019 the net position of governmental activities increased 1% to \$124.3 million. Restricted assets include \$1.4 million for capital projects (including Tax Incremental Financing Districts or TIFs), \$2.2 million for other special revenue fund purposes, \$7 million for the debt service fund and \$1.3 million for the Library. The unrestricted net position of governmental activities amounts to (\$16.3 million).

Net position of business activities totaled \$158.5 million as of December 31, 2019. Business-type assets totaling \$10.8 million are restricted for capital projects, operations and maintenance, depreciation, and projected future pension obligations. The Village may use the unrestricted net position totaling \$12.0 million to finance continuing operations and capital projects of the utilities.

Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7.6	\$ 9.3	\$ 16.6	\$ 15.8	\$ 24.2	\$ 25.1
Operating grants and contributions	4.0	3.2	-	-	4.0	3.2
Capital grants and contributions	7.4	1.6	4.7	7.8	12.1	9.4
General revenues:						
Property taxes	26.8	30.5	0.9	0.9	27.7	31.4
Unrestricted grants and contributions	1.6	1.2	-	-	1.6	1.2
Other revenues	2.4	0.9	0.7	0.9	3.1	1.8
Total revenues	49.8	46.7	22.9	25.4	72.7	72.1
Expenses:						
General government	4.6	4.7	-	-	4.6	4.7
Public safety	17.5	16.4	-	-	17.5	16.4
Public works	11.4	14.1	-	-	11.4	14.1
Culture and recreation	3.6	3.3	-	-	3.6	3.3
Conservation and development	9.1	2.3	-	-	9.1	2.3
Interest on long-term debt	2.3	2.2	-	-	2.3	2.2
Water Utility	-	-	7.2	7.0	7.2	7.0
Sewer Utility	-	-	10.9	11.5	10.9	11.5
Storm Water Utility	-	-	1.5	1.4	1.5	1.4
Total expenses	48.5	43.0	19.6	19.9	68.1	62.9
Increase (decrease) in net position	1.3	3.7	3.3	5.5	4.6	9.2
Net position, beginning of year	123.0	119.9	155.2	149.6	278.2	269.5
Prior period adjustment	-	(0.6)	-	0.1	-	(0.5)
Net position, end of year	\$ 124.3	\$ 123.0	\$ 158.5	\$ 155.2	\$ 282.8	\$ 278.2

Governmental activities increased net position by \$1.3 million. Significant changes in governmental revenues and expenses were as follows.

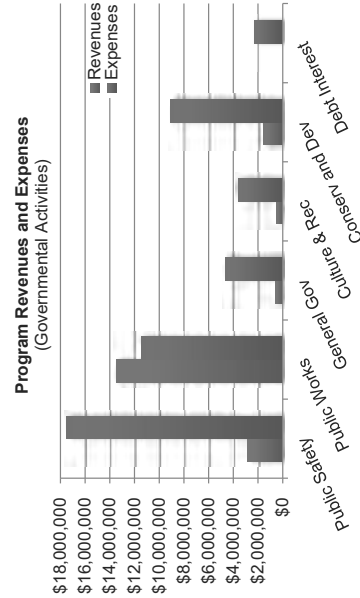
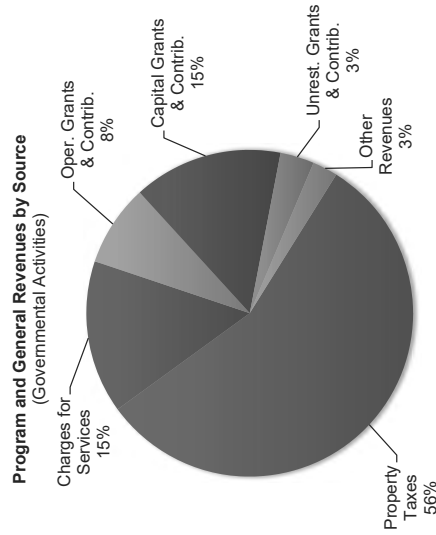
Revenues:

Charges for services totaled \$7.6 million, a decrease of \$1.7 million from 2018. The most significant revenues in this category includes landfill tipping fees (\$2.2 million), garbage fees (\$1.4 million), EMS services (\$1.3 million), and housing construction permits (\$1.0 million). Program grants and contributions totaled \$11.4 million, a \$6.6 million increase from the prior 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 2019, general revenues totaled \$30.8 million, a \$1.8 million decrease from the prior year. The Village refunded excess increment in the amount of \$2.7 million due to the closure of two TIF districts. This was offset in part by an increase in unrestricted grant revenues (\$4 million) and other revenues (\$1.5 million).

Expenses:

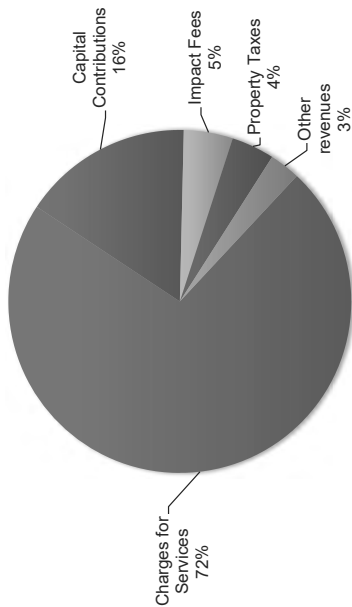
Governmental expenses totaled \$48.5 million, an overall increase of \$5.5 million from 2018. The most significant change occurred in Conservation and Development, which increased \$6.8 million due mostly to large losses on disposal of land contributed to developers.



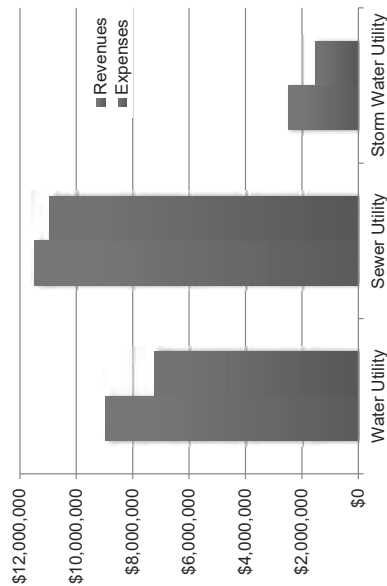
Business-Type Activities

Business-type activities, which include the operations of the water, sewer and storm water utilities, accounted for an increase of \$3.2 million in the Village's net position. Total expenses exceeded charges for services by \$1.8 million. The deficit was offset by capital grants and contributions totaling \$4.7 million, a tax levy of \$0.9 million and other revenues totaling \$.7 million.

Revenues by Source
(Business-type Activities)



Program Revenues and Expenses
(Business-type Activities)



Water Utility

The Water Utility reported net operating income of \$1.2 million for 2019, a minor decrease from the \$1.4 million reported in 2018. Operating revenues of the Water Utility totaled \$6.9 million for 2019, \$0.1 million higher than in 2018. Operating expenses totaled \$5.8 million, a \$4 million increase from the prior year. Real estate taxes paid to the Village in 2019 were \$1.2 million. Overall, 2019 net income is \$1.5 million lower than 2018, 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 \$1.7 million to MWW in 2019, which closely matches the amount paid in 2018. Village water rates were last increased in January 2017.

The Water Utility capitalized \$3.8 million of improvements during 2019, of which \$1.1 million were contributed by 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 2019 were \$1.4 million less than in 2018.

Water Utility Activity Summary
(in millions of dollars)

	2019	2018	Change
Charges for services	\$ 6.9	\$ 6.8	\$ 0.1
Operating expenses	5.7	5.4	0.3
Operating income	1.2	1.4	(0.2)
Non-operating income	0.6	0.6	-
Payment-in-lieu of taxes	(1.2)	(1.3)	0.1
Capital contributions	1.1	2.5	(1.4)
Increase in net position	1.7	3.2	(1.5)
Net position, beginning of year	66.9	63.6	3.3
Prior period adjustment	-	0.1	(0.1)
Net position, end of year	\$ 68.6	\$ 66.9	\$ 1.7

Sewer Utility

The Sewer Utility reported a net operating loss of \$1.3 million for 2019, better than the \$2.0 million operating loss in 2018. This change is essentially the net result of a \$0.6 million increase in user charges. Sewer rates were increased 6% in 2018 and 5% in 2019 as recommended by our Sewer Rate Study.

Operating expenses totaled \$11.0 million, which is the same as 2018. The Village contracts with other municipalities for sewerage treatment. The largest vendor servicing the Village is Metropolitan Milwaukee Sewerage Treatment District (MMSD). In 2019, the Village paid MMSD \$2.1 million for user charges and \$5.1 million for capital charges. Overall, total payments to MMSD were \$0.5 million lower when compared to the prior year.

The Sewer Utility capitalized \$1.5 million of improvements during 2019 all of which \$1.2 million was 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 2019 were \$0.2 million less than in 2018.

Sewer Utility (continued)

Sewer Utility Activity Summary (in millions of dollars)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Charges for services	\$ 9.6	\$ 9.0	\$ 0.6
Operating expenses	10.9	11.0	-
Operating loss	<u>(1.3)</u>	<u>(2.0)</u>	<u>0.6</u>
Non-operating income	0.7	0.6	-
Capital contributions	1.2	1.6	(0.4)
Increase (decrease) in net position	<u>0.6</u>	<u>0.2</u>	<u>0.2</u>
Net position, beginning of year	61.0	60.8	0.3
Net position, end of year	<u>\$ 61.6</u>	<u>\$ 61.0</u>	<u>\$ 0.5</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 2019 is consistent with the results of 2018 operations.

The Storm Water Utility capitalized \$1.9 million of improvements during 2019, of which \$0.6 million were contributed from developers and \$0.8 million were contributed from governmental funds. Most of the infrastructure installed by the Village is attributable to the addition of new utility infrastructure. Capital contributions for 2019 were \$1.2 million less than in 2018.

Storm Water Utility Activity Summary (in millions of dollars)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Property taxes and charges for services	\$ 1.0	\$ 1.0	\$ -
Operating expenses	1.4	1.3	0.1
Operating loss	<u>(0.4)</u>	<u>(0.3)</u>	<u>(0.1)</u>
Non-operating expenses	0.0	(0.1)	0.1
Capital contributions	1.4	2.5	(1.1)
Increase (decrease) in net position	<u>1.0</u>	<u>2.1</u>	<u>(1.1)</u>
Net position, beginning of year	27.2	25.1	2.1
Net position, end of year	<u>\$ 28.2</u>	<u>\$ 27.2</u>	<u>\$ 1.0</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, 2019, Village governmental funds reported a combined fund balance of \$24.0 million, \$3.9 million less than last year's total of \$27.9 million. Most of this decrease is a result of a \$2.7 million distribution of excess TID increment as well as a \$2.0 million TID developer grant for a sole user industrial electric system. 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 \$0.2 million surplus, which equates to 1% of the operating budget. The final fund balance of the General Fund amounted to \$10.1 million, a \$0.4 million increase from the prior year. \$2.6 million of the total fund balance is a result of non-spendable assets. The remaining \$7.5 million is considered "unassigned" and available for spending. The unassigned balance equates to 3.5 months of 2020 budgeted expenditures; which is consistent with our fund balance policy of around 3 months.

Overall, for 2019, General Fund revenues were \$0.8 million more than budgeted. The most significant variances include a \$0.3 million increase in licenses and permits. In addition a \$0.3 million increase in intergovernmental revenues and \$0.2 million increase in charges for services.

General Fund expenditures were \$0.4 million less than budgeted. This savings essentially comes from delayed IT projects that were budgeted for and postponed to future years.

Debt Service Fund

The Debt Service Fund balance increased \$0.6 million. Annual debt service requirements were met primarily by transfers from other governmental funds of \$10.2 million and property taxes levied of \$2.4 million. There was also \$19.5 million of current refundings.

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, 2019, the Village had \$329.2 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
	2019	2018	2019	2018	2018
Non-depreciable assets:					
Land	\$ 102.3	\$ 99.8	\$ 0.6	\$ 0.6	\$ 102.9
Construction in progress	19.0	17.7	1.7	0.8	20.7
Total non-depreciable assets	121.3	117.5	2.3	1.4	123.6
					118.9
Depreciable assets:					
Land improvements	5.2	5.2	1.9	1.9	7.1
Buildings and improvements	39.8	39.8	9.3	9.2	49.1
Equipment and furnishings	20.9	20.2	9.1	9.0	30.0
Infrastructure	59.2	58.1	201.2	195.1	260.4
Total depreciable assets	125.1	123.3	221.5	215.2	346.6
Less accumulated depreciation	62.2	58.3	78.8	74.8	141.0
Net depreciable assets	62.9	65.0	142.7	140.4	205.6
Total capital assets	\$ 184.2	\$ 182.5	\$ 145.0	\$ 141.8	\$ 329.2
					324.3

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The Village's 2019 capital budget anticipated a spending level of \$7.3 million for capital projects. The Village borrowed \$3.2 million in to fund these expenditures, with the remaining \$4.1 million being financed with cash on hand.

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

	Book Value
Land contributed to developers	\$ (4.3)
ROW land contributions	6.5

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

	Book Value
Water Utility infrastructure	\$ 3.7
Storm Utility infrastructure	1.9
Sewer Utility infrastructure	1.3

Long-term Debt

As of December 31, 2019, long-term debt outstanding totaled \$90.4 million compared to \$96.1 million at December 31, 2018, a net decrease of \$5.7 million.

The following debt issuances occurred in 2019:

2019A GO Notes - 2019 Capital Budget	\$ 2,030,000
2019B GO Bonds - 2019 Capital Budget, Refunds (TID 6, 12)	4,350,000
2019C GO Bonds - Capital Expenditures (TID 13), Refunds (TID 6, 10, 11, 12)	18,435,000
	<u>\$ 24,815,000</u>

Principal paid on outstanding debt totaled \$30.5 million for 2019, all of which was paid toward principal reduction.

The debt issued to fund the 2019 Capital Budget is summarized as follows:

Streets and Storm Water Infrastructure	\$ 2,000,000
Water Utility Infrastructure	1,235,000
Total debt issuance	<u>\$ 3,235,000</u>

Outstanding Debt, December 31 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds/notes	\$ 79.4	\$ 84.9	\$ 10.1	\$ 10.3	\$ 89.5	\$ 95.2
Mortgage revenue bonds	-	-	.9	1.0	.9	1.0
	<u>\$ 79.4</u>	<u>\$ 84.9</u>	<u>\$ 11.0</u>	<u>\$ 11.3</u>	<u>\$ 90.4</u>	<u>\$ 96.2</u>

The Village's general obligation bond rating is Aa2 by Moody's; a strong rating for a village of our size. The outstanding Sewer Utility mortgage revenue bonds are 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 \$264.5 million. As of December 31, 2019 the Village had \$89.5 million in outstanding general obligation debt, or 34% 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 64% of the General Fund's 2020 budget and state revenues account for another 13%. Together, nearly 80% of the General Fund's expenditures are covered by taxes and state revenues. Overall, the 2020 General Fund operating budget increased \$3.2 million compared to 2019.

The total assessed value for the Village increased \$45.6 million, less than 1%. Total assessed values for 2019 and 2018 were \$4.9 billion and \$4.8 billion respectively. The ratio of assessed values to equalized values was 92.5% as of January 1, 2019.

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 Financial Services by email at fs@menomonee-falls.org; or by mail at Village of Menomonee Falls, W156N8480 Pilgrim Road, Menomonee Falls, Wisconsin, 53051.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental	Business-	
	Activities	type	
		Activities	Total
Assets:			
Cash and equivalents	\$ 35,170,821	\$ 9,293,319	\$ 44,464,140
Investments	1,563,436	---	1,563,436
Taxes receivable	16,959,407	931,000	17,890,407
Special charges on the tax roll	2,015,940	517,033	2,532,973
Intergovernmental aid receivable	1,358,232	---	1,358,232
Accounts receivable (net)	1,558,640	2,954,083	4,512,723
Inventories	516,755	127,491	644,246
Prepaid items	55,365	2,182	57,547
Notes receivable	197,841	---	197,841
Special assessments	858,632	---	858,632
Restricted assets:			
Cash and equivalents	1,060,319	10,842,382	11,902,701
Prepaid capacity charges	---	2,612,829	2,612,829
Capital assets:			
Land and construction in progress	121,213,991	2,278,049	123,492,040
Other capital assets net of accumulated depreciation	62,941,918	142,736,811	205,678,729
Total assets	245,471,297	172,295,179	417,766,476
Deferred Outflows of Resources:			
Unamortized losses on debt refunding	25,691	---	25,691
Deferred outflows related to pensions	10,805,125	850,889	11,656,014
Deferred outflows related to OPEB - life insurance	88,289	20,979	109,268
Deferred outflows related to OPEB - health	193,903	21,067	214,970
Total deferred outflows of resources	11,113,008	892,935	12,005,943
Liabilities:			
Accounts payable and accrued expenses	4,358,573	640,967	4,999,540
Incurred but not reported claims	142,511	---	142,511
Deposits	363,791	50,000	413,791
Prepaid rent	19,576	---	19,576
Unearned revenue	---	149,420	149,420
Liabilities payable from restricted assets:			
Current portion of revenue bonds	---	78,452	78,452
Accrued interest	613,507	3,897	617,404
Compensated absences - vacation due within one year	1,064,970	149,531	1,214,501
Compensated absences - sick leave due within one year	645,269	122,009	767,278
Compensated absences - sick leave more than one year	2,377,385	340,170	2,717,555
Net OPEB - life insurance liability	622,911	148,019	770,930
Net OPEB - health liability	1,787,927	194,254	1,982,181
Net pension liability	3,889,213	306,271	4,195,484
Bonds and notes - due within one year	6,947,953	1,329,225	8,277,178
Bonds and notes - due in more than one year	74,032,972	9,789,188	83,822,160
Total liabilities	96,866,558	13,301,403	110,167,961
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	29,754,247	931,000	30,685,247
Deferred inflows related to pensions	5,389,156	424,389	5,813,545
Deferred inflows related to OPEB - health	48,286	5,246	53,532
Deferred inflows related to OPEB - life insurance	167,555	39,816	207,371
Total deferred inflows of resources	35,359,244	1,400,451	36,759,695
Net Position:			
Net investment in capital assets	135,057,621	135,720,027	270,777,648
Restricted for:			
Capital projects	1,404,039	9,703,993	11,108,032
Debt service	674,140	---	674,140
Library operations and maintenance	1,265,997	---	1,265,997
Other	2,236,831	1,056,040	3,292,871
Unrestricted	(16,280,125)	12,006,200	(4,273,925)
Total net position	\$ 124,358,503	\$ 158,486,260	\$ 282,844,763

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, 2019

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 4,620,851	\$ 555,202	----	----	\$ (4,065,649)	----	\$ (4,065,649)
Public safety	17,483,697	2,127,676	747,956	----	(14,608,065)	----	(14,608,065)
Public works	11,446,523	3,472,446	2,635,133	7,372,701	2,033,757	----	2,033,757
Culture and recreation	3,600,726	403,487	109,750	----	(3,087,489)	----	(3,087,489)
Conservation and development	9,066,560	999,000	540,222	----	(7,527,338)	----	(7,527,338)
Interest and fiscal charges	2,310,549	----	----	----	(2,310,549)	----	(2,310,549)
Total governmental activities	48,528,906	7,557,811	4,033,061	7,372,701	(29,565,333)	----	(29,565,333)
Business-type Activities:							
Water Utility	5,974,678	6,937,672	----	1,677,297	----	2,640,291	2,640,291
Sewer Utility	10,944,121	9,612,636	----	1,708,351	----	376,866	376,866
Storm Water Utility	1,510,157	53,837	----	1,360,173	----	(96,147)	(96,147)
Total business-like activities	18,428,956	16,604,145	----	4,745,821	----	2,921,010	2,921,010
Total primary government	\$ 66,957,862	\$ 24,161,956	\$ 4,033,061	\$ 12,118,522	(29,565,333)	2,921,010	(26,644,323)
General Revenues:							
Taxes:							
Property taxes levied for general purposes					20,343,315	----	20,343,315
Property taxes levied for utility purposes					----	931,000	931,000
Property taxes levied for debt service					2,375,000	----	2,375,000
Property taxes levied for TID districts					6,781,415	----	6,781,415
Less distribution of excess TID increments upon closure					(2,717,084)	----	(2,717,084)
Grants and contributions not restricted to specific programs					1,676,603	----	1,676,603
Investment earnings					902,713	466,844	1,369,557
Interest on advances to utilities					32,513	----	32,513
Gain on disposal of capital assets					93,286	----	93,286
Transfers - PILOT					1,190,006	(1,190,006)	----
Insurance recoveries					180,399	----	180,399
Other revenues					37,086	136,241	173,327
Total general revenues					30,895,252	344,079	31,239,331
Change in net position					1,329,919	3,265,089	4,595,008
Net position, beginning of year					123,028,584	155,221,171	278,249,755
Net position, end of year					\$ 124,358,503	\$ 158,486,260	\$ 282,844,763

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, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and equivalents	\$ 19,461,938	\$ 674,140	\$ 14,418,595	\$ 34,554,673
Restricted assets:				
Cash and equivalents	---	---	1,060,319	1,060,319
Certificate of deposit	1,563,436	---	---	1,563,436
Accounts receivable:				
Taxes	9,984,991	2,370,000	4,604,416	16,959,407
Special charges on the tax roll	10,772	---	2,005,168	2,015,940
Intergovernmental aid	1,009,632	---	348,600	1,358,232
Special assessments	---	---	858,632	858,632
Accounts	1,013,504	---	509,869	1,523,373
Notes	---	---	197,841	197,841
Prepaid items	55,365	---	---	55,365
Inventory of supplies, at cost	516,755	---	---	516,755
Advances to other governmental funds	1,976,364	---	887,506	2,863,870
Total assets	<u>35,592,757</u>	<u>3,044,140</u>	<u>24,890,946</u>	<u>63,527,843</u>
Liabilities:				
Accounts payable and other accrued liabilities	3,325,242	---	1,033,331	4,358,573
Accrued compensated absences	997,500	---	67,470	1,064,970
Deposits	227,595	---	136,196	363,791
Prepaid rent	19,576	---	---	19,576
Long-term advances from other governmental funds	---	---	2,863,870	2,863,870
Total liabilities	<u>4,569,913</u>	<u>---</u>	<u>4,100,867</u>	<u>8,670,780</u>
Deferred Inflows of Resources:				
Deferred revenue - subsequent year's taxes	20,549,765	2,370,000	6,834,482	29,754,247
Miscellaneous unavailable revenue	358,843	---	199,757	558,600
Special assessments	---	---	557,443	557,443
Total deferred inflows of resources	<u>20,908,608</u>	<u>2,370,000</u>	<u>7,591,682</u>	<u>30,870,290</u>
Fund Balances (Deficit):				
Nonspendable	2,567,417	---	1,286,536	3,853,953
Restricted:				
Capital projects	---	---	2,433,892	2,433,892
Other	---	674,140	3,619,872	4,294,012
Committed	---	---	4,033,873	4,033,873
Assigned	---	---	4,458,403	4,458,403
Unassigned	7,546,819	---	(2,634,179)	4,912,640
Total fund balances (deficit)	<u>\$ 10,114,236</u>	<u>\$ 674,140</u>	<u>\$ 13,198,397</u>	<u>\$ 23,986,773</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, 2019

Total fund balance of governmental funds	\$	23,986,773
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Amounts reported for governmental activities in the government-wide statement of net assets are different because:

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

Land and construction in progress		121,213,991
Other capital assets net of accumulated depreciation		62,941,918

Other unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds.

Special assessments receivable		557,443
Miscellaneous unavailable revenue		558,600

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		25,691
Net unamortized premiums on debt		(1,562,068)

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		(79,418,857)
Compensated absences payable - sick pay		(3,022,654)
Net OPEB - health		(1,787,927)
Accrued interest payable on long-term bonds and notes		(613,507)

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 governmental funds

(3,889,213)

The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but is not reported in the governmental funds.

(622,911)

Deferred outflows and inflows of resources related to pensions, OPEB - life insurance and OPEB -health are applicable to future periods, and therefore, are not reported in the governmental funds.

Deferred outflows related to pensions		10,805,125
Deferred inflows related to pensions		(5,389,156)
Deferred outflows related to OPEB - health		193,903
Deferred outflows related to OPEB - life insurance		88,289
Deferred inflows related to OPEB - health		(48,286)
Deferred inflows related to OPEB - life insurance		(167,555)

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.

508,904

Net position of governmental activities		\$ 124,358,503
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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, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Revenues:				
Property taxes	\$ 18,446,415	\$ 2,375,000	\$ 8,513,415	\$ 29,334,830
Other taxes	164,900	---	258,343	423,243
Charges for services:				
Licenses and permits	1,619,720	---	---	1,619,720
Fines and forfeitures	499,252	---	18,154	517,406
Program revenues	---	---	1,415,723	1,415,723
Tipping fees	---	---	2,163,328	2,163,328
Other charges for services	1,743,325	---	---	1,743,325
Operating grants and contributions:				
Intergovernmental	3,681,900	---	868,059	4,549,959
Donations	---	---	44,653	44,653
Special assessments and interest	---	---	46,974	46,974
Contributions from developers	---	---	47,921	47,921
Platting fees	---	---	201,500	201,500
Impact fees	---	---	813,795	813,795
Investment earnings	380,514	52,717	482,839	916,070
Interest on advances to governmental funds	60,265	---	14,302	74,567
Interest on advances to utilities	2,948	---	29,565	32,513
Other revenues	181,844	---	15,273	197,117
Total governmental revenues	26,781,083	2,427,717	14,933,844	44,142,644
Expenditures:				
Current:				
General government	3,727,444	---	240,129	3,967,573
Public safety	15,358,640	---	68,790	15,427,430
Public works	3,859,009	---	4,876,972	8,735,981
Culture and recreation	902,571	---	2,146,573	3,049,144
Conservation and development	1,134,780	---	3,473,080	4,607,860
Uncollectible accounts	---	---	62,178	62,178
Capital outlay	19,603	---	3,053,517	3,073,120
Debt Service:				
Principal on long-term debt	---	29,006,953	---	29,006,953
Interest and fiscal charges on long-term debt	---	2,421,686	---	2,421,686
Bond expenses	---	160,087	10,947	171,034
Interest on advances from governmental funds	---	---	74,567	74,567
Debt issuance costs	---	---	62,806	62,806
Total expenditures	25,002,047	31,588,726	14,069,559	70,660,332
Excess (deficit) of revenues over (under) expenditures	1,779,036	(29,161,009)	864,285	(26,517,688)
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	4,719	---	95,803	100,522
Transfers in	---	10,197,811	5,527,125	15,724,936
Transfers out	(2,817,175)	---	(12,907,761)	(15,724,936)
Distribution upon closure of TID	---	---	(2,717,084)	(2,717,084)
Transfers from water utility - PILOT	1,190,006	---	---	1,190,006
Insurance recoveries	---	---	180,399	180,399
Bonds and notes issued	---	19,470,000	4,100,000	23,570,000
Debt issuance premiums	---	142,519	124,312	266,831
Total other financing sources (uses)	(1,622,450)	29,810,330	(5,597,206)	22,590,674
Net change in fund balances	156,586	649,321	(4,732,921)	(3,927,014)
Fund balance, beginning of year	9,957,650	24,819	17,931,318	27,913,787
Fund balance, end of year	\$ 10,114,236	\$ 674,140	\$ 13,198,397	\$ 23,986,773

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, 2019**

Net change in fund balances of governmental funds	\$ (3,927,014)
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	3,073,120
Depreciation expense in government-wide financial statements	(4,396,355)
Certain capital assets acquired by the Village are contributed to the Village by outside parties. As no current financial resources were acquired by the Village as a result of these contributions, these contributions are not recorded in the governmental funds.	
	7,304,165
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.	
	(4,277,136)
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	(23,570,000)
Principal payments on debt in governmental fund financial statements	29,006,953
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	(266,831)
Amortization of these amounts included in interest expense in the statement of activities	381,892
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.	
	(36,915)
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 in the statement of activities.	
	(203,379)
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.	
	(1,499,201)
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	(26,360)
Decrease in miscellaneous unavailable revenue	(124,822)
Net OPEB - life insurance obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the statement of activities.	
	(62,871)
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	26,328
Increase in OPEB obligation	(71,655)
Change in net position of governmental activities	\$ 1,329,919

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, 2019

	Adopted Budget	Amended Budget	Actual	Variance
Revenues:				
Property taxes	\$ 18,437,000	\$ 18,437,000	\$ 18,446,415	\$ 9,415
Other taxes	162,000	162,000	164,900	2,900
Licenses and permits	1,310,600	1,310,600	1,619,720	309,120
Fines and forfeitures	573,000	573,000	499,252	(73,748)
Intergovernmental	3,327,100	3,327,100	3,681,900	354,800
Charges for services	1,550,005	1,550,005	1,743,325	193,320
Investment earnings	360,000	360,000	380,514	20,514
Interest on advances to other governmental funds	73,000	73,000	60,265	(12,735)
Interest on advances to utilities	---	---	2,948	2,948
Other	134,700	134,700	181,844	47,144
Total revenues	<u>25,927,405</u>	<u>25,927,405</u>	<u>26,781,083</u>	<u>853,678</u>
Expenditures:				
General government	4,305,900	4,215,900	3,735,712	480,188
Public safety	14,986,600	15,111,600	15,369,975	(258,375)
Public works	3,835,900	3,835,900	3,859,009	(23,109)
Culture and recreation	1,001,800	1,001,800	902,571	99,229
Conservation and development	1,222,900	1,222,900	1,134,780	88,120
Total expenditures	<u>25,353,100</u>	<u>25,388,100</u>	<u>25,002,047</u>	<u>386,053</u>
Excess of revenues over expenditures	<u>574,305</u>	<u>539,305</u>	<u>1,779,036</u>	<u>1,239,731</u>
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	---	---	4,719	4,719
Transfers out	(1,944,305)	(1,944,305)	(2,817,175)	(872,870)
Transfers from water utility - PILOT	1,370,000	1,370,000	1,190,006	(179,994)
Net other financing uses	<u>(574,305)</u>	<u>(574,305)</u>	<u>(1,622,450)</u>	<u>(1,048,145)</u>
Net change in fund balance	<u>---</u>	<u>(35,000)</u>	<u>156,586</u>	<u>191,586</u>
Fund Balance:				
Beginning of year	9,957,650	9,957,650	9,957,650	---
End of year	<u>\$ 9,957,650</u>	<u>\$ 9,922,650</u>	<u>\$ 10,114,236</u>	<u>\$ 191,586</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, 2019

	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	\$ 7,322,696	\$ 1,946,035	\$ 24,588	\$ 9,293,319	\$ 616,148
Cash and equivalents - restricted (current)	---	82,349	---	82,349	---
Receivables:					
Taxes	---	---	931,000	931,000	---
Special charges on the tax roll	156,053	360,980	---	517,033	---
Utility customers	991,357	1,823,398	---	2,814,755	---
Other	32,742	105,096	1,490	139,328	35,267
Prepaid items	2,182	---	---	2,182	---
Inventory	82,947	15,104	29,440	127,491	---
Total current assets	8,587,977	4,332,962	986,518	13,907,457	651,415
Noncurrent Assets:					
Restricted:					
Cash and equivalents - restricted (noncurrent)	3,896,481	6,863,552	---	10,760,033	---
Advances to other funds	2,230,326	---	---	2,230,326	---
Prepaid capacity charge	---	2,612,829	---	2,612,829	---
Land and construction in progress	1,306,091	149,557	822,401	2,278,049	---
Other capital assets, net of accumulated depreciation	62,172,846	49,299,963	31,264,002	142,736,811	---
Total noncurrent assets	69,605,744	58,925,901	32,086,403	160,618,048	---
Total assets	78,193,721	63,258,863	33,072,921	174,525,505	651,415
Deferred Outflows of Resources:					
Deferred outflows related to pensions	524,521	256,432	69,936	850,889	---
Deferred outflows related to OPEB - life insurance	13,221	6,119	1,639	20,979	---
Deferred outflows related to OPEB - health	13,758	5,159	2,150	21,067	---
Total deferred outflows of resources	551,500	267,710	73,725	892,935	---
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	78,765	479,239	40,051	598,055	---
Deposits	---	---	50,000	50,000	---
Incurred but not reported insurance claims	---	---	---	---	142,511
Compensated absences - vacation due within one year	91,085	46,578	11,868	149,531	---
Compensated absences - sick due within one year	64,401	44,137	13,471	122,009	---
Unearned revenue	149,420	---	---	149,420	---
Current portion of general obligation notes	930,000	20,000	340,000	1,290,000	---
Current portion of revenue bonds	---	39,225	---	39,225	---
Accrued interest	38,884	94	3,934	42,912	---
Liabilities payable from restricted assets:					
Current portion of revenue bonds	---	78,452	---	78,452	---
Accrued interest	---	3,897	---	3,897	---
Total current liabilities	1,352,555	711,622	459,324	2,523,501	142,511
Long-Term Liabilities:					
Compensated absences - sick pay	223,514	90,589	26,067	340,170	---
Net OPEB - life insurance liability	93,283	43,172	11,564	148,019	---
Net OPEB - health liability	126,860	47,572	19,822	194,254	---
Net pension liability	188,797	92,301	25,173	306,271	---
Advances from other funds	---	---	2,230,326	2,230,326	---
General obligation notes	7,814,438	15,000	1,161,823	8,991,261	---
Revenue bonds	---	797,927	---	797,927	---
Total long-term liabilities	8,446,892	1,086,561	3,474,775	13,008,228	---
Total liabilities	9,799,447	1,798,183	3,934,099	15,531,729	142,511
Deferred Inflows of Resources:					
Deferred revenue - subsequent year's taxes	---	---	931,000	931,000	---
Deferred inflows related to pensions	261,610	127,898	34,881	424,389	---
Deferred inflows related to OPEB - health	3,426	1,285	535	5,246	---
Deferred inflows related to OPEB - life insurance	25,092	11,613	3,111	39,816	---
Total deferred inflows of resources	290,128	140,796	969,527	1,400,451	---
Net Position:					
Net investment in capital assets	55,720,928	49,414,519	30,584,580	135,720,027	---
Restricted for:					
Operations and maintenance	---	911,640	---	911,640	---
Depreciation	---	144,400	---	144,400	---
Capital projects	3,896,481	5,807,512	---	9,703,993	---
Unrestricted	9,038,237	5,309,523	(2,341,560)	12,006,200	508,904
Total net position	\$ 68,655,646	\$ 61,587,594	\$ 28,243,020	\$ 158,486,260	\$ 508,904

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, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Total Enterprise Funds	
Operating Revenues:					
Charges for services	\$ 6,937,672	\$ 9,612,636	\$ 53,837	\$ 16,604,145	\$ ---
General property taxes	---	---	931,000	931,000	---
Total operating revenues	<u>6,937,672</u>	<u>9,612,636</u>	<u>984,837</u>	<u>17,535,145</u>	<u>---</u>
Operating Expenses:					
Operation and maintenance	2,578,358	8,490,032	360,542	11,428,932	94,536
Administrative expense	1,393,800	947,015	322,551	2,663,366	---
Depreciation expense	1,792,958	1,477,809	721,645	3,992,412	---
Regulatory commission remainder assessments	6,563	---	---	6,563	---
Total operating expenses	<u>5,771,679</u>	<u>10,914,856</u>	<u>1,404,738</u>	<u>18,091,273</u>	<u>94,536</u>
Operating income (loss)	<u>1,165,993</u>	<u>(1,302,220)</u>	<u>(419,901)</u>	<u>(556,128)</u>	<u>(94,536)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	282,348	171,217	13,279	466,844	33,668
Sale of materials	9,548	---	---	9,548	---
Miscellaneous	---	---	400	400	(142,511)
Intergovernmental revenue	---	---	126,293	126,293	---
Gain (loss) on retirement of property and plant	3,703	---	(630)	3,073	---
Fiscal charges on debt	(3,618)	(514)	(1,172)	(5,304)	---
Amortization of debt premiums, discounts and losses on refundings	25,297	---	5,757	31,054	---
Debt issuance costs	(25,781)	---	---	(25,781)	---
Impact fees	551,586	509,704	---	1,061,290	---
Interest on long-term debt	(229,188)	(25,803)	(53,221)	(308,212)	---
Interest on advances from governmental funds	26,588	(2,948)	(56,153)	(32,513)	---
Net non-operating revenues (expenses)	<u>640,483</u>	<u>651,656</u>	<u>34,553</u>	<u>1,326,692</u>	<u>(108,843)</u>
Net income (loss) before capital contributions	<u>1,806,476</u>	<u>(650,564)</u>	<u>(385,348)</u>	<u>770,564</u>	<u>(203,379)</u>
Transfers to governmental funds - PILOT	(1,190,006)	---	---	(1,190,006)	---
Capital contributions	1,125,711	1,198,647	1,360,173	3,684,531	---
Net increase (decrease) in net position	<u>1,742,181</u>	<u>548,083</u>	<u>974,825</u>	<u>3,265,089</u>	<u>(203,379)</u>
Net Position:					
Balance, beginning of year	<u>66,913,465</u>	<u>61,039,511</u>	<u>27,268,195</u>	<u>155,221,171</u>	<u>712,283</u>
Balance, end of year	<u>\$ 68,655,646</u>	<u>\$ 61,587,594</u>	<u>\$ 28,243,020</u>	<u>\$ 158,486,260</u>	<u>\$ 508,904</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, 2019

	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	\$ 5,269,725	\$ 9,922,456	\$ 53,009	\$ 15,245,190	\$ ---	---
Payments to suppliers	(2,769,055)	(7,864,624)	(80,023)	(10,713,702)	(70,773)	(70,773)
Payments to and on behalf of employees	(1,447,605)	(784,600)	(590,410)	(2,822,615)	---	---
Internal activity - receipts from other funds	1,743,206	---	---	1,743,206	---	---
Internal activity - payments to other funds	---	(149,662)	---	(149,662)	---	---
Other receipts	10,848	---	931,400	942,248	---	---
Other payments	(1,617)	---	---	(1,617)	(25,848)	(25,848)
Net cash provided (used) by operating activities	2,805,502	1,123,570	313,976	4,243,048	(96,621)	(96,621)
Cash Flows from Noncapital Financing Activities						
Transfers - PILOT	(1,190,006)	---	---	(1,190,006)	---	---
Advances from municipality	---	---	216,153	216,153	---	---
Interest on advances	---	---	(56,153)	(56,153)	---	---
Intergovernmental grant funds received	---	---	126,293	126,293	---	---
Net cash provided (used) by noncapital financing activities	(1,190,006)	---	286,293	(903,713)	---	---
Cash Flows from Capital and Related Financing Activities:						
Proceeds from sale of property and plant	3,703	---	74	3,777	---	---
Purchases of property and plant	(2,682,878)	(316,150)	(540,823)	(3,539,851)	---	---
Fair value of debt issued	1,245,000	---	---	1,245,000	---	---
Debt issuance premiums	51,889	---	---	51,889	---	---
Debt issuance costs	(25,781)	---	---	(25,781)	---	---
Principal payments on debt	(825,000)	(139,695)	(561,000)	(1,525,695)	---	---
Interest on debt	(230,388)	(26,361)	(55,306)	(312,055)	---	---
Fiscal charges on debt	(3,618)	(514)	(1,172)	(5,304)	---	---
Interest on advances	26,588	(2,948)	---	23,640	---	---
Impact fees	551,586	509,704	---	1,061,290	---	---
Net cash provided (used) by capital and related financing activities	(1,888,899)	24,036	(1,158,227)	(3,023,090)	---	---
Cash Flows from Investing Activities:						
Investment earnings	282,348	171,217	13,279	466,844	33,668	33,668
Advances to other funds	(2,230,326)	---	---	(2,230,326)	---	---
Net cash provided (used) by investing activities	(1,947,978)	171,217	13,279	(1,763,482)	33,668	33,668
Net increase (decrease) in cash and equivalents	(2,221,381)	1,318,823	(544,679)	(1,447,237)	(62,953)	(62,953)
Cash and equivalents, beginning of year	13,440,558	7,573,113	569,267	21,582,938	679,101	679,101
Cash and equivalents, end of year	\$ 11,219,177	\$ 8,891,936	\$ 24,588	\$ 20,135,701	\$ 616,148	\$ 616,148
Reconciliation to cash and cash equivalents on the statement of net assets:						
Cash and cash equivalents - unrestricted	\$ 7,322,696	\$ 1,946,035	\$ 24,588	\$ 9,293,319	\$ 616,148	\$ 616,148
Cash and cash equivalents - restricted	3,896,481	6,945,901	---	10,842,382	---	---
Total cash and equivalents	\$ 11,219,177	\$ 8,891,936	\$ 24,588	\$ 20,135,701	\$ 616,148	\$ 616,148

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2019
(Continued)

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility			
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 1,165,993	\$ (1,302,220)	\$ (419,901)	\$	(556,128)	(94,536)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,792,958	1,387,737	721,645		3,902,340	---
Depreciation charged to other accounts	127,879	---	---		127,879	---
Amortization of prepaid capacity	---	252,152	---		252,152	---
Proceeds from sales of materials	9,548	---	---		9,548	---
Miscellaneous revenues	---	---	400		400	---
Changes in assets and liabilities related to operations:						
Receivables	(18,658)	312,098	(828)		292,612	(2,085)
Inventory	3,799	(1,038)	(19)		2,742	---
Prepaid items	(63)	---	---		(63)	---
Accounts payable and accrued liabilities	(345,092)	435,894	1,664		92,466	---
WRS pension accrual	72,936	38,926	9,725		121,587	---
Compensated absences	(42,891)	(17,055)	(12,023)		(71,969)	---
OPEB obligation	32,544	17,076	13,313		62,933	---
Unearned revenue	6,549	---	---		6,549	---
Net cash provided (used) by operating activities	\$ 2,805,502	\$ 1,123,570	\$ 313,976	\$	4,243,048	\$ (96,621)
Non-Cash Capital Activities:						
Utility plant contributions	\$ 1,125,711	\$ 1,198,647	\$ 1,360,174	\$	3,684,532	\$ ---
Amortization of debt issuance premiums, discounts and losses on refundings	(25,297)	---	(5,757)		(31,054)	---
Gain on sale of utility plant	3,703	---	---		3,703	---
Loss on sale of utility plant	---	---	(631)		(631)	---

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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Fiduciary Net Position
December 31, 2019

	Taxing Jurisdiction Fund
Assets:	
Cash and equivalents	\$ 18,883,733
Taxes receivable	40,188,486
Total assets	\$ 59,072,219
Liabilities:	
Due to other taxing units	\$ 59,072,219
Total liabilities	\$ 59,072,219

Statement of Changes in Fiduciary Net Position
December 31, 2019

	Taxing Jurisdiction Fund
Additions:	
Collection of property taxes	\$ 58,841,445
Deductions:	
Distributions to other governmental units	58,841,445
Net change in fiduciary net position	---
Net position, January 1	---
Net position, December 31	\$ ---

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

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VILLAGE OF MENOMONEE FALLS Waukesha County, Wisconsin

Notes to Financial Statements December 31, 2019

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 and the existence of a potential for the component unit to provide specific financial benefits to or impose financial burdens on the Village. 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 its 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, 2019

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).

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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
Community Grant

Teen Court
Cable TV
Solid Waste Collection
Library Operations and Maintenance
Tourism Commission
TID #9 EDMF

- 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
Municipal Facilities and Equipment Fund
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
Tax Incremental Financing District #13
Tax Incremental Financing District #14
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 Funds

- Custodial funds – are used to account for assets held by the Village in a purely custodial capacity. Since custodial 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 custodial fund consists of the following:
 - Taxing Jurisdiction Fund – accounts for assets collected for other taxing jurisdictions

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) Custodial 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 custodial 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, WRS pension, OPEB and principal and interest on general long-term debt which are reported when due.

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.

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 fiduciary net position. Taxes are levied in December on the assessed value as of the prior January 1.

1. Summary of Significant Accounting Policies (continued)

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

Property Tax Calendar – 2019 Tax Roll:

Levy date	December 2019
Tax bills mailed	December 2019
Payment in full or first installment due (real property)	January 31, 2020
Second installment due (real property)	July 31, 2020
Personal property taxes due in full	January 31, 2020
Tax settlement with other governmental units:	
First settlement	January 15, 2020
Second settlement	February 19, 2020
Third settlement	April 16, 2020
Final settlement	August 20, 2020
Lien date (by County)	September 1, 2020
Tax sale (by County) - 2019 delinquent real estate taxes	October 2023

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.

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.

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 premiums and discounts.

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

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

The Village of Menomonee Falls has permitted the issuance of Industrial Revenue Bonds for various organizations. The principal and interest of Industrial Revenue Bonds are payable solely from revenues and other amounts derived from the projects. The Village has no obligation for the debt, and accordingly, no liability for the bonds is included in the financial statements. These bonds do not enter into the debt limitations of the Village. The aggregate amount of these conduit obligations outstanding as of December 31, 2019 was \$24,638,521.

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.

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 are 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.

The Board of Trustees does not have a formal policy addressing the order in which fund balances will be spent, therefore they use the default of descending order from restricted to unassigned.

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 had a number of 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. The Village also reports deferred outflows of resources related to the Village's OPEB – life insurance and OPEB – health plans. Deferred outflows related to OPEB 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 had a number of 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 reports deferred inflows of resources related to Village's OPEB – health plan. The Village reports deferred inflows of resources related to Village's OPEB – life insurance plan. The Village also reports unavailable resources for special assessments and miscellaneous unavailable revenue as deferred inflows of resources.

Other Post-Employment Benefits (OPEB) – Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. Summary of Significant Accounting Policies (continued)

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

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 benefit terms. Investments are reported at fair value.

E. Adoption of New Accounting Guidance

The Village implemented GASB Statement No. 84, *Fiduciary Activities*. The Village also implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The implementation of these statements had no effect on prior period financial statement balances.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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 for 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, 2019, the Village was obligated for a total of \$89,503,857 in general obligation debt, or 33.84% of the total debt limit.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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:

	Cash	Investments	Total
Petty Cash	\$ 2,736	\$ ---	\$ 2,736
Custodial Risk:			
Demand deposits	2,375,765	--	2,375,765
Local Government Investment Pool (LGIP)	71,905,256	--	71,905,256
Money market	966,817	-	966,817
Custodial, Interest Rate and Credit Risk			
Certificates of deposit	--	1,563,436	1,563,436
Total	\$ 75,250,574	\$ 1,563,436	\$ 76,814,010

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

Statement of net position:	
Cash and equivalents	\$ 44,464,140
Investments	1,563,436
Restricted cash and equivalents	11,902,701
Statement of net position - fiduciary fund:	
Cash and equivalents	18,883,733
Total	\$ 76,814,010

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in each local and area bank and in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental entities. Investments in the local government investment pool 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, 2019, 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, 2019

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 \$76,811,274 at December 31, 2019 and the bank's carrying value was \$77,929,572, of which \$1,016,641 was fully insured, and \$76,912,931 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	Investment Maturities (in Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of deposit	\$ 1,563,436	\$ 1,563,436	\$ ---	\$ ---	\$ ---

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.

Presented below is the rating for each type of investment:

Type of Investment	Amount	Rating as of Year End		
Type of Deposit		AAA	Aa	Not Rated
Certificates of deposit	\$ 1,563,436	\$ ---	\$ ---	\$ 1,563,436

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

A. Cash and Equivalents and Investments (continued)

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, 2019:

Type of Investment	Fair Value			Exempt from Disclosure	
	Level 1	Level 2	Level 3	Level 3	Total
Certificates of Deposit	\$ ---	\$ ---	\$ ---	\$ 1,563,436	\$ 1,563,436

Certificates of deposit are exempt from fair value disclosures due to investments being valued at cost plus accrued interest accrued.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

	Gross Receivable	Allowance Doubtful Accounts	Net Receivable	Expected After December 31, 2020
Taxes	\$ 16,967,797	\$ 8,390	\$ 16,959,407	\$ ---
Special charges on tax roll	2,015,940	---	2,015,940	---
Intergovernmental aid	1,358,232	---	1,358,232	---
Accounts	1,959,598	400,958	1,558,640	311,000
Notes	260,019	62,178	197,841	153,990
Special assessments	858,632	---	858,632	800,000

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts are for police fines of \$378,055 and for ambulance billings of \$22,903. The allowance for notes is for a revolving loan in the special revenue fund.

Business-type Activities

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Expected After December 31, 2020
Taxes	\$ 931,000	\$ ---	\$ 931,000	\$ ---
Special charges on tax roll	517,033	---	517,033	---
Accounts	2,968,422	14,339	2,954,083	---

The allowance for accounts is related to utility customers who have filed for bankruptcy.

Fiduciary Funds

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Expected After December 31, 2020
Taxes	\$ 40,118,486	\$ ---	\$ 40,118,486	\$ ---

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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 and TID #9 for project expenditures, with interest charged at the average LGIP rate plus .5% on outstanding balances.

The General Fund has advanced funds to the Sewer Utility that was for project expenditures, with interest charged at the average LGIP rate plus .5% on outstanding balances. The advance was paid in full as of December 31, 2019.

The Municipal Facilities and Equipment Fund has advanced funds to TID #6, TID #9, TID #10, TID #11, TID #12, TID #13 and TID #14 were for project expenditures. Interest is being charged at the average LGIP rate plus .5% on outstanding balances. The advance to TID #12 was paid in full as of December 31, 2019.

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 .5% on outstanding balances. The advance was paid in full as of December 31, 2019.

Aggregated balances outstanding for these advances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other governmental funds	\$ 1,976,364
Other governmental funds	Other governmental funds	887,506

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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	Other governmental funds	10,169,858
Other governmental funds	General Fund	2,789,222
Other governmental funds	Other governmental funds	2,737,903

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 Other governmental funds were made to fund the Other governmental funds' debt service requirements.
- Transfers to the Other governmental funds from the General Fund were made in the amounts of \$2,009,000 to fund capital expenditures and \$780,222 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	\$ 1,190,006

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 and a return on investment in meters from the Sewer Utility to the Water Utility.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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	\$ 1,625,654	\$ ---	\$ 1,625,654
Impact fee reserve	4,181,858	3,896,481	8,078,339
Special redemption reserve	82,349	--	82,349
Operation and maintenance reserve	911,640	--	911,640
Depreciation reserve	144,400	---	144,400
Total	\$ 6,945,901	\$ 3,896,481	\$ 10,842,382

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, 2019, the restricted cash and equivalents related to fire impact fees was \$543,181. As of December 31, 2019, the restricted cash and equivalents related to park impact fees was \$517,138.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2019 is summarized as follows:

Governmental Activities

	Balance January 1, 2019	Additions	Transfers	Disposals	Balance December 31, 2019
Nondepreciable capital assets:					
Land	\$ 99,805,868	\$ 6,722,241	\$ ---	\$ (4,269,900)	\$ 102,285,209
Construction in progress	17,647,480	1,820,144	(511,842)	---	18,955,782
Total nondepreciable capital assets	117,453,348	8,542,385	(511,842)	(4,269,900)	121,213,991
Depreciable capital assets:					
Land improvements	5,236,251	---	---	---	5,236,251
Buildings and improvements	39,804,825	---	---	---	39,804,825
Equipment and furnishings	20,165,710	1,123,975	---	(413,549)	20,876,136
Infrastructure	58,141,341	710,925	511,842	(110,491)	59,253,617
Total depreciable capital assets	123,348,127	1,834,900	511,842	(524,040)	125,170,829
Less accumulated depreciation:					
Land improvements	3,055,916	245,324	---	---	3,301,240
Buildings and improvements	16,092,874	948,605	---	---	17,041,479
Equipment and furnishings	15,671,581	1,022,737	---	(406,313)	16,288,005
Infrastructure	23,528,989	2,179,689	---	(110,491)	25,598,187
Total accumulated depreciation	58,349,360	4,396,355	---	(516,804)	62,228,911
Net depreciable capital assets	64,998,767	(2,561,455)	511,842	(7,236)	62,941,918
Net total capital assets	\$ 182,452,115	\$ 5,980,930	\$ ---	\$ (4,277,136)	\$ 184,155,909

Depreciation was charged to governmental functions as follows:

General government	\$ 443,831
Public safety	850,511
Public works	2,604,626
Culture and recreation	460,123
Conservation and development	37,264
Total depreciation	<u>\$ 4,396,355</u>

Losses on disposals of capital assets were charged to governmental functions as follows:

Conservation and development	\$ 4,269,900
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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

E. Capital Assets (continued)

Business-type Activities

	Balance January 1, 2019	Additions	Transfers	Disposals	Balance December 31, 2019
Nondepreciable capital assets:					
Land	\$ 608,553	\$ ---	\$ ---	\$ ---	\$ 608,553
Construction in progress	829,905	3,165,524	(2,325,933)	---	1,669,496
Total nondepreciable capital assets	1,438,458	3,165,524	(2,325,933)	---	2,278,049
Depreciable capital assets:					
Land improvements	1,913,209	---	---	---	1,913,209
Buildings and improvements	9,148,850	101,985	7,500	---	9,258,335
Equipment and furnishings	9,011,565	143,323	---	(25,124)	9,129,764
Infrastructure	195,087,031	3,797,284	2,318,433	(41,820)	201,160,928
Total depreciable capital assets	215,160,655	4,042,592	2,325,933	(66,944)	221,462,236
Less accumulated depreciation					
Land improvements	602,922	38,181	---	---	641,103
Buildings and improvements	5,784,131	347,125	---	---	6,131,256
Equipment and furnishings	5,983,069	411,768	---	(25,124)	6,369,713
Infrastructure	62,391,325	3,233,145	---	(41,117)	65,583,353
Total accumulated depreciation	74,761,447	4,030,219	---	(66,241)	78,725,425
Net depreciable capital assets	140,399,208	12,373	2,325,933	(703)	142,736,811
Net total capital assets	\$ 141,837,666	\$ 3,177,897	\$ ---	\$ (703)	\$ 145,014,860

Depreciation was charged to proprietary functions as follows:

Water Utility	\$ 1,792,958
Water Utility - allocated	37,807
Sewer Utility	1,477,809
Storm Water Utility	721,645
Total depreciation	<u>\$ 4,030,219</u>

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
General obligation debt	\$ 84,855,810	\$ 23,570,000	\$ (29,006,953)	\$ 79,418,857	\$ 6,947,953
Other liabilities:					
Accumulated unpaid sick pay	3,048,982	593,766	(620,094)	3,022,654	645,269
Total governmental long-term obligations	\$ 87,904,792	\$ 24,163,766	\$ (29,627,047)	\$ 82,441,511	\$ 7,593,222
Business-type Activities:					
Long-term debt:					
Revenue bonds	\$ 1,030,299	\$ ---	\$ (114,695)	\$ 915,604	\$ 117,677
General obligation debt	10,251,000	1,245,000	(1,411,000)	10,085,000	1,290,000
Total long-term debt	11,281,299	1,245,000	(1,525,695)	11,000,604	1,407,677
Other liabilities:					
Accumulated unpaid sick pay	508,927	114,253	(161,001)	462,179	122,009
Total business-type long-term obligations	\$ 11,790,226	\$ 1,359,253	\$ (1,686,696)	\$ 11,462,783	\$ 1,529,686

The above schedule doesn't include \$1,562,068 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 \$196,261 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:

	Governmental Activities	Business- Type Activities	Totals
Balance, beginning of year	\$ 3,048,982	\$ 508,927	\$ 3,557,909
Sick leave benefit earned – current year	593,766	114,253	708,019
Sick leave used – current year	(373,980)	(85,635)	(459,615)
Sick leave paid upon retirement	(246,114)	(75,366)	(321,480)
Balance, end of year	\$ 3,022,654	\$ 462,179	\$ 3,484,833

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

F. Long-Term Obligations (continued)

General Obligation Debt

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

	Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/19
	06/01/10	06/01/20	3.16%	\$ 3,955,000	\$ 650,000
	06/01/11	06/01/21	2.80%	6,830,000	2,075,000
	07/02/12	06/01/22	2.80%	4,610,000	2,100,000
	07/02/12	03/01/21	3.42%	6,400,000	1,600,000
	07/02/12	03/01/22	3.34%	7,950,000	2,825,000
	06/17/13	06/01/23	2.28%	1,930,000	800,000
	06/17/13	06/01/23	2.99%	2,370,000	1,725,000
	06/16/14	06/01/24	2.91%	4,920,000	3,675,000
	10/30/14	05/01/30	4.00%	8,450,000	8,175,000
	11/17/14	02/15/22	0.00%	223,622	83,857
	03/30/15	03/01/25	2.95%	7,850,000	6,675,000
	03/30/15	03/01/25	3.11%	4,300,000	3,650,000
	05/04/15	05/01/25	2.86%	3,110,000	2,890,000
	05/02/16	05/01/26	2.00%	3,190,000	2,995,000
	11/21/16	06/01/26	2.00%	2,500,000	2,250,000
	06/20/17	06/01/33	2.99%	7,425,000	7,175,000
	06/18/18	06/01/27	2.64%	14,935,000	12,275,000
	07/10/19	06/01/28	3.00%	3,340,000	3,070,000
	07/10/19	02/01/29	3.50%	2,030,000	2,030,000
	07/10/19	02/01/39	3.08%	4,350,000	4,350,000
	07/10/19	09/01/38	2.74%	18,435,000	18,435,000
Total general obligation debt				\$ 89,503,857	\$ 89,503,857

Governmental activity debt	\$ 79,418,857
Business-type activity debt	10,085,000
Total general obligation debt	\$ 89,503,857

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

F. Long-Term Obligations (continued)

General Obligation Debt (continued)

The following summarizes the debt limit calculation as of December 31, 2019:

Equalized Value January 1, 2019	\$ 5,289,929,600
Debt limit (5% of equalized value)	\$ 264,496,480

General Obligation Debt by Funding Source:

Tax levy	\$ 14,224,857
Tipping fees	15,000,000
Special assessments	79,000
TID increments	50,115,000
Utility user fees	10,085,000
Total General Obligation debt	\$ 89,503,857

Ratio of applicable general obligation debt to debt limit

33.84 %

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:

	Date of Issue	Maturity Date	Average Coupon Rate	Original Indebtedness	Balance 12/31/19
Business-type Activities:					
Clean Water Fund Loans:					
Sewer Utility:	02/19/01	05/01/20	2.97%	\$ 217,231	\$ 14,728
	08/22/07	05/01/27	2.55%	1,887,778	900,876
					\$ 915,604
Total business-type					

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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 Principal	General Obligation Debt Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total
2020	\$ 6,947,953	\$ 2,359,897	\$ ---	\$ ---	\$ 9,307,850
2021	7,147,953	2,062,989	---	---	9,210,942
2022	7,202,951	1,856,917	---	---	9,059,868
2023	6,150,000	1,661,370	---	---	7,811,370
2024	6,105,000	1,466,169	---	---	7,571,169
2025-2029	30,990,000	4,148,229	---	---	35,138,229
2030-2034	14,165,000	943,098	---	---	15,108,098
2035-2039	710,000	49,150	---	---	759,150
Totals	\$ 79,418,857	\$ 14,547,819	\$ ---	\$ ---	\$ 93,966,676

Business-type Activities:

Year	General Obligation Debt Principal	General Obligation Debt Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total
2020	\$ 1,290,000	\$ 271,893	\$ 117,677	\$ 21,853	\$ 1,701,424
2021	1,110,000	234,664	105,571	18,979	1,469,214
2022	865,000	205,329	108,260	16,256	1,194,845
2023	1,915,000	163,383	111,018	13,463	2,202,863
2024	790,000	122,333	113,845	10,599	1,036,777
2025-2029	3,495,000	277,555	359,231	13,878	4,145,664
2030-2034	325,000	67,163	---	---	392,163
2035-2039	295,000	21,225	---	---	316,225
Totals	\$ 10,085,000	\$ 1,363,544	\$ 915,604	\$ 95,028	\$ 12,459,175

Total Primary Government:

Year	General Obligation Debt Principal	General Obligation Debt Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total
2020	\$ 8,237,953	\$ 2,631,791	\$ 117,677	\$ 21,853	\$ 11,009,274
2021	8,257,953	2,297,653	105,571	18,979	10,680,156
2022	8,067,951	2,062,246	108,260	16,256	10,254,713
2023	8,065,000	1,824,753	111,018	13,463	10,014,233
2024	6,895,000	1,588,501	113,845	10,599	8,607,946
2025-2029	34,485,000	4,425,784	359,231	13,878	39,283,893
2030-2034	14,490,000	1,010,260	---	---	15,500,260
2035-2039	1,005,000	70,375	---	---	1,075,375
Totals	\$ 89,503,857	\$ 15,911,363	\$ 915,604	\$ 95,028	\$ 106,425,851

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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, 2019 is summarized as follows:

	Balance January 1, 2019	Additions	Amortization Expense (Benefit)	Balance December 31, 2019
Governmental Activities	\$ 1,651,438	\$ 284,505	\$ (381,893)	\$ 1,536,376
Business-type Activities:				
Water Utility	\$ 152,846	\$ 51,889	\$ (25,297)	\$ 179,438
Storm Water Utility	22,580	---	(5,757)	16,823
Total business-type activities	\$ 175,426	\$ 51,889	\$ (31,054)	\$ 196,261

Subsequent Debt Issuances

In July 2020, the Village Board approved the issuance and sale of \$3,270,000 general obligation promissory notes. The debt was issued on July 7, 2020. The proceeds from the issuance will be used to fund capital expenditures in capital projects funds and the purchase of a fire aerial platform truck. The loan matures on February 1, 2030, with an average interest rate of 2.27%.

In July 2020, the Village Board approved the issuance and sale of \$1,460,000 general obligation water project bonds. The debt was issued on July 7, 2020. The proceeds from the issuance will be used to fund capital expenditures in the water utility fund. The loan matures on February 1, 2040, with an average interest rate of 2.00%.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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	\$ 121,213,991
Other capital assets net of accumulated depreciation	62,941,918
Less related long-term debt	(49,098,288)
Total net investment in capital assets	\$ 135,057,621
Restricted for:	
Capital Projects:	
Park development and land acquisition	1,128,531
Library facilities	175,508
Tax Incremental District projects	100,000
Total restricted for capital projects	1,404,039
Debt service	674,140
Library operations and maintenance	1,265,997
Other:	
Community development	1,448,351
Public safety programs	778,974
Parks operations	9,506
Total restricted for other	2,236,831
Unrestricted	(16,280,125)
Total governmental net position	\$ 124,358,503

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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

G. Net Position and Fund Balances (continued)

Government-wide Financial Statement Net Position (continued)

Business-type Activities

Business-type net position consists of the following:

Net Investment in Capital Assets:	
Land and construction in progress	\$ 2,278,049
Other capital assets net of accumulated depreciation	142,736,811
Less related long-term debt	(9,294,833)
Total net investment in capital assets	\$ 135,720,027
Restricted for:	
Capital Projects:	
Interceptor sewer improvements	1,625,654
Other sewer infrastructure improvements	4,181,858
Other water infrastructure improvements	3,896,481
Total restricted for capital projects	9,703,993
Other:	
Operation and maintenance – sewer	911,640
Depreciation fund – sewer	144,400
Total restricted for other	1,056,040
Unrestricted	12,006,200
Total business-type net position	\$ 158,486,260

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

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	\$ 55,365
Advances to other funds	1,976,364
Delinquent personal property taxes receivable	18,933
Inventory of supplies	516,755
Total nonspendable	\$ 2,567,417
Unassigned	7,546,819
Total General Fund	\$ 10,114,236
Debt Service:	
Restricted: for debt service	
Non-major Funds:	
Nonspendable:	
Revolving loan receivable	\$ 97,841
Advances to other funds	887,506
Long-term special assessments	301,189
Total nonspendable	\$ 1,286,536
Restricted:	
Revolving loans for community development	1,047,112
Public safety programs	778,974
Park development and land acquisition	1,128,531
Parks operations	9,506
Tourism commission	303,319
Library facilities	175,508
Solid waste	79
Library operations and maintenance	1,480,882
TIF district improvements and related debt service	1,129,853
Total restricted	6,053,764
Committed:	
Community grants	10,608
Capital projects	3,916,261
Special assessments	107,004
Total committed	4,033,873
Assigned:	
Capital projects	4,458,403
Unassigned	(2,634,179)
Total non-major funds	\$ 13,198,397

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 executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earning periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a requirement benefit.

WRS also provides death and disability benefits for employees.

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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)
2017	2.0	4
2018	2.4	17

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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as for 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 2018), the WRS recognized \$1,238,425 in contributions from the employer.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General	6.55%	6.55%
Executives & Elected Officials	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the Village reported a liability of \$4,195,484 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.11792733%, which was an increase of 0.00324121% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$2,859,209.

At December 31, 2019, 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	\$ 3,267,643	\$ 5,776,024
Changes in assumptions	707,205	---
Net difference between projected and actual earnings on pension plan investments	6,127,217	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,817	37,521
Employer contributions subsequent to the measurement date	1,526,132	---
Total	\$ 11,656,014	\$ 5,813,545

The amount of \$1,526,132 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 in the year ended December 31, 2020. 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
2020	\$ 5,954,390	\$ (4,375,530)
2021	3,913,869	(3,528,603)
2022	3,835,452	(3,157,877)
2023	2,786,180	(1,111,538)

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Actuarial Assumptions

The total pension asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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, 2019

4. Other Notes (continued)

A. Employee Pension Plan (continued)

Actuarial Assumptions (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2018 are summarized in the following table:

Asset Allocation Targets and Expected Returns As of December 31, 2018				
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %	
Global Equities	49	8.1	5.5	
Fixed Income	24.5	4.0	1.5	
Inflation Sensitive Assets	15.5	3.8	1.3	
Real Estate	9	6.5	3.9	
Private Equity/Debt	8	9.4	6.7	
Multi-Asset	4	6.7	4.1	
Total Core Fund	110	7.3	4.7	
Variable Fund Asset Class				
U.S. Equities	70	7.6	5.0	
International Equities	30	8.5	5.9	
Total Variable Fund	100	8.0	5.4	
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.50%				
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations				

Single Discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond 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, 2019

4. Other Notes (continued)

A. Employee Pension Plan (continued)

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 16,673,295	4,195,484	\$ (5,082,735)

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://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

Payables to the pension plan at December 31, 2019 were \$134,122. This represents contributions earned as of December 31, 2019, but for which payment was not remitted to the pension plan until subsequent to year-end.

B. Other Post-Employment Benefits (OPEB) – Life Insurance

Plan Description

The Local Retiree Life Insurance Fund ("LRLIF") is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

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

Benefits provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Contributions (continued)

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution
50% Post Retirement Coverage	40% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below.

Life Insurance Employee Contribution Rates*		
For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$5,756 in contributions from the employer

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2019 the Village reported a liability of \$770,930 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was .29871%, which was an decrease of .000493% from its proportion measured as of December 31, 2017.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

For the year ended December 31, 2019, the Village recognized OPEB expense of \$78,649.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between projected and actual earnings on OPEB plan investments	18,424	---
Changes in assumptions	73,559	167,107
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,673	1,156
Employer contributions subsequent to the measurement date	5,612	---
Total	\$ 109,268	\$ 207,371

The amount of \$5,612 reported as deferred outflows related to OPEB resulting from the employers contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 20,666	\$ 33,915
2021	20,666	33,915
2022	20,666	33,915
2023	18,078	33,915
2024	15,413	33,915
2025	8,167	33,003
2026	---	4,793

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Actuarial assumptions

The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	3.00%
Inflation:	0.1% - 5.6%
Seniority/Merit:	Wisconsin 2018 Mortality Table
Mortality:	

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

B. Other Post-Employment Benefits (OPEB) – Life Insurance (continued)

Actuarial assumptions (continued)

Single Discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
Village's proportionate share of the net OPEB liability	\$ 1,096,699	\$ 770,930	\$ 519,673

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

C. Other Post-Employment Benefits (OPEB) - Health

The Village group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post-employment benefit ("OPEB") commonly referred to as an implicit rate subsidy. Employees participating in the OPEB benefit consisted of the following at December 31, 2018, the date of the latest valuation:

Retirees	12
Active	181
Number of participating employees	193

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

C. Other Post-Employment Benefits (OPEB) - Health

Actuarial Assumptions

The major assumptions and methods used in the latest actuarial valuation follows:

Valuation date	12/31/2018
Measurement date	12/31/2018
Reporting date	12/31/2019
Actuarial cost method	Entry Age Normal (level percent of salary)
Actuarial assumptions:	
Medical care trend	7.50% decreasing by .50% per year down to 6.50%, then by .10% per year down to 5.0% and level thereafter
Discount rate*	4.00% (based upon all years of projected payments discounted at a municipal bond rate of 4.00%)
Municipal rate source	Bond buyer 20-bond GO index
Mortality assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied by 60%)

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Implicit in this rate is an assumed rate of inflation of 2.50%*

Single Discount rate. A discount rate of 4.00% was used in calculating the Village's OPEB liability (based upon all projected payments discounted at a municipal bond rate of 4.00%). The discount rate is based on the 20-year AA municipal bond rate.

Total OPEB Liability

No assets are accumulated in a trust that meets all the criteria in GASB Statement No. 75, paragraph 4 because the Village's contributions are not irrevocable. Accordingly, the Village's total OPEB liability is not reduced by any assets accumulated in a trust that meets the criteria and the Village must report its total OPEB liability.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

C. Other Post-Employment Benefits (OPEB) - Health

Total OPEB Liability (continued)

The Village's total OPEB liability is based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the Village. The following table shows the components of the Village's change in the net OPEB liability:

	Total OPEB Liability
Balance 12/31/18	\$ 1,744,355
Benefit payments	(48,184)
Changes of assumptions or other input	(60,223)
Difference between expected and actual experience	174,047
Service cost	110,051
Interest	62,135
Net changes	237,826
Balance 12/31/19	\$ 1,982,181

Sensitivity of the Village's OPEB liability to changes in the discount rate. The following presents the Village's OPEB liability calculated using the discount rate of 4.00 percent, as well as what the Village's OPEB liability would be if it were calculated using a discount rate that is +percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Village's OPEB liability	\$ 2,149,848	\$ 1,982,181	\$ 1,827,813

Sensitivity of the Village's OPEB liability to changes in Healthcare Cost Trend Rates. The following presents the Village's OPEB liability calculated using the healthcare cost trend rates of 7.50 percent, as well as what the Village's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease to Healthcare Cost Trend (6.50%) decreasing to 4.00%	Current Healthcare Cost Trend (7.50%) decreasing to 6.00%	1% Increase to Healthcare Cost Trend (8.50%) decreasing to 6.00%
Village's OPEB liability	\$ 1,778,764	\$ 1,982,181	\$ 2,219,277

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

C. Other Post-Employment Benefits (OPEB) - Health

OPEB Expense, Deferred Outflows or Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Village recognized OPEB expense of \$233,018. At December 31, 2019, the Village reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 154,708	\$ ---
Changes in assumptions	---	53,532
Net difference between projected and actual earnings on pension plan investments	---	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	---	---
Employer contributions subsequent to the measurement date	60,262	---
Total	\$ 214,970	\$ 53,532

The amount of \$60,262 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	19,339	\$ 6,691
2021	19,339	6,691
2022	19,339	6,691
2023	19,339	6,691
2024	19,339	6,691
2025	19,339	6,691
2026	19,339	6,691
2027	19,335	6,695

Payable to the OPEB Plan

At December 31, 2019, there were no payables due to the OPEB Plan.

D. 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

D. Risk Management (continued)

The CVMIC is made up of a membership of Wisconsin municipalities. The Village's share of assets, liabilities, and fund equity was approximately 2.706% as of December 31, 2019. 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, 2019, this fund had a net position totaling \$508,904 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,
2019	\$ ---	\$ 166,274	\$ (23,763)	\$ 142,511
2018	\$ ---	\$ 18,130	\$ (18,130)	\$ ---

Summary financial information for CVMIC and WMIC for the year ended December 31, 2019 is available from the CVMIC offices. As of December 31, 2019, the CVMIC had assets of \$53,019,389 and a policyholders' surplus of \$28,576,179.

E. 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 had a statutory life of 23 years which expired on 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 required the District to maintain a net recovered cost of approximately \$1.8 million, to be paid to the overlying taxing jurisdictions (including the Village) upon termination of the District. Transfers for the year ending December 31, 2019 of \$2,103,971 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 was 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. On April 1, 2019, TID #4 officially dissolved and the excess TIF increment was disbursed to the overlying tax jurisdictions in the amount of \$1,951,145. Of this amount, the amount disbursed to the Village was remitted to TID #6 in the amount of \$532,506.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #4 – Heritage Reserve (continued)

The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2019

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 56,085,164	\$ 35,998,480	\$ 56,085,164	\$ 35,998,480	\$ ---

T.I.D. #5 – Westbrook Corporate Center

On June 14, 1999, the Village created Tax Incremental District #5 ("TID #5"). TID #5 had a statutory life of 23 years which would have expired on 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. On April 1, 2019, TID #5 officially dissolved. An excess TIF increment of \$1,800,000 was disbursed to the overlying tax jurisdictions. Of this amount, the Village's portion was remitted to TID #6 in the amount of \$501,555. A reserve of \$1,540,320 was established to cover the remaining debt service obligations and estimated administrative expenses. Between April 1, 2019 and December 31, 2019, TID #5 made regularly scheduled debt payments of approximately \$1,120,000 and received interest earnings of approximately \$30,000. The net affect of this activity left a remaining reserve balance of approximately \$450,000, which was transferred to the Village's debt service fund as of year-end. The TID #5 expects to make an additional refund to the overlying tax jurisdictions upon completion of repaying the debt service obligations in 2022 in the approximate amount of \$30,000. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 20,527,977	\$ 21,622,923	\$ 20,527,977	\$ 21,575,300	\$ 400,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

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. On September 17, 2018, the original project plan was amended to increase certain planned project expenditures. On April 1, 2019, TID #6 received the Village's portion of the excess TIF increment disbursed upon closure from TID #4 and TIF #5 in the amounts of \$532,506 and \$501,555, respectively. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 45,328,981	\$ 3,359,437	\$ 45,328,981	\$ 14,710,368	\$ 11,387,392

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 11,096,724	\$ 3,586,737	\$ 11,096,724	\$ 3,756,960	\$ 189,475

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 58,945,750	\$ 23,478,256	\$ 58,945,750	\$ 42,716,323	\$ 19,850,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 23,481,963	\$ 641,125	\$ 23,481,963	\$ 1,477,679	\$ 918,389

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 40,307,876	\$ 3,887,339	\$ 40,307,876	\$ 18,245,571	\$ 14,435,000

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 4,501,500	\$ 777,179	\$ 4,501,500	\$ 1,116,141	\$ 530,000

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, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 4,157,250	\$ 796,015	\$ 4,157,250	\$ 3,609,132	\$ 3,140,000

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

E. Tax Incremental Districts (continued)

T.I.D. #13 – Flint Drive/DRS

On March 5, 2019, the Village created Tax Incremental District #13 ("TID #13"). TID #13 has a statutory life of 20 years which will expire March 5, 2039. The last date to incur project costs is March 5, 2034. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 12,888,318	\$ 18,668	\$ 12,888,318	\$ 2,109,837	\$ 2,092,525

T.I.D. #14 – Glenroy

On March 5, 2019, the Village created Tax Incremental District #14 ("TID #14"). TID #14 has a statutory life of 20 years which will expire March 5, 2039. The last date to incur project costs is March 5, 2034. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2019:

Project Plan Estimated Revenues	Cumulative Revenues to 12/31/19	Project Plan Estimated Expenditures	Cumulative Expenditures to 12/31/19	Outstanding Debt as of 12/31/19
\$ 4,159,003	\$ 129	\$ 4,159,003	\$ 22,199	\$ 36,089

F. 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.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

F. Contingent Liabilities (continued)

- 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.

G. 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 2019	Total Paid	Potential Remaining Obligation	Maturity Year
7	10,921,725	365,985	3,313,691	7,608,034	2026 *
8	4,000,000	---	---	4,000,000	2035
9	1,200,000	---	---	1,200,000	2030
9	3,952,860	60,290	60,290	3,892,570	2030
10	2,500,000	196,033	1,302,612	1,197,388	2024
11	500,000	36,690	444,214	---	2019
13	4,396,086	---	---	4,396,086	2040**
14	3,095,000	---	---	3,095,000	2040**

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

** Signed subsequent to year end

H. 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. The agreement was renewed in 2018 for a period of an additional ten years. Charges under this agreement are approximately \$145,000 per month.

I. 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.

J. 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.

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Financial Statements
December 31, 2019

4. Other Notes (continued)

K. 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 \$40,401 for the year ended December 31, 2019. Future minimum lease payments receivable in conjunction with this lease is as follows:

Year:	Amount
2020	\$ 44,211
2021	44,211
2022	44,211
2023	44,211
2024	44,211
2025-2029	191,583
Total	\$ 412,638

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. Revenue received from these leases totaled \$68,992 for the year ended December 31, 2019. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2020	\$ 34,108
2021	11,900
2022	12,258
2023	12,625
Total	\$ 70,891

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Revenue received from these leases totaled \$252,248 for the year ended December 31, 2019. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2020	\$ 267,964
2021	131,958
2022	63,771
2023	12,000
2024	24,000
2025-2029	120,000
2030-2034	120,000
2035-2039	120,000
Total	\$ 857,693

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VILLAGE OF MENOMONEE FALLS

Waukesha County, Wisconsin

Notes to Financial Statements

December 31, 2019

4. Other Notes (continued)

L. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (October 29, 2020). See note 3.F for disclosure of subsequent debt issuances. See note 4.G for disclosure of subsequent MRO agreements signed. There were no other disclosures necessary for subsequent events.

M. Deficit Fund Balances

As of December 31, 2019, the following non-major individual funds had deficit fund balances:

Fund	Deficit
Capital Projects Funds:	
T.I.D. #6	\$ 1,535,931
T.I.D. #7	170,223
T.I.D. #9	686,554
T.I.D. #10	198,232
T.I.D. #13	21,169
T.I.D. #14	22,070

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

N. Effect of New Accounting Standards on Financial Statements

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

- GASB Statement No. 87, *Leases*
- GASB Statement No. 89, *Accounting for interest-cost incurred before the end of a construction period*
- GASB Statement No. 90, *Majority Equity Interest – An amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 91, *Conduit debt obligations*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*
- GASB Statement No. 96, *Subscription based information technology arrangements*
- GASB Statement No. 97, *Certain component unit criteria and accounting and financial reporting for internal revenue code section 457 deferred compensation plans (an amendment of GASB Statements 14 and 84)*

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

O. 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, 2019:

Department	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund:			
Public safety	\$ 15,111,600	\$ 15,369,975	\$ 258,375
Public works	3,835,900	3,859,009	23,109
			85

**REQUIRED SUPPLEMENTARY
INFORMATION**

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability)
Year Ended December 31, 2019

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 Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
2019	0.1179%	\$ (4,195,484)	\$ 14,186,136	29.57%	96.45%
2018	0.1147%	3,405,166	13,809,611	24.66%	102.93%
2017	0.1111%	(915,900)	13,622,704	6.72%	99.12%
2016	0.1098%	(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, 2019

Wisconsin Retirement System
Last 10 Fiscal Years*

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Village's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 1,238,425	\$ 1,238,425	\$ ---	\$ 14,186,136	8.73%
2018	1,205,134	1,205,134	---	13,809,611	8.73%
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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB - Life Insurance Asset (Liability)
Year Ended December 31, 2019

Local Retiree Life Insurance
Last 10 Fiscal Years*

	Village's Proportion of the Net OPEB Asset (Liability)	Village's Proportionate Share of the Net OPEB Asset (Liability)	Village's Covered Employee Payroll	Net OPEB Asset (Liability) as a Percentage of Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Asset (Liability)
2019	0.2988%	\$ (770,930)	\$ 12,951,000	5.95%	48.69%
2018	0.2983%	(900,360)	12,584,907	7.15%	44.81%

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

*GASB Pronouncement 75 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, 2019

Local Retiree Life Insurance
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
2019	\$ 5,756	\$ 5,756	\$ ---	\$ 12,951,000	0.04%
2018	5,683	5,683	---	12,584,907	0.05%

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

*GASB Pronouncement 75 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

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Required Supplementary Information
Schedule of Changes in Total OPEB - Health Liability and Related Ratios
December 31, 2019
Last 10 Fiscal Years*

<u>Total OPEB Liability</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 110,051	\$ 110,051
Interest	62,135	58,363
Change of benefit terms	---	---
Differences between expected and actual experiences	174,047	---
Changes in assumptions or other input	(60,223)	---
Benefit payments	(48,184)	(73,097)
Net change in total OPEB liability	237,826	95,317
Total OPEB liability - beginning	1,744,355	1,649,038
Total OPEB liability - ending	\$ 1,982,181	\$ 1,744,355
Covered-employee payroll	\$ 13,140,757	\$ 12,175,597
Total OPEB liability as a percentage of covered-employee payroll	15.08%	14.33%

*GASB Pronouncement 75 requires the presentation of the last ten prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Notes to Required Supplementary Information
December 31, 2019

1. Wisconsin Retirement System (WRS)

There were no changes of benefit terms for any participating employee in the WRS.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

2. Other Postemployment Benefits (OPEB) – Life Insurance

There were no changes of benefit terms for any participating employee in the LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

3. Other Postemployment Benefits (OPEB) – Health Plan Information

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4:

- Contributions from the employer and any non-employer contributing entities, and earning thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors to the employer, non-employer contributing entities, the plan administrator, and plan members.

There were no changes to the OPEB plan that significantly affect trends in amounts reported.

Methods and assumptions used include:

Valuation date	12/31/2018
Measurement date	12/31/2018
Reporting date	12/31/2019
Actuarial cost method	Entry Age Normal (level percent of salary)
Actuarial assumptions:	
Medical care trend	7.50% decreasing by .50% per year down to 6.50%, then by .10% per year down to 5.0% and level thereafter
Discount rate*	4.00% (based upon all years of projected payments discounted at a municipal bond rate of 4.00%)
Municipal rate source	Bond buyer 20-bond GO index
Mortality assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied by 60%)

*Implicit in this rate is an assumed rate of inflation of 2.50%

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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, 2019 and 2018

	2019	2018
Assets:		
Cash and equivalents	\$ 19,461,938	\$ 13,116,910
Certificate of deposit	1,563,436	3,802,430
Accounts receivable:		
Taxes	9,984,991	11,575,529
Special charges on the tax roll	10,772	8,015
Intergovernmental aid	1,009,632	527,679
Accounts	1,013,504	966,179
Prepaid items	55,365	33,716
Inventory	516,755	594,886
Advance to other governmental funds	1,976,364	2,316,099
Total assets	35,592,757	32,941,443
Liabilities:		
Accounts payable and other accrued liabilities	3,325,242	2,389,573
Compensated absences	997,500	1,007,369
Deposits	227,595	190,077
Prepaid rent	19,576	17,540
Total liabilities	4,569,913	3,604,559
Deferred Inflows of Resources:		
Deferred revenue - subsequent year's taxes	20,549,765	18,964,812
Miscellaneous unavailable revenue	358,843	414,422
Total deferred inflows of resources	20,908,608	19,379,234
Fund Balances:		
Nonspendable	2,567,417	2,955,091
Unassigned	7,546,819	7,002,559
Total fund balances	\$ 10,114,236	\$ 9,957,650

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, 2019 and 2018

	2019	2018	Change
Revenues:			
Property taxes	\$ 18,446,415	\$ 18,494,098	\$ (47,683)
Other taxes	164,900	182,506	(17,606)
Licenses and permits	1,619,720	1,534,990	84,730
Fines and forfeitures	499,252	482,625	16,627
Intergovernmental	3,681,900	2,824,958	856,942
Donations	---	7,734	(7,734)
Charges for services	1,743,325	1,445,902	297,423
Investment earnings	380,514	308,838	71,676
Interest on advances to governmental funds	60,265	64,791	(4,526)
Interest on advances to utilities	2,948	-	2,948
Other	181,844	198,761	(16,917)
Total revenues	26,781,083	25,545,203	1,235,880
Expenditures:			
General Government:			
Village board	47,452	42,235	5,217
Village manager	67,352	81,203	(13,851)
Clerk services	626,384	663,563	(37,179)
Human resources	107,231	108,185	(954)
Assessment of property	184,929	182,744	2,185
Building maintenance	351,163	384,835	(33,672)
Insurance and benefits	121,244	74,617	46,627
Judicial	246,312	232,420	13,892
Legal services	500,036	471,890	28,146
Financial services	408,074	398,291	9,783
Communications and information services	1,067,267	1,271,154	(203,887)
Capital outlay	8,268	107,016	(98,748)
Total general government	3,735,712	4,018,153	(282,441)
Public Safety:			
Police	8,886,139	8,659,808	226,331
Fire	935,050	701,479	233,571
Fire protection services	1,573,861	1,573,861	---
Weed control	44,895	26,980	17,915
Emergency government	623	11,773	(11,150)
EMS	3,896,181	3,667,630	228,551
Other protection services	21,891	21,124	767
Capital outlay	11,335	189,870	(178,535)
Total public safety	15,369,975	14,852,525	517,450

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, 2019 and 2018
(Continued)

	2019	2018	Change
Public Works:			
Street and alley repair	\$ 3,174,781	\$ 3,194,417	\$ (19,636)
Equipment maintenance	523,798	481,008	42,790
Municipal garages	160,430	120,997	39,433
Capital outlay	---	11,900	(11,900)
Total public works	3,859,009	3,808,322	50,687
Culture and Recreation:			
Historical society and museum	18,974	20,417	(1,443)
Parks operations	801,494	732,784	68,710
Parks projects	16,651	13,436	3,215
Community quality of life	65,452	67,891	(2,439)
Capital outlay	---	7,995	(7,995)
Total culture and recreation	902,571	842,523	60,048
Conservation and Development:			
Community development	34,583	36,156	(1,573)
Building inspection	693,980	611,004	82,976
Engineering	44,760	135,241	(90,481)
Planning	361,457	355,903	5,554
Total conservation and development	1,134,780	1,138,304	(3,524)
Total general fund expenditures	25,002,047	24,659,827	342,220
Excess of revenues over expenditures	1,779,036	885,376	893,660
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	4,719	371,467	(366,748)
Transfers from water utility - PILOT	1,190,006	1,266,520	(76,514)
Transfers out	(2,817,175)	(2,251,371)	(565,804)
Net other financing uses	(1,622,450)	(613,384)	(1,009,066)
Net change in fund balance	156,586	271,992	(115,406)
Fund Balance:			
Beginning of year	9,957,650	9,685,658	271,992
End of year	\$ 10,114,236	\$ 9,957,650	\$ 156,586

See independent auditors' report.

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, 2019

	Adopted Budget	Amended Budget	Actual
Revenues:			
Property taxes	\$ 2,375,000	\$ 2,375,000	\$ 2,375,000
Investment earnings	15,000	15,000	52,717
Total revenues	<u>2,390,000</u>	<u>2,390,000</u>	<u>2,427,717</u>
Expenditures:			
Principal	25,827,000	25,827,000	29,006,953
Interest and fiscal charges	2,447,000	2,447,000	2,421,686
Debt issuance costs	285,000	285,000	160,087
Total expenditures	<u>28,559,000</u>	<u>28,559,000</u>	<u>31,588,726</u>
Deficit of revenues under expenditures	<u>(26,169,000)</u>	<u>(26,169,000)</u>	<u>(29,161,009)</u>
Other Financing Sources:			
Transfers in	9,118,000	9,118,000	10,197,811
Bonds and notes issued	16,755,000	16,755,000	19,470,000
Bond premiums	285,000	285,000	142,519
Net other financing sources	<u>26,158,000</u>	<u>26,158,000</u>	<u>29,810,330</u>
Net change in fund balance	<u>(11,000)</u>	<u>(11,000)</u>	<u>649,321</u>
Fund Balance:			
Beginning of year	17,812	17,812	24,819
End of year	<u>\$ 6,812</u>	<u>\$ 6,812</u>	<u>\$ 674,140</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).

COMBINING STATEMENTS NON-MAJOR GOVERNMENTAL FUNDS

VILLAGE OF MENOMONEE FALLS Waukesha County, Wisconsin Combining Balance Sheet - Non-Major Governmental Funds December 31, 2019

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets:			
Cash and equivalents	\$ 3,923,315	\$ 10,495,280	\$ 14,418,595
Restricted assets:			
Cash and equivalents	1,060,319	---	1,060,319
Accounts receivable:			
Taxes	1,794,000	2,810,416	4,604,416
Special charges on tax roll	1,980,371	24,797	2,005,168
Intergovernmental aid	---	348,600	348,600
Special assessments	---	858,632	858,632
Accounts	65,965	443,904	509,869
Notes	97,841	100,000	197,841
Advance to other governmental funds	---	887,506	887,506
Total assets	8,921,811	15,969,135	24,890,946
Liabilities:			
Accounts payable and other accrued liabilities	46,758	986,573	1,033,331
Accrued compensated absences	67,470	---	67,470
Deposits	---	136,196	136,196
Long-term advances from other governmental funds	---	2,863,870	2,863,870
Total liabilities	114,228	3,986,639	4,100,867
Deferred Inflows of Resources:			
Deferred revenue - subsequent year's taxes	3,775,223	3,059,259	6,834,482
Special assessments	---	557,443	557,443
Miscellaneous unavailable revenue	---	199,757	199,757
Total deferred inflows of resources	3,775,223	3,816,459	7,591,682
Fund Balances:			
Nonspendable			
Restricted:	97,841	1,188,695	1,286,536
Capital projects			
Other	1,304,039	1,129,853	2,433,892
Committed	3,619,872	---	3,619,872
Assigned	10,608	4,023,265	4,033,873
Unassigned	---	4,458,403	4,458,403
	---	(2,634,179)	(2,634,179)
Total fund balances	\$ 5,032,360	\$ 8,166,037	\$ 13,198,397

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, 2019

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 1,732,000	\$ 6,781,415	\$ 8,513,415
Other taxes	258,343	---	258,343
Charges for services:			
Fines and forfeitures	18,154	---	18,154
Program revenues	1,414,803	920	1,415,723
Tipping fees	---	2,163,328	2,163,328
Operating grants and contributions:			
Intergovernmental	186,918	701,141	888,059
Donations	44,653	---	44,653
Capital grants and contributions:			
Special assessments and interest	---	46,974	46,974
Contributions from developers	---	47,921	47,921
Platting fees	201,500	---	201,500
Impact fees	813,795	---	813,795
Investment earnings	112,255	370,584	482,839
Interest earned on advances to governmental funds	---	14,302	14,302
Interest earned on advances to utilities	---	29,565	29,565
Other revenues	15,273	---	15,273
Total governmental revenues	4,777,694	10,156,150	14,933,844
Expenditures:			
Current:			
General government	---	240,129	240,129
Public safety	59,557	9,233	68,790
Public works	2,145,902	2,731,070	4,876,972
Culture and recreation	2,146,573	---	2,146,573
Conservation and development	36,811	3,436,269	3,473,080
Uncollectible accounts	62,178	---	62,178
Capital outlay	23,545	3,029,972	3,053,517
Debt service:			
Interest on advances to governmental funds	---	74,567	74,567
Bond expenses	---	10,947	10,947
Debt issuance costs	---	62,806	62,806
Total expenditures	4,474,566	9,594,993	14,069,559
Excess of revenues over expenditures	303,128	561,157	864,285
Other Financing Sources (Uses):			
Proceeds from sales of capital assets	---	95,803	95,803
Transfers in	780,222	4,746,903	5,527,125
Transfers out	(633,932)	(12,273,829)	(12,907,761)
T.I.D. close - excess increment disbursed	---	(2,717,084)	(2,717,084)
Bonds and notes issued	---	4,100,000	4,100,000
Bond premiums	---	124,312	124,312
Insurance recoveries	---	180,399	180,399
Total other financing sources (uses)	146,290	(5,743,496)	(5,597,206)
Net change in fund balances	449,418	(5,182,339)	(4,732,921)
Fund balance, beginning of year	4,582,942	13,348,376	17,931,318
Fund balance, end of year	\$ 5,032,360	\$ 8,166,037	\$ 13,198,397

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 MENOMONEE FALLS
Waukesha County, Wisconsin
Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2019

	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	\$ 1,012,912	\$ 185,094	\$ 43,651	\$ 9,506	\$ 611,393	\$ 175,508	\$ 10,608	\$ 7,054	\$ 22,500	\$ ---	\$ 1,571,906	\$ 238,585	\$ 34,598	\$ 3,923,315
Restricted assets:														
Cash and equivalents	---	---	543,181	---	517,138	---	---	---	---	---	---	---	---	1,060,319
Receivables:														
Taxes	---	---	---	---	---	---	---	---	---	---	1,794,000	---	---	1,794,000
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	1,980,371	---	---	---	1,980,371
Accounts	---	---	---	---	---	---	---	---	---	931	300	64,734	---	65,965
Notes	11,268	---	---	---	---	---	---	---	---	---	---	---	86,573	97,841
Total assets	1,024,180	185,094	586,832	9,506	1,128,531	175,508	10,608	7,054	22,500	1,981,302	3,366,206	303,319	121,171	8,921,811
Liabilities:														
Accounts payable and other	---	---	---	---	---	---	---	---	---	---	---	---	---	---
accrued liabilities	---	---	---	---	---	---	---	6	22,500	---	23,854	---	398	46,758
Accrued compensated absences	---	---	---	---	---	---	---	---	---	---	67,470	---	---	67,470
Total liabilities								6	22,500		91,324		398	114,228
Deferred Inflows of Resources:														
Deferred revenue - subsequent year's tax roll	---	---	---	---	---	---	---	---	---	1,981,223	1,794,000	---	---	3,775,223
Fund Balances:														
Nonspendable	11,268	---	---	---	---	---	---	---	---	---	---	---	86,573	97,841
Restricted:														
Capital projects	---	---	---	---	1,128,531	175,508	---	---	---	---	---	---	---	1,304,039
Other	1,012,912	185,094	586,832	9,506	---	---	---	7,048	---	79	1,480,882	303,319	34,200	3,619,872
Committed	---	---	---	---	---	---	10,608	---	---	---	---	---	---	10,608
Total fund balances	\$ 1,024,180	\$ 185,094	\$ 586,832	\$ 9,506	\$ 1,128,531	\$ 175,508	\$ 10,608	\$ 7,048	\$ ---	\$ 79	\$ 1,480,882	\$ 303,319	\$ 120,773	\$ 5,032,360

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, 2019

	Non-major Special Revenue Funds													Total
	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	Non-Major Special Revenue Funds
Revenues:														
Property taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,732,000	\$ ---	\$ ---	\$ 1,732,000
Other taxes	---	---	---	---	---	---	---	---	---	---	---	258,343	---	258,343
Public charges for services:														
Fines and forfeitures											18,154			18,154
Program revenue	1,489	1,223	12,076					750	103,000	1,284,724			11,541	1,414,803
Operating grants and contributions:														
Intergovernmental														
Donations		25,167	8,389							80,022	78,507			166,918
Capital grants and contributions:			14,748								4,738			44,653
Plating fees					201,500									201,500
Impact fees			482,776		331,019									813,795
Investment earnings	2,030	7,312	7,490	361	28,966	4,155	402	283		10,085	46,609	4,562		112,255
Other revenues						980					14,293			15,273
Total revenues	3,519	33,702	525,479	361	561,485	5,135	402	1,033	103,000	1,374,831	1,894,301	262,905	11,541	4,777,694
Expenditures:														
Current:														
Public safety		45,375	12,653					1,529						59,557
Public works														2,145,902
Culture, recreation and education						17			103,000	2,145,902	1,887,426	156,130		2,146,573
Conservation and development													36,811	36,811
Uncollectible accounts	62,178													62,178
Capital outlay		8,425	15,120											23,545
Total expenditures	62,178	53,800	27,773			17		1,529	103,000	2,145,902	1,887,426	156,130	36,811	4,474,566
Excess (deficit) of revenues over (under) expenditures	(58,659)	(20,098)	497,706	361	561,485	5,118	402	(496)		(771,071)	6,875	106,775	(25,270)	303,128
Other Financing Sources (Uses):														
Transfers in														
Transfers out					(633,932)					780,222				780,222
Total other financing sources (uses)					(633,932)					780,222				146,290
Net change in fund balances	(58,659)	(20,098)	497,706	361	(72,447)	5,118	402	(496)		9,151	6,875	106,775	(25,270)	449,418
Fund Balance - beginning of year	1,082,839	205,192	89,126	9,145	1,200,978	170,390	10,206	7,544		(9,072)	1,474,007	196,544	146,043	4,582,942
Fund Balance - end of year	\$ 1,024,180	\$ 185,094	\$ 586,832	\$ 9,506	\$ 1,128,531	\$ 175,508	\$ 10,608	\$ 7,048	\$ ---	\$ 79	\$ 1,480,882	\$ 303,319	\$ 120,773	\$ 5,032,360

See independent auditors' report.

NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

Tax Incremental Financing District #13 - To account for the financing and construction of the planned projects within the District.

Tax Incremental Financing District #14 - 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 MEMONEE FALLS
Waukesha County, Wisconsin

Combining Balance Sheet - Non-Major Capital Projects Funds
December 31, 2019

	Non-major Capital Projects Funds														Total Non-Major Capital Projects Funds
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate 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	T.I.D. #13 Flint Drive/ DRS	T.I.D. #14 Genroy	Special Assessments	
Assets:															
Cash and equivalents	\$ 4,254,977	\$ 4,302,234	\$ ---	\$ ---	\$ 36,461	\$ 19,252	\$ 1,011,932	\$ 81,835	\$ 91,467	\$ 191,038	\$ 386,043	\$ 1,356	\$ 14,019	\$ 104,666	\$ 10,495,280
Receivables:															
Taxes	---	---	---	---	242,292	345,634	1,480,273	235,319	252,022	51,094	203,582	---	---	---	2,810,416
Special charges on the tax roll	---	---	---	---	---	---	---	---	---	---	---	---	---	24,797	24,797
Intergovernmental aid	99,757	---	---	---	12,244	2,949	90,372	8,855	88,223	45,522	678	---	---	858,632	348,600
Special assessments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	858,632
Accounts	261,898	182,006	---	---	---	---	---	---	---	---	---	---	---	---	443,904
Notes receivable	---	---	---	---	100,000	---	---	---	---	---	---	---	---	---	100,000
Advances to other capital project funds	---	887,506	---	---	---	---	---	---	---	---	---	---	---	---	887,506
Total assets	4,616,632	5,371,746	---	---	390,997	368,035	2,582,577	326,009	431,712	287,654	590,303	1,356	14,019	988,095	15,969,135
Liabilities:															
Accounts payable and other accrued liabilities	---	---	---	---	---	---	400,000	---	14,699	---	59,160	---	---	---	986,573
Deposits	486,877	25,837	---	---	---	---	---	---	---	---	---	---	---	22,459	136,196
Advances from other capital projects funds	113,737	---	---	---	266,248	---	---	287,644	275,000	---	---	22,525	36,089	---	887,506
Advances from municipality	---	---	---	---	1,306,144	189,475	---	480,745	---	---	---	---	---	---	1,976,364
Total liabilities	600,614	25,837	---	---	1,572,392	189,475	400,000	768,389	289,699	---	59,160	22,525	36,089	22,459	3,986,639
Deferred Inflows of Resources:															
Special assessments	---	---	---	---	---	---	---	---	---	---	---	---	---	557,443	557,443
Unavailable revenue - miscellaneous	99,757	---	---	---	100,000	---	---	---	---	96,616	---	---	---	---	199,757
Deferred revenue - subsequent year's taxes	---	---	---	---	254,536	348,783	1,570,645	244,174	340,245	---	204,260	---	---	---	3,059,259
Total deferred inflows of resources	99,757	---	---	---	354,536	348,783	1,570,645	244,174	340,245	96,616	204,260	---	---	557,443	3,816,459
Fund Balances:															
Nonspendable	---	887,506	---	---	---	---	---	---	---	---	---	---	---	301,189	1,188,695
Restricted	---	---	---	---	---	---	611,932	---	---	191,038	328,883	---	---	---	1,129,853
Committed	3,916,261	---	---	---	---	---	---	---	---	---	---	---	---	107,004	4,023,265
Assigned	---	4,458,403	---	---	---	---	---	---	---	---	---	---	---	---	4,458,403
Unassigned	---	---	---	---	(1,535,931)	(170,223)	---	(686,554)	(198,232)	---	---	(21,169)	(22,070)	---	(2,634,179)
Total fund balances (deficits)	\$ 3,916,261	\$ 5,345,909	\$ ---	\$ ---	\$ (1,535,931)	\$ (170,223)	\$ 611,932	\$ (686,554)	\$ (198,232)	\$ 191,038	\$ 328,883	\$ (21,169)	\$ (22,070)	\$ 408,193	\$ 8,186,037

VILLAGE OF MEMONEE FALLS
Waukesha County, Wisconsin
Combining Statement of Revenues, Expenditures, and Changes
In Fund Balances - Non-Major Capital Projects Funds
Year Ended December 31, 2019

	Non-major Capital Projects Funds														Total
	Capital Projects	Municipal Facilities and Equipment Fund	T.I.D. #4 Heritage Reserve	T.I.D. #5 Westbrook Corporate Center	T.I.D. #6 Main St Corridor	T.I.D. #7 First Park	T.I.D. #8 Falls Parkway	T.I.D. #9 Village Centre/ Appleton Ave	T.I.D. #10 Woodland Prime	T.I.D. #11 Wacker Nelson	T.I.D. #12 Lilly Rd Industrial	T.I.D. #13 Flint Drive/ DRS	T.I.D. #14 Glenroy	Special Assessments	Non-Major Capital Projects Funds
Revenues:															
Tax increment	\$ ---	\$ ---	\$ 1,738,578	\$ 2,042,556	\$ 229,382	\$ 372,103	\$ 1,709,857	\$ 134,796	\$ 196,033	\$ 36,092	\$ 322,018	\$ ---	\$ ---	\$ ---	\$ 6,781,415
Public charges for services:															
Program revenues	920	---	---	---	---	---	---	---	---	---	---	---	---	---	920
Tipping fees	---	2,163,328	---	---	---	---	---	---	---	---	---	---	---	---	2,163,328
Operating grants and contributions:															
Intergovernmental	---	---	333,112	177,166	7,598	5,581	28,688	8,856	90,292	46,433	3,415	---	---	---	701,141
Capital grants and contributions:															
Special assessments and interest	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Contributions from developers	47,921	---	---	---	---	---	---	---	---	---	---	---	---	46,974	46,974
Investment earnings	130,654	47,422	64,565	49,085	2,613	4,577	21,645	3,311	14,270	3,789	7,588	18,668	129	2,268	370,584
Interest on advances to governmental funds	---	14,302	---	---	---	---	---	---	---	---	---	---	---	---	14,302
Interest on advances to utilities	---	29,565	---	---	---	---	---	---	---	---	---	---	---	---	29,565
Other revenue	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	179,495	2,254,617	2,136,255	2,268,807	239,593	382,261	1,760,190	146,963	300,595	86,314	333,021	18,668	129	49,242	10,156,150
Expenditures:															
Current:															
General government	77,649	---	4,160	9,190	12,662	6,670	26,467	12,226	42,729	6,332	6,703	17,477	17,864	---	240,129
Public safety	---	9,233	---	---	---	---	---	---	---	---	---	---	---	---	9,233
Public works	2,715,519	---	---	---	---	---	11,768	---	3,783	---	---	---	---	---	2,731,070
Conservation and development	77,866	---	---	---	---	365,985	41,507	88,346	821,451	36,690	---	2,003,424	1,000	---	3,436,269
Capital Outlay	1,753,383	1,239,387	---	---	---	---	---	---	37,202	---	---	---	---	---	3,029,972
Debt Service:															
Interest on advances from governmental funds	---	1,868	---	---	48,118	5,035	20,420	---	---	---	---	505	489	---	74,567
Interest and fiscal charges	---	---	---	503	1,041	---	3,246	585	809	572	1,410	---	---	913	10,947
Debt issuance costs	51,254	---	---	---	---	---	---	---	---	---	---	11,552	---	---	62,806
Total expenditures	4,675,671	1,250,488	4,160	9,693	61,821	377,690	82,988	121,577	905,974	43,594	8,113	2,032,958	19,363	913	9,594,993
Excess (deficit) of revenues over (under) expenditures	(4,496,176)	1,004,129	2,132,095	2,259,114	177,772	4,571	1,677,202	25,386	(605,379)	42,720	324,908	(2,014,290)	(19,224)	48,329	561,157
Other Financing Sources (Uses):															
Proceeds from sales of capital assets	59,447	36,356	---	---	---	---	---	---	---	---	---	---	---	---	95,803
Transfers in	633,932	2,009,000	---	---	---	---	2,103,971	---	---	---	---	---	---	---	4,746,903
Transfers out	(108,134)	(3,440,840)	(2,103,971)	(1,587,186)	(974,472)	---	(3,429,443)	(55,125)	(321,762)	(9,979)	(115,788)	(67,044)	---	(60,105)	(12,273,829)
T.I.D. close - excess increment disbursed	---	---	(1,951,145)	(1,800,000)	1,034,061	---	---	---	---	---	---	---	---	---	(2,717,084)
Insurance recoveries	---	180,399	---	---	---	---	---	---	---	---	---	---	---	---	180,399
Bonds and notes issued	2,030,000	---	---	---	---	---	---	---	---	---	---	2,070,000	---	---	4,100,000
Bond premiums	124,312	---	---	---	---	---	---	---	---	---	---	---	---	---	124,312
Total other financing sources (uses)	2,739,557	(1,215,085)	(4,055,116)	(3,387,186)	59,589	---	(1,325,472)	(55,125)	(321,762)	(9,979)	(115,788)	2,002,956	---	(60,105)	(5,743,496)
Net change in fund balances	(1,756,619)	(210,956)	(1,923,021)	(1,128,072)	237,361	4,571	351,730	(29,739)	(927,141)	32,741	209,140	(11,334)	(19,224)	(11,776)	(5,182,339)
Fund balance, beginning of year	5,672,880	5,556,865	1,923,021	1,128,072	(1,773,292)	(174,794)	260,202	(656,815)	728,909	158,297	117,743	(9,835)	(2,846)	419,969	13,348,376
Fund balance (deficit), end of year	\$ -3,916,261	\$ 5,345,909	\$ ---	\$ ---	\$ (1,535,931)	\$ (170,223)	\$ 611,932	\$ (686,554)	\$ (198,232)	\$ 191,038	\$ 326,883	\$ (21,169)	\$ (22,070)	\$ 408,193	\$ 8,166,037

See independent auditors' report.

PROPRIETARY FUNDS

Enterprise Funds:

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

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

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

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

Internal Service Funds - Risk Management Fund:

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

VILLAGE OF MENOMONEE FALLS Waukesha County, Wisconsin Comparative Statements of Net Position - Water Utility December 31, 2019 and 2018

	2019	2018
Assets:		
Current Assets:		
Cash and equivalents	\$ 7,322,696	\$ 9,594,933
Receivables:		
Special charges on the tax roll	156,063	159,402
Utility customers	991,357	976,136
Other	32,742	23,966
Prepaid items	2,162	2,119
Inventory	82,947	86,746
Total current assets	8,587,977	10,845,292
Noncurrent assets:		
Restricted assets:		
Cash and equivalents - restricted (noncurrent)	3,896,481	3,845,625
Net pension asset	--	153,232
Advances to other funds	2,230,326	--
Land and construction in progress	1,306,091	1,068,077
Other capital assets, net of depreciation	62,172,846	60,482,012
Total noncurrent assets	68,605,744	65,548,946
Total assets	78,193,721	76,394,238
Deferred outflows of resources:		
Deferred outflows related to pensions	524,521	460,704
Deferred outflows related to OPEB - life insurance	13,221	13,327
Deferred outflows related to OPEB - health	13,758	2,795
Total deferred outflows of resources	551,500	476,826
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	78,765	382,761
Compensated absences - vacation due within one year	91,085	104,511
Compensated absences - sick due within one year	64,401	76,922
Unearned revenue	149,420	142,871
Current portion of general obligation notes	930,000	825,000
Accrued interest	38,884	40,084
Total current liabilities	1,352,595	1,572,149
Long-Term Liabilities:		
Compensated absences - sick pay	223,514	240,458
Net OPEB - life insurance liability	93,283	102,641
Net OPEB - health liability	126,860	101,173
Net pension liability	188,797	--
General obligation notes	7,814,438	7,472,846
Total long-term liabilities	8,446,892	7,917,118
Total liabilities	9,799,447	9,489,267
Deferred inflows of resources:		
Deferred inflows related to pensions	261,610	466,886
Deferred inflows related to OPEB - health	3,426	--
Deferred inflows related to OPEB - life insurance	25,092	1,446
Total deferred inflows of resources	290,128	468,332
Net Position:		
Net investment in capital assets	55,720,928	54,712,681
Restricted	3,896,481	3,845,625
Unrestricted	9,038,237	8,355,159
Total net position	\$ 68,655,646	\$ 66,913,465

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, 2019 and 2018

	2019	2018
Operating Revenues:		
Charges for services	\$ 6,937,672	\$ 6,818,479
Operating Expenses:		
Operation and maintenance	2,578,358	2,523,053
Administrative expense	1,393,800	1,209,825
Depreciation expense	1,792,958	1,709,682
Regulatory commission remainder assessments	6,563	6,941
Total operating expenses	5,771,679	5,449,501
Operating income	1,165,993	1,368,978
Nonoperating Revenues (Expenses):		
Investment earnings	282,348	226,019
Interest on advances	26,588	---
Sale of materials	9,548	19,269
Gain on retirement of property and plant	3,703	3,500
Impact fees	551,586	579,806
Fiscal charges on debt	(3,618)	(2,938)
Amortization of debt issuance premiums, discounts and losses on refundings	25,297	22,521
Debt issuance costs	(25,781)	(24,746)
Interest on long-term debt	(229,188)	(210,038)
Net nonoperating revenues	640,483	613,393
Net income before capital contributions	1,806,476	1,982,371
Transfers to governmental funds - PILOT	(1,190,006)	(1,266,520)
Capital contributions	1,125,711	2,493,906
Net increase in net position	1,742,181	3,209,757
Net position:		
Balance, beginning of year	66,913,465	63,607,019
Adjustment due to change in accounting principle	---	96,689
Balance, beginning of year as adjusted	66,913,465	63,703,708
Balance, end of year	\$ 68,655,646	\$ 66,913,465

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities:		
Receipts from customers	\$ 5,269,725	\$ 5,284,735
Payments to suppliers	(2,769,055)	(1,948,864)
Payments to and on behalf of employees	(1,447,605)	(1,355,962)
Internal activity - receipts from other funds	1,743,206	1,745,367
Other receipts	10,848	18,789
Other payments	(1,617)	(1,824)
Net cash provided by operating activities	2,805,502	3,742,241
Cash Flows From Noncapital Financing Activities		
Transfers to governmental funds - PILOT	(1,190,006)	(1,266,520)
Net cash used by noncapital financing activities	(1,190,006)	(1,266,520)
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	3,703	3,500
Payments to dispose of property and plant	---	(24,950)
Additions to property and plant	(2,682,878)	(704,073)
Fair value of debt issued	1,245,000	1,340,000
Debt issuance premiums	51,889	28,668
Debt issuance costs	(25,781)	(24,746)
Principal payments on debt	(825,000)	(755,000)
Interest on debt	(230,388)	(204,857)
Fiscal charges on debt	(3,618)	(2,938)
Interest on advances	26,588	---
Impact fees	551,586	579,806
Net cash provided (used) by capital and related financing activities	(1,888,899)	235,410
Cash Flows From Investing Activities:		
Investment earnings	282,348	226,019
Advances to other funds	(2,230,326)	---
Net cash provided (used) by investing activities	(1,947,978)	226,019
Net increase (decrease) in cash and equivalents	(2,221,381)	2,937,150
Cash and equivalents, beginning of year	13,440,558	10,503,408
Cash and equivalents, end of year	\$ 11,219,177	\$ 13,440,558
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 7,322,696	\$ 9,594,933
Cash and cash equivalents - restricted	3,896,481	3,845,625
Total cash and equivalents	\$ 11,219,177	\$ 13,440,558

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Water Utility
Years Ended December 31, 2019 and 2018
(Continued)

	2019	2018
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 1,165,993	\$ 1,368,978
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,792,958	1,709,682
Depreciation charged to other accounts	127,879	124,446
Proceeds from sales of materials	9,548	19,269
Changes in assets and liabilities related to operations:		
Receivables	(18,658)	111,031
Prepaid items	(63)	(63)
Inventory	3,799	2,369
Accounts payable and accrued liabilities	(345,092)	357,150
WRS pension accrual	72,936	14,747
Compensated absences	(42,891)	12,773
OPEB obligation	32,544	12,475
Unearned revenue	6,549	9,384
Net cash provided by operating activities	\$ 2,805,502	\$ 3,742,241
Noncash Capital Activities:		
Utility plant contributions	\$ 1,125,711	\$ 2,493,906
Amortization of debt issuance premiums, discounts and losses on refundings	(25,297)	(22,521)
Gain on sale of utility plant	3,703	3,500

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Sewer Utility
December 31, 2019 and 2018

	2019	2018
Assets:		
Current Assets:		
Cash and equivalents	\$ 1,946,035	\$ 1,145,464
Cash and equivalents - restricted (current)	82,349	80,858
Receivables:		
Special charges on the tax roll	360,980	351,369
Utility customers	1,823,398	1,756,605
Other	105,096	493,598
Inventory	15,104	14,066
Total current assets	4,332,862	3,841,960
Noncurrent Assets:		
Restricted assets:		
Cash and equivalents (noncurrent)	6,863,552	6,346,791
Net pension asset	--	78,319
Prepaid capacity charge	2,612,829	2,864,981
Land and construction in progress	149,357	117,223
Other capital assets net of depreciation	49,239,963	49,291,016
Total noncurrent assets	98,925,301	58,688,332
Total assets	63,258,163	62,540,292
Deferred Outflows of Resources:		
Deferred outflows related to pensions	256,432	235,471
Deferred outflows related to OPEB - life insurance	6,119	8,066
Deferred outflows related to OPEB - health	5,159	578
Total deferred outflows of resources	267,710	244,115
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	479,239	129,126
Compensated absences - vacation due within one year	46,578	53,801
Compensated absences - sick due within one year	44,137	75,087
Current portion of general obligation notes	20,000	25,000
Current portion of revenue bonds	39,225	38,231
Accrued interest	94	155
Liabilities payable from restricted assets:		
Current portion of revenue bonds	78,452	76,464
Accrued interest	3,897	4,394
Total current liabilities	711,622	402,258
Long-Term Liabilities:		
Compensated absences - sick pay	90,589	69,471
Net OPEB - life insurance liability	43,172	62,125
Net OPEB - health liability	47,572	20,832
Net pension liability	92,301	--
General obligation notes	15,000	35,000
Revenue bonds	797,927	915,604
Total long-term liabilities	1,086,561	1,103,132
Total liabilities	1,798,183	1,505,390
Deferred inflows of resources:		
Deferred inflows related to pensions	127,898	238,631
Deferred inflows related to OPEB - health	1,285	--
Deferred inflows related to OPEB - life insurance	11,613	875
Total deferred inflows of resources	140,796	239,506
Net Position:		
Net investment in capital assets	49,414,519	49,348,241
Restricted	6,863,552	6,346,791
Unrestricted	5,309,523	5,344,479
Total net position	\$ 61,587,594	\$ 61,039,511

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, 2019 and 2018

	2019	2018
Operating Revenues:		
Charges for services	\$ 9,612,636	\$ 8,951,157
Operating Expenses:		
Operation and maintenance	8,490,032	8,600,819
Administrative expense	947,015	884,273
Depreciation expense	1,477,809	1,454,588
Total operating expenses	<u>10,914,856</u>	<u>10,939,680</u>
Operating loss	<u>(1,302,220)</u>	<u>(1,988,523)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	171,217	131,557
Sale of materials	---	364
Miscellaneous revenues	---	25,507
Private lateral repair	---	(465,441)
Intergovernmental	---	472,739
Loss on retirement of property and plant	---	(35,839)
Donated rent	---	(18,000)
Fiscal charges on debt	(514)	(292)
Impact fees	509,704	569,448
Interest on long-term debt	(25,803)	(30,237)
Interest on advances	(2,948)	(1,825)
Net nonoperating revenues	<u>651,656</u>	<u>647,981</u>
Net loss before capital contributions	<u>(650,564)</u>	<u>(1,340,542)</u>
Capital contributions	1,198,647	1,579,094
Increase in net position	<u>548,083</u>	<u>238,552</u>
Net Position:		
Balance, beginning of year	61,039,511	60,834,381
Adjustment due to change in accounting principle	---	(33,422)
Balance, beginning of year as adjusted	<u>61,039,511</u>	<u>60,800,959</u>
Balance, end of year	<u>\$ 61,587,594</u>	<u>\$ 61,039,511</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities:		
Receipts from customers	\$ 9,922,456	\$ 8,788,410
Payments to suppliers	(7,864,624)	(8,545,441)
Payments to and on behalf of employees	(784,600)	(810,356)
Internal activity - payments to other funds	(149,662)	(155,184)
Other receipts	---	7,871
Net cash provided (used) by operating activities	<u>1,123,570</u>	<u>(714,700)</u>
Cash Flows From Noncapital Financing Activities		
Lateral repair program	---	7,298
Net cash provided by noncapital financing activities	<u>---</u>	<u>7,298</u>
Cash Flows From Capital and Related Financing Activities:		
Additions to property and plant	(316,150)	(110,761)
Principal payments on debt	(139,695)	(182,880)
Interest on debt	(26,361)	(30,930)
Fiscal charges on debt	(514)	(292)
Payments on advances from municipality	---	(91,233)
Interest on advances	(2,948)	(1,825)
Impact fees	509,704	569,448
Net cash provided by capital and related financing activities	<u>24,036</u>	<u>151,527</u>
Cash Flows From Investing Activities:		
Investment earnings	171,217	131,557
Net cash provided by investing activities	<u>171,217</u>	<u>131,557</u>
Net increase (decrease) in cash and equivalents	<u>1,318,823</u>	<u>(424,318)</u>
Cash and equivalents, beginning of year	7,573,113	7,997,431
Cash and equivalents, end of year	<u>\$ 8,891,936</u>	<u>\$ 7,573,113</u>
Reconciliation to cash and cash equivalents on the statement of net assets:		
Cash and cash equivalents - unrestricted	\$ 1,946,035	\$ 1,145,464
Cash and cash equivalents - restricted	6,945,901	6,427,649
Total cash and equivalents	<u>\$ 8,891,936</u>	<u>\$ 7,573,113</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Sewer Utility
Years Ended December 31, 2019 and 2018
(Continued)

	2019	2018
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating loss		
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,387,737	1,364,700
Amortization of prepaid capacity	252,152	252,152
Miscellaneous revenues	--	7,507
Proceeds from sales of materials	--	364
Changes in assets and liabilities related to operations:		
Receivables	312,098	(163,128)
Inventory	(1,038)	238
Accounts payable and accrued liabilities	435,894	(186,147)
WRS pension accrual	38,926	9,416
Compensated absences	(17,055)	(17,741)
OPEB obligation	17,076	6,462
Net cash provided (used) by operating activities	\$ 1,123,570	\$ (714,700)
Noncash Capital Activities:		
Utility plant contributions	\$ 1,198,647	\$ 1,579,094
Loss on sale of utility plant	--	(35,839)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Storm Water Utility
December 31, 2019 and 2018

	2019	2018
Assets:		
Current Assets:		
Cash and equivalents	\$ 24,588	\$ 569,267
Receivables:		
Taxes	931,000	931,000
Other	1,490	662
Inventory	29,440	29,421
Total current assets	986,518	1,530,350
Noncurrent Assets:		
Net pension asset	--	20,431
Land and construction in progress	822,401	253,158
Other capital assets, net of depreciation	31,264,002	30,626,178
Total noncurrent assets	32,086,403	30,899,767
Total assets	33,072,921	32,430,117
Deferred Outflows of Resources:		
Deferred outflows related to pensions	69,936	61,427
Deferred outflows related to OPEB - life insurance	1,639	1,637
Deferred outflows related to OPEB - health	2,150	193
Total deferred outflows of resources	73,725	63,257
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	40,051	9,967
Deposits	50,000	50,000
Compensated absences - vacation due within one year	11,868	16,440
Compensated absences - sick due within one year	13,471	16,810
Current portion of general obligation notes	340,000	561,000
Accrued interest	3,934	6,019
Total current liabilities	459,324	660,236
Long-Term Liabilities:		
Compensated absences - sick pay	26,067	30,179
Net OPEB - life insurance liability	11,564	12,005
Net OPEB - health liability	19,822	6,977
Net pension liability	25,173	--
Advances from other funds	2,230,326	2,014,173
General obligation notes	1,161,823	1,507,580
Total long-term liabilities	3,474,775	3,571,514
Total liabilities	3,934,099	4,231,750
Deferred inflows of resources:		
Deferred revenue - subsequent year's taxes	931,000	931,000
Deferred inflows related to pensions	34,881	62,251
Deferred inflows related to OPEB - health	535	--
Deferred inflows related to OPEB - life insurance	3,111	178
Total deferred inflows of resources	969,527	993,429
Net Position:		
Net investment in capital assets	30,584,680	29,305,756
Unrestricted	(2,341,560)	(2,037,561)
Total net position	\$ 28,243,020	\$ 27,268,195

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, 2019 and 2018

	2019	2018
Operating Revenues:		
General property taxes	\$ 931,000	\$ 931,000
Charges for services	53,837	45,842
Total operating revenues	<u>984,837</u>	<u>976,842</u>
Operating Expenses:		
Operation and maintenance	360,542	336,266
Administrative expense	322,551	274,401
Depreciation expense	721,645	700,085
Total operating expenses	<u>1,404,738</u>	<u>1,310,752</u>
Operating loss	<u>(419,901)</u>	<u>(333,910)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	13,279	14,598
Miscellaneous revenues	400	---
Intergovernmental revenue	126,293	---
Loss on retirement of property and plant	(630)	(2,266)
Fiscal charges on debt	(1,172)	(987)
Amortization of debt issuance premiums, discounts and losses on refundings	5,757	5,756
Interest on long-term debt	(53,221)	(69,402)
Interest on advances	(56,153)	(49,372)
Net nonoperating revenues (expenses)	<u>34,553</u>	<u>(101,673)</u>
Net loss before capital contributions	<u>(385,348)</u>	<u>(435,583)</u>
Capital contributions	1,360,173	2,560,784
Increase in net position	<u>974,825</u>	<u>2,125,201</u>
Net Position:		
Balance, beginning of year	27,268,195	25,141,783
Adjustment due to change in accounting principle	---	1,211
Balance, beginning of year as adjusted	<u>27,268,195</u>	<u>25,142,994</u>
Balance, end of year	<u>\$ 28,243,020</u>	<u>\$ 27,268,195</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities:		
Receipts from customers	\$ 53,009	\$ 45,747
Payments to suppliers	(80,023)	(102,423)
Payments to and on behalf of employees	(590,410)	(497,526)
Other receipts	931,400	931,000
Net cash provided by operating activities	<u>313,976</u>	<u>376,798</u>
Cash Flows From Noncapital Financing Activities		
Advances from Municipality	216,153	299,372
Interest on advances	(56,153)	(49,372)
Intergovernmental grant funds received	126,293	---
Net cash provided by noncapital financing activities	<u>286,293</u>	<u>250,000</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of property and plant	74	---
Additions to property and plant	(540,823)	(91,823)
Principal payments on debt	(561,000)	(506,000)
Interest on debt	(55,306)	(71,110)
Fiscal charges on debt	(1,172)	(987)
Net cash used by capital and related financing activities	<u>(1,158,227)</u>	<u>(669,920)</u>
Cash Flows From Investing Activities:		
Investment earnings	13,279	14,598
Net cash provided by investing activities	<u>13,279</u>	<u>14,598</u>
Net decrease in cash and equivalents	<u>(544,679)</u>	<u>(28,524)</u>
Cash and equivalents, beginning of year	569,267	597,791
Cash and equivalents, end of year	<u>\$ 24,588</u>	<u>\$ 569,267</u>

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Storm Water Utility
Years Ended December 31, 2019 and 2018
(Continued)

	2019	2018
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$	(333,910)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	721,645	700,085
Miscellaneous revenues	400	---
Changes in assets and liabilities related to operations:		
Receivables	(828)	(95)
Inventory	(19)	1,676
Accounts payable and accrued liabilities	1,664	841
WRS pension accrual	9,725	2,456
Compensated absences	(12,023)	4,361
OPEB obligation	13,313	1,384
Net cash provided by operating activities	<u>\$ 313,976</u>	<u>\$ 376,798</u>
Noncash Capital Activities:		
Utility plant contributions	\$ 1,360,174	\$ 2,560,784
Amortization of debt issuance premiums, discounts and losses on refundings	(5,757)	(5,756)
Loss on retirement of property and plant	(631)	(2,266)

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Net Position - Risk Management Fund
December 31, 2019 and 2018

	2019	2018
Assets:		
Cash and equivalents	\$ 616,148	\$ 679,101
Receivables	35,267	33,182
Total assets	651,415	712,283
Liabilities:		
Incurred but not reported claims	142,511	---
Net Position:		
Unrestricted	508,904	712,283
Total net position	<u>\$ 508,904</u>	<u>\$ 712,283</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, 2019 and 2018

	2019	2018
Operating Revenues:		
Charges for services	\$ ---	\$ ---
Operating Expenses:		
Operation and maintenance	94,536	65,006
Operating loss	<u>(94,536)</u>	<u>(65,006)</u>
Nonoperating Revenues:		
Investment earnings	13,848	12,291
Dividend on investment in CVMIC	19,820	18,648
Miscellaneous	(142,511)	---
Net nonoperating revenues (expenses)	<u>(108,843)</u>	<u>30,939</u>
Decrease in net assets	<u>(203,379)</u>	<u>(34,067)</u>
Net Position:		
Balance, beginning of year	712,283	746,350
Balance, end of year	<u>\$ 508,904</u>	<u>\$ 712,283</u>

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Comparative Statements of Cash Flows - Risk Management Fund
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities:		
Payments to suppliers	\$ (70,773)	\$ (46,876)
Other payments	(25,848)	(18,130)
Other receipts	---	12,783
Net cash used by operating activities	<u>(96,621)</u>	<u>(52,223)</u>
Cash Flows From Investing Activities:		
Investment earnings	33,668	30,939
Net cash provided by investing activities	<u>33,668</u>	<u>30,939</u>
Net decrease in cash and equivalents	<u>(62,953)</u>	<u>(21,284)</u>
Cash and equivalents, beginning of year	679,101	700,385
Cash and equivalents, end of year	<u>\$ 616,148</u>	<u>\$ 679,101</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:		
Operating loss	\$ (94,536)	\$ (65,006)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities related to operations:		
Receivables	(2,085)	12,783
Net cash used by operating activities	<u>(96,621)</u>	<u>(52,223)</u>

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VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Combining Statements of Net Position - Fiduciary Funds
December 31, 2019

	Taxing Jurisdictions
Assets:	
Cash and equivalents	\$ 18,883,733
Taxes receivable	40,188,486
Total assets	<u>\$ 59,072,219</u>
Liabilities:	
Due to other taxing units	\$ 59,072,219
Total liabilities	<u>\$ 59,072,219</u>

FIDUCIARY FUNDS

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Statement of Changes in Assets and Liabilities - Fiduciary Funds
Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
Assets:				
Cash and equivalents	\$ 12,603,945	\$ 65,121,233	\$ (58,841,445)	\$ 18,883,733
Taxes receivable	46,237,500	59,072,219	(65,121,233)	40,188,486
Total assets	<u>\$ 58,841,445</u>	<u>\$ 124,193,452</u>	<u>\$ (123,962,678)</u>	<u>\$ 59,072,219</u>
Liabilities:				
Due to other taxing units	<u>\$ 58,841,445</u>	<u>\$ 59,072,219</u>	<u>\$ (58,841,445)</u>	<u>\$ 59,072,219</u>

OTHER SUPPLEMENTARY
INFORMATION

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin
Schedule of Long-Term Obligations
Year Ended December 31, 2019
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2019	New Issues	Payments	Balance Outstanding December 31, 2019	Interest Paid 2019	Principal Due 2020	Interest Due 2020
General Fund :												
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	2,128,000	\$ 251,300	\$ ---	\$ (251,300)	\$ ---	\$ 4,523	\$ ---	\$ ---
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	2,385,000	927,000	---	(456,000)	471,000	23,424	471,000	8,007
2011 G.O. Notes	06/20/11	2.80%	06/01	06/01 & 12/01	4,445,000	2,240,000	---	(695,000)	1,545,000	59,688	760,000	37,388
2012 G.O. Notes	07/02/12	2.90%	06/01	06/01 & 12/01	1,335,000	930,000	---	(115,000)	815,000	26,181	115,000	23,163
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	111,810	---	(27,953)	83,857	---	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	1,940,000	---	---	1,940,000	38,800	---	38,800
2019 G.O. Notes	07/10/19	3.50%	02/01	02/01 & 08/01	2,030,000	---	2,030,000	---	2,030,000	---	---	---
Total General Fund						\$ 10,400,110	\$ 2,030,000	\$ (1,545,253)	\$ 10,884,857	\$ 289,616	\$ 1,653,953	\$ 294,058
Municipal Facilities and Equipment Fund:												
2012 GO Refunding #76	07/02/12	3.42%	03/01	03/01 & 09/01	6,400,000	2,350,000	\$ ---	\$ (750,000)	\$ 1,600,000	\$ 79,000	\$ 775,000	\$ 48,500
2012 GO Refunding #82	07/02/12	3.34%	03/01	03/01 & 09/01	7,950,000	3,700,000	---	(875,000)	2,825,000	130,500	875,000	95,500
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	2,000,000	1,200,000	---	(200,000)	1,000,000	31,000	200,000	26,000
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	11,650,000	10,680,000	---	(1,105,000)	9,575,000	270,340	1,135,000	242,265
Total Municipal Facilities Fund						\$ 17,930,000	\$ ---	\$ (2,930,000)	\$ 15,000,000	\$ 510,840	\$ 2,985,000	\$ 412,265
Capital Projects Fund:												
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	2,000,000	1,825,000	\$ ---	\$ (280,000)	\$ 1,545,000	\$ 45,190	\$ 250,000	\$ 38,640
2018 G.O. Notes	06/18/18	3.00%	06/01	06/01 & 12/01	2,000,000	2,000,000	---	(205,000)	1,795,000	84,092	205,000	50,775
Total Capital Projects Fund						\$ 3,825,000	\$ ---	\$ (485,000)	\$ 3,340,000	\$ 129,282	\$ 455,000	\$ 89,415
Special Assessment Fund:												
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	177,000	17,700	\$ ---	\$ (17,700)	\$ ---	\$ 319	\$ ---	\$ ---
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	190,000	38,000	---	(19,000)	19,000	955	19,000	323
2011 G.O. Notes	06/20/11	2.75%	06/01	06/01 & 12/01	110,000	40,000	---	(10,000)	30,000	1,106	15,000	722
2012 G.O. Notes	07/02/12	2.76%	06/01	06/01 & 12/01	70,000	40,000	---	(10,000)	30,000	1,025	10,000	762
Total Special Assessment Fund						\$ 135,700	\$ ---	\$ (56,700)	\$ 79,000	\$ 3,405	\$ 44,000	\$ 1,807
TID District #5:												
2012 GO Notes	07/02/12	2.79%	06/01	06/01 & 12/01	900,000	500,000	\$ ---	\$ (100,000)	\$ 400,000	\$ 13,313	\$ 100,000	\$ 10,688
2012 Ref #104 to Long Term	09/28/12	2.43%	09/01	03/01 & 09/01	1,850,000	1,000,000	---	(1,000,000)	---	26,250	---	---
Total TID District #5						\$ 1,500,000	\$ ---	\$ (1,100,000)	\$ 400,000	\$ 39,563	\$ 100,000	\$ 10,688

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin
Schedule of Long-Term Obligations
Year Ended December 31, 2019
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2019	New Issues	Payments	Balance Outstanding December 31, 2019	Interest Paid 2019	Principal Due 2020	Interest Due 2020
TID District #6:												
2014 GO Hotel Debt Refinance	10/20/14	3.42%	05/01	05/01 & 11/01	\$ 8,450,000	\$ 8,300,000	\$ ---	\$ (125,000)	\$ 8,175,000	\$ 327,375	\$ 275,000	\$ 320,375
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)	---	22,898	---	---
2016 G.O. Notes - Refinance	09/01/16	2.13%	09/01	03/01 & 09/01	875,000	875,000	---	(875,000)	---	16,631	---	---
2019 G.O. Notes	07/10/19	3.08%	02/01	02/01 & 08/01	1,255,000	---	1,255,000	---	1,255,000	---	---	38,021
2019 G.O. Notes	07/10/19	2.74%	03/01	03/01 & 09/01	385,000	---	385,000	---	385,000	---	---	11,799
Total TID District #6					\$ 10,455,000	\$ 10,455,000	\$ 1,640,000	\$ (2,280,000)	\$ 9,815,000	\$ 366,904	\$ 275,000	\$ 370,195
TID District #8:												
2010 G.O. Notes	10/05/10	3.07%	10/01	04/01 & 10/01	\$ 11,800,000	\$ 1,750,000	\$ ---	\$ (1,750,000)	\$ ---	\$ 66,500	\$ ---	\$ ---
2011 G.O. Notes	10/18/11	2.03%	10/01	04/01 & 10/01	1,800,000	50,000	---	(50,000)	---	1,250	---	---
2012 G.O. Notes	07/02/12	2.81%	06/01	06/01 & 12/01	160,000	130,000	---	(30,000)	100,000	3,381	30,000	2,594
2015 G.O. Notes	03/16/15	3.11%	03/01	03/01 & 09/01	4,300,000	3,825,000	---	(175,000)	3,650,000	115,938	175,000	111,781
2015 G.O. Notes	03/16/15	2.95%	03/01	03/01 & 09/01	7,850,000	7,050,000	---	(375,000)	6,675,000	200,187	375,000	192,688
2016 G.O. Notes	11/21/16	2.00%	06/01	06/01 & 12/01	2,500,000	2,450,000	---	(200,000)	2,250,000	47,000	300,000	42,000
2016 G.O. Notes	11/21/16	2.99%	06/01	06/01 & 12/01	7,425,000	7,375,000	---	(200,000)	7,175,000	215,188	275,000	209,750
Total TID District #8					\$ 22,650,000	\$ 22,650,000	\$ ---	\$ (2,780,000)	\$ 19,850,000	\$ 649,444	\$ 1,155,000	\$ 558,813
TID District #9:												
2012 G.O. Notes	07/02/12	2.79%	06/01	06/01 & 12/01	\$ 250,000	\$ 200,000	\$ ---	\$ (50,000)	\$ 150,000	\$ 5,125	\$ 50,000	\$ 3,812
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)	\$ ---	\$ 243,833	\$ ---	\$ ---
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)	---	77,928	---	---
2019 G.O. Notes	07/10/19	2.74%	03/01	03/01 & 09/01	14,160,000	---	14,160,000	---	14,160,000	---	---	443,617
Total TID District #10					\$ 14,160,000	\$ 14,160,000	\$ ---	\$ (14,075,000)	\$ 14,160,000	\$ 321,761	\$ ---	\$ 443,617
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)	\$ ---	\$ 9,978	\$ ---	\$ ---
2019 G.O. Notes	07/10/19	2.74%	03/01	03/01 & 09/01	530,000	---	530,000	---	530,000	---	25,000	14,947
Total TID District #11					\$ 1,055,000	\$ 1,055,000	\$ 530,000	\$ (525,000)	\$ 530,000	\$ 9,978	\$ 25,000	\$ 14,947
TID District #12:												
2017 G.O. Notes	02/22/17	3.38%	03/01	03/01 & 09/01	\$ 1,280,000	\$ 1,280,000	\$ ---	\$ (1,280,000)	\$ ---	\$ 38,640	\$ ---	\$ ---
2018 G.O. Notes	06/18/18	3.38%	03/01	03/01 & 09/01	1,900,000	1,900,000	---	(1,900,000)	---	77,128	---	---
2019 G.O. Notes	07/10/19	3.08%	02/01	02/01 & 08/01	1,850,000	---	1,850,000	---	1,850,000	---	90,000	58,141
2019 G.O. Notes	07/10/19	2.74%	03/01	03/01 & 09/01	1,290,000	---	1,290,000	---	1,290,000	---	115,000	35,095
Total TID District #12					\$ 3,180,000	\$ 3,180,000	\$ 3,140,000	\$ (3,180,000)	\$ 3,140,000	\$ 115,768	\$ 205,000	\$ 93,236
TID District #13:												
2019 G.O. Notes	07/10/19	2.74%	03/01	03/01 & 09/01	\$ 2,070,000	\$ ---	\$ 2,070,000	\$ ---	\$ 2,070,000	\$ ---	\$ ---	\$ 67,044

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Schedule of Long-Term Obligations
Year Ended December 31, 2019
(Continued)

Fund/Issue	Date of Issue	Average Coupon Rate	Principal Due	Interest Due	Original Amount	Balance Outstanding January 1, 2019	New Issues	Payments	Balance Outstanding December 31, 2019	Interest Paid 2019	Principal Due 2020	Interest Due 2020
Water Utility :												
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	\$ 790,000	\$ 175,000	\$ ---	\$ (85,000)	\$ 90,000	\$ 4,441	\$ 90,000	\$ 1,530
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	830,000	280,000	---	(90,000)	190,000	7,406	95,000	4,572
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	1,155,000	490,000	---	(120,000)	370,000	12,606	120,000	9,456
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,120,000	870,000	---	(60,000)	820,000	26,200	55,000	24,875
2013 G.O. Refunding Bonds	06/17/13	2.28%	06/01	06/01 & 12/01	1,930,000	1,000,000	---	(200,000)	800,000	23,800	200,000	19,500
2014 G.O. Notes	06/05/14	2.91%	06/01	06/01 & 12/01	920,000	720,000	---	(45,000)	675,000	20,475	45,000	19,350
2015 G.O. Notes	05/04/15	2.83%	05/01	06/01 & 11/01	1,110,000	945,000	---	(55,000)	890,000	25,738	55,000	24,638
2016 G.O. Refunding Bonds	09/01/16	2.13%	09/01	03/01 & 09/01	525,000	1,105,000	---	(50,000)	1,055,000	21,600	50,000	20,600
2017 G.O. Notes	06/20/17	2.65%	06/01	06/01 & 12/01	1,285,000	1,220,000	---	(65,000)	1,155,000	30,695	65,000	29,070
2018 G.O. Notes	06/18/18	3.00%	06/01	06/01 & 12/01	1,340,000	1,340,000	---	(65,000)	1,275,000	57,427	65,000	37,275
2019 G.O. Notes	07/10/19	3.08%	02/01	02/01 & 08/01	1,245,000	---	1,245,000	---	1,245,000	---	90,000	38,853
Total Water Utility						\$ 8,145,000	\$ 1,245,000	\$ (825,000)	\$ 8,565,000	\$ 230,388	\$ 930,000	\$ 229,719
Sewer Utility:												
2001 Clean Water Fund Loans	02/19/01	2.97%	05/01	05/01 & 11/01	\$ 217,231	\$ 29,032	\$ ---	\$ (14,304)	\$ 14,728	\$ 650	\$ 14,728	\$ 219
2007 Clean Water Fund Loans	08/22/07	2.55%	05/01	05/01 & 11/01	1,887,778	1,001,267	---	(100,391)	900,876	24,224	102,949	21,634
2011 G.O. Notes	06/20/11	2.61%	06/01	06/01 & 12/01	235,000	60,000	---	(25,000)	35,000	1,487	20,000	800
Total Sewer Utility						\$ 1,090,299	\$ ---	\$ (139,695)	\$ 950,804	\$ 26,361	\$ 137,677	\$ 22,653
Storm Water Utility:												
2009 G.O. Notes	06/01/09	3.38%	05/01	05/01 & 11/01	\$ 1,015,000	\$ 231,000	\$ ---	\$ (231,000)	\$ ---	\$ 4,157	\$ ---	\$ ---
2010 G.O. Notes	06/01/10	3.12%	06/01	06/01 & 12/01	590,000	135,000	---	(65,000)	70,000	3,436	70,000	1,190
2011 G.O. Notes	06/20/11	2.71%	06/01	06/01 & 12/01	1,210,000	405,000	---	(130,000)	275,000	10,719	135,000	6,659
2012 G.O. Notes	07/02/12	2.70%	06/01	06/01 & 12/01	740,000	310,000	---	(75,000)	235,000	7,994	75,000	6,025
2013 G.O. Notes	06/17/13	2.99%	06/01	06/01 & 12/01	1,250,000	965,000	---	(60,000)	905,000	29,000	60,000	27,500
Total Storm Water Utility						\$ 2,046,000	\$ ---	\$ (561,000)	\$ 1,485,000	\$ 55,306	\$ 340,000	\$ 41,374
Total long-term obligations						\$ 96,137,109	\$ 24,815,000	\$ (30,532,648)	\$ 90,419,461	\$ 2,733,741	\$ 8,355,630	\$ 2,653,643

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:

	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and condition have changed over time.	120 - 132
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant revenue source, the property tax.	133 - 137
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.	138 - 143
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.	144 - 145
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.	146 - 148
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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 135,057,621	\$ 111,199,441	\$ 104,160,129	\$ 102,173,468	\$ 96,772,895	\$ 103,412,007	\$ 95,031,864	\$ 84,770,045	\$ 94,148,447	\$ 94,117,291
Restricted	5,581,007	7,973,934	7,609,860	14,118,882	14,201,491	4,263,413	8,154,210	15,340,255	5,425,086	5,989,717
Unrestricted	(16,280,125)	3,855,209	8,179,100	1,691,916	(1,058,717)	(2,568,467)	3,202,645	3,353,935	6,247,496	8,956,797
Total governmental activities net position	\$ 124,358,503	\$ 123,028,584	\$ 119,949,089	\$ 117,984,266	\$ 109,915,669	\$ 105,106,953	\$ 106,388,719	\$ 103,464,235	\$ 105,821,029	\$ 109,063,805
Business-type activities:										
Net investment in capital assets	\$ 135,720,027	\$ 133,366,678	\$ 128,757,520	\$ 129,672,477	\$ 123,987,544	\$ 124,026,180	\$ 120,631,586	\$ 126,588,277	\$ 126,268,647	\$ 121,787,050
Restricted	10,760,033	10,192,416	8,930,411	8,225,993	7,522,670	5,676,161	4,797,439	4,837,262	6,585,206	10,019,745
Unrestricted	12,006,200	11,662,077	11,895,252	11,477,555	12,246,507	12,454,702	13,322,201	12,262,744	11,038,425	12,191,413
Total business-type activities net position	\$ 158,486,260	\$ 155,221,171	\$ 149,583,183	\$ 149,376,025	\$ 143,756,721	\$ 142,157,043	\$ 138,751,226	\$ 143,688,283	\$ 143,892,278	\$ 143,998,208
Primary government:										
Net investment in capital assets	\$ 270,777,648	\$ 244,566,119	\$ 232,917,649	\$ 231,845,945	\$ 220,760,439	\$ 227,438,187	\$ 215,663,450	\$ 211,358,322	\$ 220,417,094	\$ 215,904,341
Restricted	16,341,040	\$ 18,166,350	16,540,271	22,344,875	21,724,161	9,939,574	12,951,649	20,177,517	12,010,292	16,009,462
Unrestricted	(4,273,925)	15,517,286	20,074,352	13,169,471	11,187,790	9,886,235	16,524,846	15,616,679	17,285,921	21,148,210
Total primary government net position	\$ 282,844,763	\$ 278,249,755	\$ 269,532,272	\$ 267,360,291	\$ 253,672,390	\$ 247,263,996	\$ 245,139,945	\$ 247,152,518	\$ 249,713,307	\$ 253,062,013

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Total expenses	\$ 48,528,906	\$ 42,488,662	\$ 40,943,590	\$ 38,813,296	\$ 44,719,283	\$ 47,812,954	\$ 35,651,741	\$ 38,941,171	\$ 40,976,353	\$ 34,989,616
Total program revenues	18,963,573	14,081,192	11,833,289	16,754,738	14,661,773	17,259,857	10,064,114	13,102,142	10,498,182	10,237,660
Net program expense	(29,565,333)	(28,407,470)	(29,110,301)	(22,058,558)	(30,057,510)	(30,553,097)	(25,587,627)	(25,839,029)	(30,478,171)	(24,751,956)
Total general revenues and other changes in net position	30,895,252	32,128,946	31,075,124	30,127,155	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017
Prior period adjustment	---	(641,981)	---	---	5,499,742	121,324	(923,763)	---	---	---
Change in net position	1,329,919	3,079,495	1,964,823	8,068,597	4,808,714	(1,281,766)	2,924,484	(2,356,794)	(3,242,776)	2,332,061
Business-type activities:										
Total expenses	18,428,956	18,579,539	18,120,673	16,889,816	18,411,294	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260
Total program revenues	21,349,966	23,598,516	18,507,469	22,496,093	18,253,238	20,301,675	16,654,785	16,736,310	16,110,592	16,642,735
Net program revenue	2,921,010	5,018,977	386,796	5,606,277	(158,056)	2,127,230	(1,528,781)	(1,521,364)	(1,445,552)	(358,525)
Total general revenues and other changes in net position	344,079	554,533	(179,638)	13,027	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158
Prior period adjustment	---	64,478	---	---	471,099	---	(4,692,718)	---	---	---
Change in net position	3,265,089	5,637,988	207,158	5,619,304	1,599,678	3,405,817	(4,937,057)	(203,995)	(105,930)	941,633
Total primary government										
Change in net position	\$ 4,595,008	\$ 8,717,483	\$ 2,171,981	\$ 13,687,901	\$ 6,408,392	\$ 2,124,051	\$ (2,012,573)	\$ (2,560,789)	\$ (3,348,706)	\$ 3,273,694

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	\$ 4,620,851	\$ 4,684,122	\$ 4,153,483	\$ 4,222,904	\$ 4,228,723	\$ 4,720,166	\$ 4,625,565	\$ 4,929,014	\$ 4,434,844	\$ 4,257,070
Public safety	17,483,697	16,365,784	15,905,633	16,128,775	14,350,057	14,436,356	14,060,147	14,059,166	14,270,726	14,200,950
Public works	11,446,523	13,568,975	12,515,134	9,181,890	11,973,544	9,346,862	9,161,630	8,508,057	8,643,954	8,700,112
Culture and recreation	3,600,726	3,352,517	3,356,222	3,618,566	3,394,861	3,405,817	3,202,857	3,082,115	3,319,499	3,328,134
Conservation and development	9,066,560	2,310,685	2,603,249	3,322,732	8,573,095	13,245,448	2,075,907	5,322,277	7,316,955	1,639,911
Interest and fiscal charges	2,310,549	2,206,579	2,409,869	2,338,429	2,199,003	2,658,305	2,525,635	3,040,542	2,990,375	2,843,439
Total governmental activities expenses	48,528,906	42,488,662	40,943,590	38,813,296	44,719,283	47,812,954	35,651,741	38,941,171	40,976,353	34,969,616
Business-type activities:										
Water Utility	5,974,678	5,661,202	5,627,767	5,620,359	6,720,087	6,641,515	6,784,586	6,728,861	6,677,008	6,473,258
Sewer Utility	10,944,121	11,491,314	10,805,636	9,855,946	10,303,191	10,166,494	10,109,008	10,153,534	9,492,870	9,213,515
Storm Water Utility	1,510,157	1,427,023	1,687,270	1,413,511	1,388,016	1,366,436	1,289,972	1,375,279	1,386,266	1,314,487
Total business-type activities expenses	18,428,956	18,579,539	18,120,673	16,889,816	18,411,294	18,174,445	18,183,566	18,257,674	17,556,144	17,001,260
Total primary government expenses	\$ 66,957,862	\$ 61,068,201	\$ 59,064,263	\$ 55,703,112	\$ 63,130,577	\$ 65,987,399	\$ 53,835,307	\$ 57,198,845	\$ 58,532,497	\$ 51,970,876

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Charges for services	\$ 7,557,811	\$ 9,272,576	\$ 8,161,483	\$ 7,953,646	\$ 7,998,176	\$ 7,126,005	\$ 6,696,510	\$ 8,774,008	\$ 7,283,901	\$ 6,635,835
Operating grants and contributions	4,033,061	3,183,182	3,261,846	3,211,421	3,760,572	2,935,157	2,318,766	2,613,573	2,441,155	2,361,517
Capital grants and contributions	7,372,701	1,625,434	409,960	5,589,671	2,903,025	7,198,695	1,048,838	1,714,561	773,126	1,240,308
Total governmental activities program revenues	<u>18,963,573</u>	<u>14,081,192</u>	<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>
Business-type activities:										
Charges for services	16,604,145	15,815,478	15,503,049	15,286,679	15,187,279	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582
Capital grants and contributions	4,745,821	7,783,038	3,004,420	7,209,414	3,065,959	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153
Total business-type activities program revenues	<u>\$ 21,349,966</u>	<u>\$ 23,598,516</u>	<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>

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	\$ 555,202	\$ 559,056	\$ 548,446	\$ 633,606	\$ 555,285	\$ 539,299	\$ 580,904	\$ 566,574	\$ 523,965	\$ 478,962
Public safety	2,127,676	2,187,991	2,023,814	1,795,184	1,875,189	1,585,437	1,641,121	1,639,585	1,513,795	1,548,880
Public works	3,472,446	4,707,137	4,249,073	4,247,237	4,204,374	3,978,709	3,644,103	5,779,785	4,479,108	3,773,328
Culture and recreation	403,487	432,937	366,769	62,504	123,286	122,347	122,973	120,513	124,526	127,391
Conservation and development	999,000	1,385,455	973,381	1,215,115	1,240,042	900,213	707,409	667,551	642,507	707,274
Total governmental activities charges for services	7,557,811	9,272,576	8,161,483	7,953,646	7,998,176	7,126,005	6,696,510	8,774,008	7,283,901	6,635,835
Business-type activities:										
Sewer Utility	9,612,636	8,951,157	8,543,988	8,418,856	8,309,028	8,114,553	8,229,711	8,526,609	8,287,181	8,652,539
Water Utility	6,937,672	6,818,479	6,913,513	6,821,982	6,838,038	6,535,141	6,641,814	7,097,796	6,577,855	6,144,447
Storm Water Utility	53,837	45,842	45,548	45,841	40,213	28,633	27,926	28,260	32,237	33,596
Total business-type activities charges for services	16,604,145	15,815,478	15,503,049	15,286,679	15,187,279	14,678,327	14,899,451	15,652,665	14,897,273	14,830,582
Total primary government charges for services	\$ 24,161,956	\$ 25,088,054	\$ 23,664,532	\$ 23,240,325	\$ 23,185,455	\$ 21,804,332	\$ 21,595,961	\$ 24,426,673	\$ 22,181,174	\$ 21,466,417

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	\$ 747,956	\$ 482,631	\$ 629,364	\$ 2,000	\$ 900,570	\$ 586,717	\$ 440,209	\$ 487,864	\$ 311,550	\$ 242,256
Public safety	2,635,133	2,235,560	2,069,462	2,031,294	2,133,358	1,826,242	1,774,408	1,977,282	2,033,841	2,027,059
Public works	109,750	69,033	65,729	63,225	61,116	42,057	28,177	41,352	34,814	44,121
Culture and recreation	540,222	395,958	497,291	477,172	665,528	480,141	75,972	107,075	60,950	48,081
Conservation and development										
Total governmental activities operating	\$ 4,033,061	\$ 3,183,182	\$ 3,261,846	\$ 3,211,421	\$ 3,760,572	\$ 2,935,157	\$ 2,318,766	\$ 2,613,573	\$ 2,441,155	\$ 2,361,517
grants and contributions										

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	\$ ---	\$ ---	\$ ---	\$ 178,616	\$ 103,000	\$ 4,269,900	\$ ---	\$ ---	\$ 5,000	\$ 14,569
Public safety	---	---	---	---	---	---	---	107,000	---	---
Public works	7,372,701	1,625,434	409,960	5,236,347	2,800,025	2,928,795	1,048,838	1,604,161	768,126	1,225,739
Conservation and development	---	---	---	174,708	---	---	---	3,400	---	---
Total governmental activities capital grants and contributions	7,372,701	1,625,434	409,960	5,589,671	2,903,025	7,198,695	1,048,838	1,714,561	773,126	1,240,308
Business-type activities:										
Water Utility	1,677,297	3,073,712	1,194,004	1,579,499	1,333,453	2,583,029	367,561	709,702	543,002	830,793
Sewer Utility	1,708,351	2,148,542	1,228,512	3,394,397	1,160,330	1,606,521	308,582	373,943	454,450	981,360
Storm Water Utility	1,360,173	2,560,784	581,904	2,235,518	572,176	1,433,798	1,079,191	---	215,867	---
Total business-type activities capital grants and contributions	4,745,821	7,783,038	3,004,420	7,209,414	3,065,959	5,623,348	1,755,334	1,083,645	1,213,319	1,812,153
Total primary government capital grants and contributions	\$ 12,118,522	\$ 9,408,472	\$ 3,414,380	\$ 12,799,085	\$ 5,968,984	\$ 12,822,043	\$ 2,804,172	\$ 2,798,206	\$ 1,986,445	\$ 3,052,461

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Taxes	\$ 27,972,652	\$ 30,462,169	\$ 28,896,754	\$ 27,932,557	\$ 27,213,075	\$ 27,345,166	\$ 26,374,477	\$ 26,135,082	\$ 25,751,546	\$ 25,675,386
Grants and contributions not restricted to specific programs	1,676,603	1,241,904	1,251,900	1,360,274	1,762,237	1,542,891	1,050,489	1,047,409	1,230,437	1,100,295
Impact fees	---	---	---	305,993	---	---	---	---	---	---
Investments earnings	902,713	746,136	436,866	223,544	100,583	71,074	65,991	118,049	120,702	151,238
Interest on advances to utilities	32,513	51,197	29,176	19,606	7,087	12,849	19,171	25,232	22,082	38,824
Gain (loss) on retirement of capital assets	93,286	(573,256)	175,999	---	149,057	---	(192,379)	(4,138,753)	13,182	32,391
Debt payments received	---	---	---	---	---	---	---	213,716	---	---
Developer incentives returned	---	---	---	---	---	---	2,000,000	---	---	---
Insurance recoveries	180,399	---	---	---	---	---	---	---	---	---
Other revenues	37,086	200,796	284,429	285,181	134,443	178,027	118,125	81,500	97,446	65,883
Total governmental activities general revenues and other changes in net position	30,895,252	32,128,946	31,075,124	30,127,155	29,366,482	29,150,007	29,435,874	23,482,235	27,235,395	27,064,017
Business-type activities:										
Taxes	931,000	931,000	931,250	931,250	1,231,250	1,231,250	1,231,250	1,231,250	1,231,250	1,212,990
Transfers - PILOT	(1,190,006)	(1,266,520)	(1,294,564)	(1,316,613)	---	---	---	---	---	---
Investments earnings	466,844	372,174	149,839	69,424	18,838	13,602	14,561	24,509	27,662	41,540
Gain (loss) on retirement of capital assets	---	---	---	---	---	---	5,178	(1,575)	24,135	4,678
Other revenues	136,241	517,879	33,837	328,966	36,547	33,735	33,453	63,185	56,575	40,950
Total business-type activities general revenues and other changes in net position	344,079	554,533	(179,638)	13,027	1,286,635	1,278,587	1,284,442	1,317,369	1,339,622	1,300,158
Total primary government general revenues and other changes in net position	\$ 31,239,331	\$ 32,683,479	\$ 30,895,486	\$ 30,140,182	\$ 30,653,117	\$ 30,428,594	\$ 30,720,316	\$ 24,799,604	\$ 28,575,017	\$ 28,364,175

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Nonspendable	\$ 2,567,417	\$ 2,955,091	\$ 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	7,546,819	7,002,559	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
Unreserved	---	---	---	---	---	---	---	---	---	6,076,505
Total general fund	<u>10,114,236</u>	<u>9,957,650</u>	<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>
All Other Governmental Funds:										
Nonspendable	1,286,536	3,249,418	2,872,078	2,090,552	1,881,590	1,232,169	15,369,451	15,985,377	17,818,086	---
Restricted	6,727,904	8,731,970	9,631,125	11,169,562	10,819,886	8,961,001	10,579,623	17,177,241	11,860,659	---
Committed	4,033,873	5,783,510	6,970,364	9,592,988	8,918,811	2,995,623	4,114,678	1,043,079	6,311,798	---
Assigned	4,458,403	2,817,893	7,157,630	5,263,510	4,174,551	4,487,089	3,215,701	7,399,395	534,957	---
Unassigned	(2,634,179)	(2,626,654)	(2,261,744)	(1,798,726)	(1,381,051)	(1,174,729)	(386,481)	(3,289,054)	(887,452)	---
Reserved	---	---	---	---	---	---	---	---	---	30,420,048
Unreserved, reported in:										
Special Revenue funds	---	---	---	---	---	---	---	---	---	6,485,333
Capital Projects funds	---	---	---	---	---	---	---	---	---	(230,554)
Total all other governmental funds	<u>13,872,537</u>	<u>17,956,137</u>	<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>
Total all governmental funds	<u>\$ 23,986,773</u>	<u>\$ 27,913,787</u>	<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>

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

Source: Comprehensive Annual Financial Reports

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues	\$ 44,142,644	\$ 43,800,718	\$ 41,183,675	\$ 40,383,973	\$ 40,435,293	\$ 38,641,760	\$ 38,062,033	\$ 37,617,444	\$ 36,384,093	\$ 35,084,872
Expenditures	70,660,332	55,600,623	59,259,005	45,543,439	56,789,395	60,851,335	43,561,974	58,281,312	49,578,107	54,945,695
Deficiency of revenues under expenditures	(26,517,688)	(11,799,905)	(18,075,330)	(5,159,466)	(16,354,102)	(22,209,575)	(5,499,941)	(20,663,868)	(13,194,014)	(19,860,823)
Other financing sources (uses) and other										
Changes in fund balances	22,590,674	5,658,581	15,671,372	7,108,639	24,266,735	5,806,432	341,875	23,360,672	13,308,673	38,188,044
Prior period adjustment	---	---	455,525	---	---	121,324	---	---	---	---
Total change in fund balance	\$ (3,927,014)	\$ (6,141,324)	\$ (1,948,433)	\$ 1,949,173	\$ 7,912,633	\$ (16,281,819)	\$ (5,158,066)	\$ 2,696,804	\$ 114,659	\$ 18,327,221

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxes	\$ 29,758,073	\$ 29,469,322	\$ 27,841,438	\$ 26,597,863	\$ 25,904,061	\$ 26,266,221	\$ 24,980,536	\$ 24,843,046	\$ 24,547,573	\$ 24,474,550
Special assessment & interest	46,974	41,338	43,250	39,096	208,782	192,256	95,737	178,285	195,095	156,193
Licenses and permits	1,619,720	1,534,990	1,436,318	1,791,721	1,728,039	1,347,111	1,187,601	1,141,357	1,094,714	1,102,585
Fines and penalties	517,406	501,072	572,666	607,211	609,413	563,671	744,985	649,989	648,116	755,247
Intergovernmental aid	4,549,959	3,573,712	3,599,603	3,675,400	4,681,534	3,607,341	3,219,203	3,186,673	3,800,609	3,355,012
Program revenues	1,415,723	1,602,308	1,408,988	1,371,170	1,384,278	1,440,025	1,474,779	1,447,884	1,511,174	1,410,802
Fire dues	----	181,694	----	----	----	----	----	----	----	----
Other charges for service	3,906,653	4,634,751	4,425,975	4,367,503	4,212,352	3,726,595	3,322,434	5,395,570	4,064,142	3,346,548
Interest income	916,070	761,562	424,017	197,861	72,211	42,985	48,315	70,775	89,279	120,726
Interest on advances	107,080	121,247	76,131	47,201	27,703	32,280	237,966	241,269	104,066	112,724
Developer incentives returned	----	----	----	----	----	----	2,000,000	----	----	----
Insurance recoveries	----	----	----	----	----	----	----	----	----	----
Other revenue	1,304,986	1,378,722	1,355,289	1,688,947	1,606,920	1,423,275	750,477	462,596	329,325	250,485
Total revenues	\$ 44,142,644	\$ 43,800,718	\$ 41,183,675	\$ 40,383,973	\$ 40,435,293	\$ 38,641,760	\$ 38,062,033	\$ 37,617,444	\$ 36,384,093	\$ 35,084,872

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Current:										
General government	\$ 3,967,573	\$ 4,069,770	\$ 3,551,177	\$ 3,630,500	\$ 3,656,043	\$ 3,909,661	\$ 3,954,733	\$ 4,178,487	\$ 3,939,717	\$ 3,642,621
Public safety	15,427,430	15,186,791	14,199,667	14,378,386	13,860,652	13,823,637	13,403,094	13,349,480	13,532,420	13,440,800
Public works	8,735,981	10,977,378	9,646,965	6,809,817	9,951,007	7,101,179	7,331,797	6,806,723	6,915,529	6,905,932
Culture and recreation	3,049,144	2,843,942	2,840,922	3,079,854	2,891,428	2,921,152	2,666,107	2,587,993	2,758,347	2,792,380
Conservation and development	4,607,860	2,257,555	2,520,884	3,028,937	7,006,218	1,486,607	2,039,586	5,111,837	7,410,485	1,645,679
Uncollectible accounts	62,178	---	---	---	---	5,261,620	---	---	---	---
Capital outlay	3,073,120	8,530,210	16,533,564	4,769,966	10,381,143	7,579,866	4,120,998	16,066,598	5,119,767	10,597,430
Debt service:										
Principal										
Interest and fiscal charges	29,006,953	8,895,863	7,220,863	6,984,369	6,434,369	15,756,416	6,670,417	6,548,416	6,258,415	12,688,416
Interest on advances	2,421,686	2,686,306	2,411,470	2,485,688	2,178,219	2,667,067	2,956,176	3,022,128	3,355,521	2,465,653
Debt issuance costs	74,567	70,050	46,955	27,594	20,616	19,431	218,795	216,037	81,984	73,900
	233,840	82,758	286,538	348,328	409,700	324,699	200,271	393,613	205,922	692,884
Total expenditures	\$ 70,660,332	\$ 55,600,623	\$ 59,259,005	\$ 45,543,439	\$ 56,789,395	\$ 60,851,335	\$ 43,561,974	\$ 58,281,312	\$ 49,578,107	\$ 54,945,695
Debt service as a percentage of Noncapital expenditures	46.50%	24.61%	22.54%	23.23%	18.56%	34.58%	24.41%	22.67%	21.62%	34.17%

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating transfers in	\$ 15,724,936	\$ 14,133,448	\$ 12,564,073	\$ 12,630,432	\$ 18,816,352	\$ 21,284,579	\$ 15,347,795	\$ 12,031,235	\$ 10,017,673	\$ 15,010,073
Operating transfers out	(15,724,936)	(14,133,448)	(12,564,073)	(12,630,432)	(18,816,352)	(21,284,578)	(15,347,795)	(12,031,235)	(10,017,673)	(15,010,073)
Transfers - PILOT	1,190,006	1,266,520	1,294,564	1,316,613	1,290,385	1,259,422	1,393,941	1,292,036	1,203,973	1,200,836
Proceeds from sale of capital assets	100,522	415,699	175,999	646,594	6,997,349	(55,294)	41,906	---	13,182	32,391
Fair market of bond/notes issued	23,570,000	3,900,000	13,650,000	4,750,000	15,430,000	4,223,622	7,175,000	28,940,000	11,855,000	32,025,000
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	266,831	76,362	550,809	395,432	599,001	609,158	105,298	1,514,920	236,518	849,817
Debt payments received	---	---	---	---	---	---	---	213,716	---	---
Insurance recoveries	180,399	---	---	---	---	---	---	---	---	---
Distribution upon closure of TID	(2,717,084)	---	---	---	---	(180,477)	---	---	---	---
Total other financing sources (uses)	\$ 22,590,674	\$ 5,658,581	\$ 15,671,372	\$ 7,108,639	\$ 24,266,735	\$ 5,806,432	\$ 341,875	\$ 23,360,672	\$ 13,308,673	\$ 38,188,044
and other changes in fund balance										

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				
2019	\$ 4,783,320,160	\$ 5,169,742,400	\$ 109,109,980	\$ 120,187,200	\$ 4,892,430,140	\$ 5.20	\$ 5,289,929,600	0.9249
2018	4,741,865,260	4,986,326,700	104,982,500	111,131,300	4,846,847,760	5.23	5,097,458,000	0.9508
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	4,378,109,960	4,331,625,189	163,982,250	162,249,611	4,542,092,210	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	5.19	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

Menomonee Falls School District	\$ 3,766,885,040
Hamilton Sussex School District	1,125,545,100
Total assessed value	<u>\$ 4,892,430,140</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	Number of Permits	Value	Number of Permits	Value
2019	\$ 3,238,668,260	\$ 1,526,585,900	\$ 18,066,000	\$ 4,783,320,160	738	\$ 56,810,000	117 \$ 64,110,000
2018	3,197,798,160	1,526,263,700	17,803,400	4,741,865,260	802	49,950,000	149 83,110,000
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	3,011,914,460	1,349,447,800	16,747,700	4,378,109,960	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	2,954,622,400	1,277,237,400	16,882,400	4,248,742,200	573	18,709,627	147 47,333,453
2010	2,945,222,500	1,262,085,590	17,393,200	4,224,701,290	617	23,057,560	128 36,981,941

(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)

Fiscal Year	Village Direct Rates					Overlapping Rates					Net Tax Rate		
	Basic Rate	General Obligation Debt Service Rate	Library Operations & Maint	Sewer Capital Costs	Storm Water Costs	Total Direct	State of Wiscnsin	Waukesha County	Menomonee Falls School District		Sussex Hamilton School District	Waukesha County Technical College	
2019 for 2020	\$ 4.16	\$ 0.48	\$ 0.37	\$ ---	\$ 0.19	\$ 5.20	\$ ---	\$ 1.97	\$ 10.17	\$ 9.87	\$ 15.84	\$ 0.39	\$ (1.89)
2018 for 2019	4.19	0.49	0.36	---	0.19	5.23	---	1.99	11.18	9.38	16.85	0.38	(1.93)
2017 for 2018	4.19	0.49	0.36	---	0.19	5.23	---	2.01	11.56	8.79	17.24	0.38	(1.94)
2016 for 2017	4.12	0.49	0.36	---	0.20	5.17	0.17	2.00	11.69	8.92	17.60	0.37	(1.80)
2015 for 2016	4.12	0.51	0.37	---	0.20	5.20	0.17	2.04	11.60	9.60	17.52	0.38	(1.87)
2014 for 2015	4.02	0.52	0.38	0.07	0.21	5.20	0.17	2.06	11.41	9.66	17.56	0.38	(1.66)
2013 for 2014	4.02	0.52	0.38	0.07	0.21	5.20	0.16	2.01	11.61	9.58	18.54	1.24	(1.68)
2012 for 2013	4.00	0.53	0.39	0.07	0.21	5.20	0.17	2.05	11.50	10.15	18.47	1.27	(1.72)
2011 for 2012	3.97	0.54	0.40	0.07	0.21	5.19	0.17	2.04	11.61	10.25	18.56	1.27	(1.72)
2010 for 2011	3.94	0.54	0.41	0.07	0.21	5.17	0.17	2.00	11.88	10.41	18.78	1.25	(1.69)

Source: Village Financial Services Department taxation records

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Ten Largest Assessed Valuations
Years 2019 and 2010

Name	Nature of Business	2019			2010		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Kohl's Department Stores	Retail, corporate headquarters	\$ 104,850,920	2.14%	1	\$ 92,037,800	2.11%	1
Fredert & Medical College of Wisconsin	Health care provider	32,881,840	0.67%	2	---	0.00%	
Harley-Davidson Motor Company	Motorcycle manufacturer	31,234,000	0.64%	3	32,234,900	0.74%	3
NHMC Land LLC	Real estate	22,722,700	0.46%	4	21,163,800	0.48%	4
Wells Fargo Financial	Investment advisory/management	17,304,510	0.35%	5	19,165,730	0.44%	6
Burke Business Park LLC	Property development	16,846,700	0.34%	6	16,945,000	0.39%	9
Falls Medical Building	Real estate ownership	15,632,400	0.32%	7	15,632,400	0.36%	10
Woodmans Food Market	Supermarket	15,130,010	0.31%	8	---	0.00%	
Cat Log (WI) LLC	Real estate ownership	14,744,400	0.30%	9	---	0.00%	
Woodland Prime LLC	Property development	14,645,500	0.30%	10	40,690,300	0.93%	2
Centerpoint Properties Trust	Property development	---	---		19,213,200	0.44%	5
Waste Management	Solid waste management	---	---		18,415,520	0.42%	7
Arandell Corp	Publishing	---	---		17,676,100	0.40%	8
Total, ten largest taxpayers		285,992,980	5.83%		293,174,750	6.71%	
Total, other taxpayers		4,606,437,160	94.17%		4,075,142,130	93.29%	
Total assessed valuations		\$ 4,892,430,140	100.00%		\$ 4,368,316,880	100.00%	

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
2019	\$ 27,445,415	\$ 8,664,796	31.57%	\$ ---	8,664,796	31.57%
2018	30,256,414	6,418,732	21.21%	23,834,788	30,253,520	99.99%
2017	29,925,929	8,264,831	27.62%	21,659,656	29,924,487	100.00%
2016	28,355,892	11,315,400	39.90%	17,039,880	28,355,280	100.00%
2015	27,266,228	10,119,445	37.11%	17,145,102	27,264,547	99.99%
2014	26,885,382	7,153,462	26.61%	19,730,229	26,883,691	99.99%
2013	27,276,674	7,077,544	25.95%	20,196,468	27,274,012	99.99%
2012	26,031,321	5,629,313	21.63%	20,400,276	26,029,589	99.99%
2011	25,923,450	6,245,829	24.09%	19,674,480	25,920,309	99.99%
2010	25,677,430	3,577,353	13.93%	22,086,579	25,663,932	99.95%

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		Clean Water Fund Loans	General Obligation Notes	Utility					
					Mortgage Revenue Bonds				Mortgage Revenue BANS					
2019	\$ 79,418,857	\$ ---	---	---	\$ ---	\$ 915,604	\$ 10,085,000	---	\$ 90,419,461	3.19%	1.71%	\$ 2,319		
2018	84,855,810	---	---	---	---	1,030,299	10,251,000	---	96,137,109	3.70%	1.89%	2,559		
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		

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		
2019	\$ 89,503,857	\$ 75,279,000	\$ 14,224,857	\$ 674,140	\$ 13,550,717	347
2018	95,106,810	80,881,700	14,225,110	24,819	14,200,291	378
2017	100,094,763	85,834,400	14,260,363	282,810	13,977,553	374
2016	93,597,716	76,315,100	17,282,616	66,336	17,216,280	466
2015	95,800,669	82,985,708	12,814,961	116,906	12,698,055	353
2014	86,903,622	64,301,555	22,602,067	65,095	22,536,972	630
2013	96,640,000	64,745,700	31,894,300	—	13,894,300	389
2012	101,560,000	77,622,400	23,937,600	8,718,485	15,219,115	427
2011	96,455,000	70,247,600	16,207,400	35,973	16,171,427	463
2010	78,955,000	65,398,300	13,556,700	187,272	13,369,468	386

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Sewer Utility Revenue Bond Coverage
Last Ten Years

Year	Operating Revenue	Operating Expenses (A)	Operating Income	Debt Service Requirements		Coverage (C)
				Principal (B)	Interest	
2019	\$ 10,293,557	\$ 9,437,047	\$ 856,510	\$ 114,695	\$ 24,874	\$ 139,569
2018	9,649,492	9,485,092	164,400	111,790	27,817	139,607
2017	9,188,751	9,307,387	(118,636)	108,957	30,687	139,644
2016	9,083,014	8,053,443	1,029,571	171,362	37,871	209,233
2015	9,673,484	8,900,342	773,142	166,847	43,153	209,800
2014	9,285,340	8,754,564	530,776	162,063	43,958	208,021
2013	8,720,703	8,745,565	(24,862)	249,495	49,943	299,438
2012	8,994,807	8,745,692	249,115	242,322	57,223	299,545
2011	8,709,658	8,001,934	707,724	1,160,358	119,046	1,279,404
2010	9,134,505	7,716,467	1,418,038	328,596	126,091	454,687

(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.
Principal and interest do not include GO requirements

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

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Water Utility Revenue Bond Coverage
Last Ten Years

Year	Operating Revenue (A)	Operating Expenses (B)	Operating Income	Debt Service Requirements		Coverage (C)
				Principal (D)	Interest (D)	
2019	\$ 7,811,445	\$ 3,978,721	\$ 3,832,724	\$ ---	\$ ---	---
2018	7,647,073	3,739,819	3,907,254	---	---	---
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
2012	7,256,273	3,594,200	3,662,073	1,350,000	187,100	1,537,100
2011	6,763,135	3,628,490	3,154,645	1,260,000	243,350	1,503,350
2010	6,342,076	3,386,391	2,955,685	1,225,000	297,375	1,522,375

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, 2019

Equalized value of real and personal property	\$ 5,289,929,600
Debt limit, five percent of equalized valuation	\$ 264,496,480
Total obligation bonds and notes applicable to debt limit at December 31, 2019	(89,503,857) *
Remaining legal debt margin	\$ 174,992,623
* Includes:	\$ 7,320,000
Water Utility portion of G.O. notes	35,000
Sewer Utility portion of G.O. notes	1,485,000
Storm Water Utility portion of G.O. notes	

Historical Data

Year	Limit	Debt to Limit	Legal Margin	Percentage of Legal Limit
2019	\$ 264,496,480	\$ 89,503,857	\$ 174,992,623	33.84%
2018	254,872,900	95,106,810	159,766,090	37.32%
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%

Source: Comprehensive Annual Financial Reports

See independent auditors' report.

VILLAGE OF MENOMONEE FALLS
Waukesha County, Wisconsin

Computation of Direct and Overlapping Debt
December 31, 2019

	Total Direct Debt	Applicable to Village Residents Percent	Amount
Direct debt	\$ 79,418,857	100.00%	\$ 79,418,857
Overlapping Debt:			
Menomonee Falls School District	\$ 44,915,000	98.10%	\$ 44,061,615
Hamilton School District	56,805,000	33.10%	18,802,455
Waukesha County	79,330,000	8.80%	6,981,040
Waukesha County Technical College	15,680,000	8.40%	1,317,120
Total overlapping debt	<u>196,730,000</u>		<u>71,162,230</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

Year	Population (1)	Unemployment Rates (2)			Per-Capita Income (3)		Total Income Village of Menomonee Falls (4)
		Village of Menomonee Falls	Waukesha County	State of Wisconsin	Waukesha County	State of Wisconsin	
2019	38,999	2.9 %	2.9 %	3.3 %	\$ 72,650	\$ 53,583	\$ 2,833,277,350
2018	37,574	2.5	2.7	3.0	69,111	50,756	2,596,776,714
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

(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 (2010-2018 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 2019 and 2010

<u>Employer</u>	<u>Number of Employees</u>	
	<u>2019</u>	<u>2010</u>
Kohls Corporation	5,500	4,300
Froedtert Health (formerly Community Memorial Hospital)	2,500	1,528
Briggs & Stratton	900	---
Harley Davidson	730	800
FIS Management Services LLC (formerly Metavante)	700	---
Menomonee Falls School District	559	945
Wacker Neuson Corporation	550	286
Alto-Schaam	505	330
Arandell Schmidt	500	750
Bradley Corporation	442	347
Wells Fargo Financial	---	648
Medical Associates	---	590
Maysteel	---	291

Sources:

Employer list and related employee data from debt issuance Official Statement

Employment in 2009 obtained from HSE report as of February 2009 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government and administration	26	26	24	25	25	35	33	34	33	33
Public Safety	128	127	132	137	133	95	96	96	100	100
Public Works	21	22	20	20	20	20	21	22	26	26
Culture and recreation	24	22	23	24	23	25	25	25	26	27
Conservation and Development	14	14	16	16	16	14	13	13	14	14
Sanitary Sewer	3	3	3	3	3	4	4	5	4	4
Water Utility	14	14	14	15	14	14	14	15	17	17
Storm Water Utility	---	---	---	---	---	1	1	1	1	1
Totals	<u>230</u>	<u>228</u>	<u>232</u>	<u>240</u>	<u>234</u>	<u>208</u>	<u>207</u>	<u>211</u>	<u>221</u>	<u>222</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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Number of employees	26	26	24	25	25	35	33	34	33	33
Registered voters	24,470	25,327	24,038	26,373	23,888	24,735	24,083	24,206	24,539	25,180
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of employees	78	74	75	71	71	64	64	66	67	69
Crimes	829	885	986	1,022	1,027	991	905	846	1,038	1,053
Number of violations/enforcement	15,492	12,312	14,028	16,249	17,208	15,059	17,630	18,475	19,221	21,797
Accidents	807	788	764	789	763	765	717	700	780	510
Fire:										
Number of stations	5	5	5	5	5	4	4	4	4	4
Number of employees	50	54	56	55	50	18	20	18	22	21
Number of fires	55	57	64	55	69	54	64	80	73	60
Rescue and EMS	3,155	3,068	3,061	2,708	2,479	2,306	2,128	2,063	2,033	1,852
Hazardous conditions	107	108	149	99	100	106	83	74	91	96
Service call	701	579	408	390	371	296	239	251	320	341
Good intent call	348	317	298	122	102	71	80	106	125	119
False alarm and false call	338	328	304	269	245	206	198	191	185	201
*Dispatch:										
Number of employees	---	---	1	10	11	13	12	12	12	13
Number of event calls	38,861	36,211	30,349	42,425	44,058	40,881	40,059	43,268	41,928	43,027
Public Works:										
Number of employees	21	22	20	20	20	20	21	22	26	26
Miles of streets and roads-Village owned	219	215	215	215	211	209	208	207	207	207
Miles - All roads, State, County, Village	246	241	241	241	236	234	233	233	233	249

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 v 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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Culture and recreation:										
Library:										
Number of employees	19	19	19	19	19	19	19	19	21	21
Volumes	134,220	135,950	134,457	136,261	134,864	137,946	139,932	136,259	141,577	124,337
E-Volumes *	215,761	207,446	250,476	189,525	174,660	152,975	103,097	39,063	N/A	N/A
Circulation	365,556	352,900	343,176	337,449	337,449	348,902	362,733	328,433	351,023	371,600
E-Circulation	46,953	38,510	30,077	21,702	21,702	16,996	12,184	5,872	---	---
Parks:										
Number of employees	5	3	4	5	6	6	6	5	5	6
Number of parks	22	22	22	22	16	16	16	16	11	11
Acres of parkland - Village owned	814	814	814	814	1,165	1,165	1,165	1,165	1,525	1,525
Acres of parkland - County owned	458	458	458	458	321	321	321	321	321	321
Conservation and Development:										
Number of employees	14	14	16	16	16	14	13	13	14	14
Number of permits issued	855	951	904	886	865	861	865	734	720	745
Permit value	120,920,000	133,060,000	101,610,000	117,580,000	153,331,749	113,616,135	60,212,119	56,911,030	66,043,080	60,039,501
Water Utility:										
Number of employees	14	14	14	15	14	14	14	15	17	17
Number of customers	12,587	12,429	12,348	12,194	12,118	12,029	11,979	11,911	11,853	11,802
Gallons pumped annually (in thousands)	1,289,082	1,197,849	1,219,158	1,266,342	1,274,354	1,251,716	1,220,082	1,355,139	1,206,533	1,175,398
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	3,009	2,984	2,923	2,896	2,868	2,818	2,804	2,790	2,777	2,780
Miles of mains	236	234	233	230	226	225	221	221	218	218
Sewer Utility:										
Number of employees	3	3	3	3	3	4	4	5	4	4
Number of customers	12,849	12,704	12,592	11,668	11,568	11,536	11,508	11,462	11,407	11,571
Gallons pumped annually (in thousands)	847,954	843,470	856,184	847,902	836,712	825,492	839,355	890,894	843,689	808,422
Number of lift stations	9	9	10	10	11	11	11	10	10	10
Miles of main	220	225	223	222	219	218	216	213	213	212
Storm Water Utility:										
Number of employees	---	---	---	---	---	1	1	1	1	1
Number of retention basins	22	21	14	13	13	13	10	10	10	10
Miles of storm main	133	154	154	153	148	147	145	143	142	141

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.

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

May 13, 2021

Re: Village of Menomonee Falls, Wisconsin ("Issuer")
\$3,180,000 General Obligation Promissory Notes, Series 2021A,
dated May 13, 2021 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on February 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$125,000	____%
2023	135,000	____
2024	210,000	____
2025	360,000	____
2026	365,000	____
2027	365,000	____
2028	390,000	____
2029	390,000	____
2030	415,000	____
2031	425,000	____

Interest is payable semi-annually on February 1 and August 1 of each year commencing on February 1, 2022.

The Notes maturing on February 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on February 1, 2029 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Menomonee Falls, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$3,180,000 General Obligation Promissory Notes, Series 2021A, dated May 13, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 15, 2021, as supplemented by a Certificate Approving the Details of General Obligation Promissory Notes, Series 2021A (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated April 22, 2021 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of Menomonee Falls, Waukesha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Manager of the Issuer who can be contacted at Village Hall, W156 N8480 Pilgrim Road, Menomonee Falls, Wisconsin 53051, phone (262) 532-4200, fax (262) 532-4219.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2020, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 13th day of May, 2021.

(SEAL)

David Glasgow
President

Janice Moyer
Village Clerk

NOTICE OF SALE

\$3,180,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A VILLAGE OF MENOMONEE FALLS, WISCONSIN

Bids for the purchase of \$3,180,000* General Obligation Promissory Notes, Series 2021A (the "Notes") of the Village of Menomonee Falls, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on April 21, 2021, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on March 15, 2021 (the "Parameters Resolution"), which authorized the Village Manager or the Finance Director (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 21, 2021, neither the Village Manager or the Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects, storm sewer projects and parks projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated May 13, 2021, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$125,000	2026	\$365,000	2030	\$415,000
2023	135,000	2027	365,000	2031	425,000
2024	210,000	2028	390,000		
2025	360,000	2029	390,000		

ADJUSTMENT OPTION

* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$75,000 per maturity. Increases or decreases may be made in an maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 13, 2021, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village, and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$3,148,200 nor more than \$3,307,200 plus accrued interest on the principal sum of \$3,180,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$63,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have

no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (computed taking the purchaser's compensation into account) exceeds 2.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Notes from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will designate the Notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the

supporting pricing wires or equivalent communications. All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Village anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the Village shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Village promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Village Board

Janice Moyer, Village Clerk
Village of Menomonee Falls, Wisconsin

BID FORM

Village of Menomonee Falls, Wisconsin

April 21, 2021

RE: \$3,180,000* General Obligation Promissory Notes, Series 2021A (the "Notes")

DATED: May 13, 2021

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$3,148,200 nor more than \$3,307,200) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2022	_____ % due	2026	_____ % due	2030
_____ % due	2023	_____ % due	2027	_____ % due	2031
_____ % due	2024	_____ % due	2028		
_____ % due	2025	_____ % due	2029		

* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$75,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$63,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 13, 2021.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 13, 2021 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the Village of Menomonee Falls, Wisconsin, on April 21, 2021.

By: _____

Title: _____