

VILLAGE OF MUKWONAGO
Waukesha and Walworth Counties, Wisconsin

FINANCIAL STATEMENTS

December 31, 2003

VILLAGE OF MUKWONAGO

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Mukwonago
Waukesha and Walworth Counties, Wisconsin

We have audited the accompanying general purpose financial statements of the Village of Mukwonago as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Mukwonago as of December 31, 2003, and the results of its operations and its cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements for the Village of Mukwonago. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Milwaukee, Wisconsin
March 19, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF MUKWONAGO

COMBINED BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS
December 31, 2003

ASSETS AND OTHER DEBITS	Governmental Funds				Proprietary Funds Enterprise	Fiduciary Funds Trust and Agency	Account Groups		Total	
	General	Special Revenue	Debt Service	Capital Projects			General	General	(Memorandum only)	
									Fixed Assets	Long-Term Obligations
Assets										
Cash and investments	\$ 1,123,187	\$ 757,800	\$ 69,710	\$ 4,668,111	\$ 2,137,721	\$ 5,238,971	\$ -	\$ -	\$ 13,995,500	\$ 12,254,100
Accounts receivable	161,954	194,318	-	-	384,379	-	-	-	740,651	587,271
Taxes receivable	1,478,837	822,426	1,223,606	165,639	17,029	987,109	-	-	4,694,646	4,432,072
Special assessments receivable	61,964	-	-	-	394,655	-	-	-	456,619	478,137
Due from other governments	44,642	-	-	13,697	-	-	-	-	58,339	-
Due from other funds	118,567	35,622	82,658	1,665,296	244,210	2,250	-	-	2,148,603	831,757
Inventory	-	-	-	-	22,911	-	-	-	22,911	22,957
Restricted assets										
Cash and investments	-	443,659	-	-	4,648,792	-	-	-	5,092,451	1,861,750
Due from other funds	-	-	-	-	2,025,639	-	-	-	2,025,639	4,721,236
Property and equipment (net of accumulated depreciation)	-	-	-	-	21,572,284	-	12,761,760	-	34,334,044	26,766,982
Other assets	-	-	-	-	206,533	-	-	-	206,533	174,402
Other Debits										
Amounts to be provided for the retirement of long-term obligations	-	-	-	-	-	-	-	17,481,510	17,481,510	13,888,198
TOTAL ASSETS AND OTHER DEBITS	\$ 2,989,151	\$ 2,253,825	\$ 1,375,974	\$ 6,512,743	\$ 31,654,153	\$ 6,228,330	\$ 12,761,760	\$ 17,481,510	\$ 81,257,446	\$ 66,018,862

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS
(concluded)
December 31, 2003

	Governmental Funds				Proprietary Funds Enterprise	Fiduciary Funds Trust and Agency	Account Groups		Total	
	General	Special Revenue	Debt Service	Capital Projects			General Fixed Assets	General Long-Term Obligations	(Memorandum only)	
									2003	2002
LIABILITIES, EQUITY AND OTHER CREDITS										
Liabilities										
Accounts payable	\$ 151,780	\$ 188,035	\$ -	\$ 468,926	\$ 92,326	\$ 19,635	\$ -	\$ -	\$ 920,702	\$ 491,871
Special deposits	3,039	-	-	-	5,120	-	-	-	8,159	10,466
Due to other taxing units	-	-	-	-	-	6,149,979	-	-	6,149,979	5,703,595
Due to other funds	82,908	24,035	585,697	2,889,174	559,618	32,810	-	-	4,174,242	5,552,993
Accrued liabilities	70,664	43,193	-	-	10,005	-	-	-	123,862	121,727
Accrued interest payable	-	-	-	-	56,987	-	-	-	56,987	9,981
Current liabilities payable from restricted assets										
Current portion of long-term debt	-	-	-	-	260,000	-	-	-	260,000	375,000
Accounts payable	-	-	-	-	1,541,111	-	-	-	1,541,111	-
Accrued interest payable	-	-	-	-	23,711	-	-	-	23,711	35,972
Deferred revenue	1,540,831	1,011,209	1,223,606	165,639	-	-	-	-	3,941,285	3,627,725
Accrued compensated absences	-	-	-	-	117,480	-	-	611,510	728,990	676,294
Long-term advances	-	115,000	-	-	-	-	-	-	115,000	115,000
Current portion of long-term debt	-	-	-	-	280,791	-	-	-	280,791	221,412
Long-term debt	-	-	-	-	13,850,003	-	-	16,870,000	30,720,003	22,319,049
Total Liabilities	<u>1,849,222</u>	<u>1,381,472</u>	<u>1,809,303</u>	<u>3,523,739</u>	<u>16,797,152</u>	<u>6,202,424</u>	<u>-</u>	<u>17,481,510</u>	<u>49,044,822</u>	<u>39,261,085</u>
Equity and Other Credits										
Investment in general fixed assets	-	-	-	-	-	-	12,761,760	-	12,761,760	11,746,721
Contributions in-aid-of construction	-	-	-	-	5,257,289	-	-	-	5,257,289	5,352,418
Capital paid-in by municipality	-	-	-	-	3,851,219	-	-	-	3,851,219	2,719,891
Retained earnings										
Reserved	-	-	-	-	875,094	-	-	-	875,094	1,165,240
Unreserved	-	-	-	-	4,873,399	-	-	-	4,873,399	4,076,805
Fund balances										
Reserved	446,751	488,736	-	2,153,116	-	25,906	-	-	3,114,509	103,026
Unreserved - designated	609,036	50,161	-	1,432,878	-	-	-	-	2,092,075	2,265,297
Unreserved - undesignated (deficit)	84,142	333,456	(433,329)	(596,990)	-	-	-	-	(612,721)	(671,621)
Total Equity and Other Credits	<u>1,139,929</u>	<u>872,353</u>	<u>(433,329)</u>	<u>2,989,004</u>	<u>14,857,001</u>	<u>25,906</u>	<u>12,761,760</u>	<u>-</u>	<u>32,212,624</u>	<u>26,757,777</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 2,989,151</u>	<u>\$ 2,253,825</u>	<u>\$ 1,375,974</u>	<u>\$ 6,512,743</u>	<u>\$ 31,654,153</u>	<u>\$ 6,228,330</u>	<u>\$ 12,761,760</u>	<u>\$ 17,481,510</u>	<u>\$ 81,257,446</u>	<u>\$ 66,018,862</u>

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUND December 31, 2003

	Governmental Funds				Fiduciary Fund	Total	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust Fund	(Memorandum only)	
						2003	2002
REVENUES							
Taxes	\$ 1,530,016	\$ 1,084,109	\$ 890,012	\$ 109,457	\$ -	\$ 3,613,594	\$ 3,363,339
Special assessments	281	-	-	-	-	281	-
Intergovernmental revenues	895,549	362,481	-	-	-	1,258,030	1,225,293
Licenses and permits	239,865	290,740	-	-	-	530,605	315,464
Fines, forfeitures and penalties	106,763	-	-	-	-	106,763	116,811
Public charges for services	67,381	209,890	-	-	-	277,271	337,143
Intergovernmental charges for services	149,406	230,316	-	92,031	-	471,753	450,556
Investment income	26,499	16,404	3,945	90,333	316	137,497	280,099
Other revenues	18,806	124,082	-	-	-	142,888	47,252
Total Revenues	<u>3,034,566</u>	<u>2,318,022</u>	<u>893,957</u>	<u>291,821</u>	<u>316</u>	<u>6,538,682</u>	<u>6,135,957</u>
EXPENDITURES							
Current							
General government	595,745	-	-	-	-	595,745	577,646
Public safety	1,714,858	717,681	-	-	-	2,432,539	2,295,061
Health and sanitation	10,509	423,462	-	-	-	433,971	417,845
Public works	364,157	-	-	-	-	364,157	438,794
Culture, recreation and education	128,564	623,040	-	-	-	751,604	766,972
Conservation and development	36,143	-	-	-	-	36,143	86,809
Unclassified	-	-	-	-	-	-	24,542
Capital outlay	103,309	69,447	-	2,232,272	-	2,405,028	3,328,300
Debt service							
Principal	-	-	875,000	-	-	875,000	4,620,000
Interest and fees	-	-	665,015	-	-	665,015	784,527
Total Expenditures	<u>2,953,285</u>	<u>1,833,630</u>	<u>1,540,015</u>	<u>2,232,272</u>	<u>-</u>	<u>8,559,202</u>	<u>13,340,496</u>
Excess of revenues over (under) expenditures (forward)	81,281	484,392	(646,058)	(1,940,451)	316	(2,020,520)	(7,204,539)

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUND
(concluded)
December 31, 2003

	Governmental Funds				Fiduciary Fund	Total	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust Fund	(Memorandum only)	
						2003	2002
Excess of revenues over (under) expenditures (forwarded)	\$ 81,281	\$ 484,392	\$ (646,058)	\$ (1,940,451)	\$ 316	\$ (2,020,520)	\$ (7,204,539)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	17,734	25,000	68,933	750,000	-	861,667	1,562,997
Operating transfers out	(100,000)	(2,734)	-	(758,933)	-	(861,667)	(1,687,300)
Other uses - TID distribution	-	-	-	-	-	-	(1,227)
Sale of fixed assets	348,810	5,075	-	-	-	353,885	17,724
Reimbursement of advances and interest - Proprietary Fund	-	-	143,796	-	-	143,796	76,278
Proceeds from long-term debt	-	-	-	4,420,000	-	4,420,000	2,960,000
	<u>347,825</u>	<u>511,733</u>	<u>(433,329)</u>	<u>2,470,616</u>	<u>316</u>	<u>2,897,161</u>	<u>(4,276,067)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses							
FUND BALANCES - Beginning of Year	<u>792,104</u>	<u>360,620</u>	<u>-</u>	<u>518,388</u>	<u>25,590</u>	<u>1,696,702</u>	<u>5,972,769</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,139,929</u>	<u>\$ 872,353</u>	<u>\$ (433,329)</u>	<u>\$ 2,989,004</u>	<u>\$ 25,906</u>	<u>\$ 4,593,863</u>	<u>\$ 1,696,702</u>

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2003

	General Fund			Special Revenue Funds			Debt Service Fund			Capital Projects Funds		
	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)
REVENUES												
Taxes	\$ 1,530,016	\$ 1,471,118	\$ 58,898	\$ 1,084,109	\$ 1,084,109	\$ -	\$ 890,012	\$ 890,012	\$ -	\$ 109,457	\$ 109,457	\$ -
Special assessments	281	220	61	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	895,549	888,246	7,303	357,622	348,855	8,767	-	-	-	-	-	-
Licenses and permits	239,865	161,260	78,605	-	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	106,763	120,500	(13,737)	-	-	-	-	-	-	-	-	-
Public charges for services	67,381	41,045	26,336	209,890	135,650	74,240	-	-	-	-	-	-
Intergovernmental charges for service	149,406	132,287	17,119	230,316	223,941	6,375	-	-	-	92,031	45,606	46,425
Investment income	26,491	60,000	(33,509)	13,653	9,000	4,653	3,945	3,000	945	51,903	-	51,903
Other revenues	17,188	6,100	11,088	14,611	14,500	111	-	-	-	-	-	-
Total Revenues	3,032,940	2,880,776	152,164	1,910,201	1,816,055	94,146	893,957	893,012	945	253,391	155,063	98,328
EXPENDITURES												
Current												
General government	595,745	572,710	(23,035)	-	-	-	-	-	-	-	-	-
Public safety	1,706,956	1,654,004	(52,952)	712,606	749,202	36,596	-	-	-	-	-	-
Health and sanitation	10,509	12,142	1,633	423,462	424,530	1,068	-	-	-	-	-	-
Public works	364,157	478,724	114,567	-	-	-	-	-	-	-	-	-
Culture, recreation and education	128,244	132,384	4,140	623,040	640,323	17,283	-	-	-	-	-	-
Conservation and development	36,143	60,706	24,563	-	-	-	-	-	-	-	-	-
Unclassified	-	500	500	-	-	-	-	-	-	-	-	-
Capital outlay	100,000	-	(100,000)	-	-	-	-	-	-	718,072	3,830,363	3,112,291
Debt service												
Principal	-	-	-	-	-	-	875,000	380,000	(495,000)	-	-	-
Interest and fees	-	-	-	-	-	-	665,015	878,553	213,538	-	-	-
Total Expenditures	2,941,754	2,911,170	(30,584)	1,759,108	1,814,055	54,947	1,540,015	1,258,553	(281,462)	718,072	3,830,363	3,112,291
Excess of revenues over (under) expenditures (forward)	91,186	(30,394)	121,580	151,093	2,000	149,093	(646,058)	(365,541)	(280,517)	(464,681)	(3,675,300)	3,210,619

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2003

	General Fund			Special Revenue Funds			Debt Service Fund			Capital Projects Funds		
	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)	Actual	Budget	Variance: with Final Budget - Positive (Negative)
Excess of revenues over (under) expenditures (forwarded)	\$ 91,186	\$ (30,394)	\$121,580	\$151,093	\$ 2,000	\$149,093	\$ (646,058)	\$(365,541)	\$ (280,517)	\$(464,681)	\$(3,675,300)	\$ 3,210,619
OTHER FINANCING SOURCES (USES)												
Operating transfers in	2,734	734	2,000	-	-	-	68,933	-	68,933	750,000	100,000	650,000
Operating transfers out	(100,000)	(100,000)	-	(2,734)	(2,000)	(734)	-	-	-	(690,000)	-	(690,000)
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	348,810	4,000	344,810	5,075	-	5,075	-	-	-	-	-	-
Reimbursement of advance - Proprietary Fund	-	-	-	-	-	-	143,796	365,541	(221,745)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses - budgetary basis	342,730	\$(125,660)	\$468,390	153,434	\$ -	\$153,434	(433,329)	\$ -	\$ (433,329)	(404,681)	\$(3,575,300)	\$ 3,170,619
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS												
Funds designated for specific use												
Revenues	1,626			-			-			-		
Expenditures	(11,531)			-			-			-		
Operating transfers in	15,000			-			-			-		
Excess of revenues and other financing sources over (under) expenditures and other uses - GAAP basis	347,825			153,434			(433,329)			(404,681)		
FUND BALANCES - Beginning of year	792,104			94,613			-			698,272		
FUND BALANCES - END OF YEAR	<u>\$ 1,139,929</u>			<u>\$248,047</u>			<u>\$ (433,329)</u>			<u>\$ 293,591</u>		

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND - ENTERPRISE FUNDS
For the Year Ended December 31, 2003

	2003	Total (Memorandum only) 2002
OPERATING REVENUES		
Charges for services and sales	\$ 1,824,363	\$ 1,758,822
Residential equivalency charges	-	1,512
Penalties		
Metered sales	7,296	12,569
Residential equivalency charges	-	194
Other operating revenues	58,452	55,916
Total Operating Revenue	1,890,111	1,829,013
OPERATING EXPENSES		
Operation and maintenance	979,745	881,631
Depreciation	491,404	455,811
Taxes	213,340	161,967
Total Operating Expenses	1,684,489	1,499,409
OPERATING INCOME	205,622	329,604
NONOPERATING REVENUES (EXPENSES)		
Investment income	83,681	69,595
Other	10,719	849
Reserve capacity assessments	2,100	40,000
Interest expense	(438,079)	(334,895)
Amortization of debt discount and expenses	(41,892)	(46,731)
Total Nonoperating Revenues (Expenses)	(383,471)	(271,182)
Income (Loss) Before Transfers and Amortization	(177,849)	58,422
Operating Transfers In	-	124,303
Amortization of Capital Contributions	95,129	95,129
Capital Contributions	589,168	-
NET CHANGE IN RETAINED EARNINGS	506,448	277,854
RETAINED EARNINGS - Beginning of year	5,242,045	4,964,191
RETAINED EARNINGS - END OF YEAR	\$ 5,748,493	\$ 5,242,045

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

COMBINED STATEMENT OF CASH FLOWS PROPRIETARY FUND - ENTERPRISE FUNDS For the Year Ended December 31, 2003

	2003	Total (Memorandum only) 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 205,622	\$ 329,604
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
Depreciation	491,404	455,811
Other revenue	10,719	849
(Increase) decrease in assets		
Accounts receivable	(27,734)	11,718
Taxes receivable	6,037	(23,066)
Inventory	46	(1,323)
Due from other funds	(137,251)	40,574
Increase (decrease) in liabilities		
Accounts payable	(21,086)	20,757
Due to other funds	518,123	(454,410)
Accrued compensation and compensated absences	(10,727)	(925)
Total Adjustments	829,531	49,985
Net Cash Provided by Operating Activities	1,035,153	379,589
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property and equipment	(3,754,710)	(470,246)
Cost of removal	(7,250)	(13,420)
Salvage value	11,031	-
Due from other funds	2,695,597	(4,721,236)
Collection of special assessments	21,328	47,443
Proceeds from long-term debt	5,344,450	7,174,414
Principal paid on long-term debt	(618,140)	(1,981,338)
Interest paid on long-term debt	(434,225)	(371,228)
Net Cash Used in Capital and Related Financing Activities	3,258,081	(335,611)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Reserve capacity assessments collected	2,100	40,000
Operating transfers in	-	124,303
Net Cash Provided by Noncapital and Related Financing Activities	2,100	164,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	83,681	69,595
Net Increase (Decrease) in Cash and Cash Equivalents	4,379,015	277,876
CASH AND CASH EQUIVALENTS - Beginning of year	2,407,498	2,129,622
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,786,513	\$ 2,407,498
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Unrestricted	\$ 2,137,721	\$ 696,258
Restricted	4,648,792	1,711,240
	\$ 6,786,513	\$ 2,407,498
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Utility plant contributed by village	\$ 1,131,328	\$ 403,208
Utility plant contributed by developers	\$ 589,168	-

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the Village of Mukwonago's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements. The accounting policies of the Village conform to generally accepted accounting principles as applicable to municipalities. A summary of the significant accounting policies follows:

A. REPORTING ENTITY

This report includes all of the funds and account groups of the Village of Mukwonago. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the Village.

Governmental Funds

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION - FUND ACCOUNTING (continued)

Governmental Funds (continued)

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payments of, the Village's general long-term debt principal and interest (other than those financed by Proprietary Funds).

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

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 - 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.

Fiduciary Fund

Trust funds are used to account for assets held by the Village in a trustee capacity for individuals, private organizations, other government units, and/or other funds. These may include expendable, non-expendable and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the Village's general fixed assets and general long-term obligations. The following are the Village's account groups:

General Fixed Asset Account Group

This group of accounts is established to account for all applicable fixed assets of the Village, other than those accounted for in the Proprietary Funds.

General Long-Term Obligations Account Group

This group of accounts is established to account for all long-term liabilities of the Village, except those accounted for in the Proprietary Funds.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION - FUND ACCOUNTING (continued)

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Total (Memorandum only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets and their reported fund balance is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligations Account Group.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with this activity are included on the balance sheets. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual Basis of Accounting

1. The modified accrual basis of accounting is followed in the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.
2. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to the general rule include: (1) accumulated unpaid sick, vacation and compensatory pay which is not accrued in the governmental funds; (2) principal and interest on general long-term debt which is recognized when due; and (3) certain prepaid expenditures which are not recorded.
3. Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the State and County governments as well as the local and vocational school districts. Taxes for all State and other local governmental units billed in the current year for the succeeding year are reflected as due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar - 2003 tax roll:

Lien date and levy date	December 2003
Tax bills mailed	December 2003
Payment in full, or	January 31, 2004
First installment due	January 31, 2004
Second installment due	April 30, 2004
Third installment due	July 31, 2004
Personal property taxes in full	January 31, 2004
Tax settlements with County	
First settlement	January 15, 2004
Second settlement	February 20, 2004
Third settlement	May 20, 2004
Final settlement	August 20, 2004
Tax deed by County - 2003	
Delinquent real estate taxes	October 2006

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)**Modified Accrual Basis of Accounting (continued)**

4. Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.
5. Licenses and permits, fines, forfeitures and penalties, public charges for services and commercial revenues (except investment earnings), are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.
6. Special assessments levied for benefits to property owners for installation of sanitary sewers, watermains, roads, and other improvements are recorded as deferred revenue with revenue recognition being the time the assessment becomes both measurable and available.
7. Inventories of materials and supplies are not recognized which amount is not considered material.
8. Encumbrances, if any, at year-end represent the estimated amount of expenditures ultimately to result when purchase orders or contracts in process at year-end are completed. Reserves for encumbrances are recorded as a segregation of fund balance and do not constitute expenditures or liabilities.
9. The Village reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.
10. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water and sewer utilities have the right by law to place delinquent bills on the tax roll.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)***Accrual Basis of Accounting***

1. The accrual basis of accounting is followed in all proprietary funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.
2. Metered water sales to consumers are billed at rates approved by the Public Service Commission of Wisconsin. Sewer service charges to consumers are billed at rates established by the Village Board. All classes of both water and sewer customers are billed on a quarterly basis on March 31, June 30, September 30 and December 31.
3. Materials and supplies are purchased and maintained as replacement parts for the waterworks system. Although this inventory is slow moving, all items are considered usable. Inventory is valued at the lower of cost or market on a first-in, first-out (FIFO) basis based on physical quantities on hand.

Use of Estimates

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

D. OTHER POLICIES - GOVERNMENTAL AND FIDUCIARY FUNDS

1. The Village does not accrue accumulated vacation or sick leave, but rather expenses these costs as paid. Vacation time is not cumulative from year to year. Accumulated sick leave benefits are paid upon retirement or termination if the employee has at least 20 years of service with the Village. Accumulated sick leave benefits are accrued when incurred with the related liability recorded in the General Long-Term Obligations Account Group. Expenditures for accumulated sick leave benefits are charged to operations when paid. Employees may accumulate a maximum of 120 days of sick leave.
2. Capital outlay expenditures incurred for the purchase or replacement of equipment and general Village improvements are charged to the applicable General Fund appropriation or the Special Revenue Fund or Capital Projects Fund when funds are so provided.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. OTHER POLICIES – GOVERNMENTAL AND FIDUCIARY FUNDS (continued)

3. The Village classifies its fund balances as follows:
 - a. Reserved Fund balances indicates that portion of fund balance which has been legally segregated for specific purposes or is unavailable to finance current expenditures.
 - b. Designated Fund balances indicates that portion of fund balance for which the Village has made tentative plans.
 - c. Undesignated Fund balances indicates that portion of fund balance which is available for budgeting or other uses in future periods.
4. Long-term advances represent grant funds received which are utilized to finance a note receivable issued under the grant program. These long-term advances are payable to the granting agency at the conclusion of the program.

E. OTHER POLICIES - PROPRIETARY FUNDS

1. The accounting policies of the Village of Mukwonago Water Utility conform with practices followed under the uniform system of accounts for municipally-owned water utilities as prescribed by the Public Service Commission of Wisconsin (PSCW). These accounting practices are in substantial agreement with generally accepted accounting principles as applicable to governmental enterprise funds.
2. The accounting policies of the Village of Mukwonago Sewer Utility conform to generally accepted accounting principles as applicable to municipally owned sewer systems.
3. The accounting policies for both the Water Utility and Sewer Utility are in accordance with all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. OTHER POLICIES - PROPRIETARY FUNDS (continued)

4. For purposes of the Combined Statement of Cash Flows, the Village considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.
5. The Village provides water and sewer services to customers primarily within its municipal boundaries. Customers are billed quarterly, payable in 20 days. Delinquent balances at the time of the property tax lien date are placed on the customers tax bill and collected through the normal tax collection process.
6. The Utility plant in service is recorded at original cost and/or estimated original cost, where the actual cost was not known less accumulated depreciation. The provision for depreciation was: (a) computed under the straight-line method over the estimated service lives of the assets ranging from 3 – 77 years prescribed by the Public Service Commission of Wisconsin for the Water Utility; and (b) computed under the straight-line method over the estimated service lives of the assets ranging from 5 – 50 years which is consistent with the prior year for the Sewer Utility.
7. Grants from state and federal agencies and assessments levied to property owners for benefits received from installation of watermains, sewer mains and appurtenances are considered contributed capital. In addition, donations or contributions in cash, service or property from individuals or other governmental agencies is also considered contributed capital. Prior to January 1, 2001, capital grants, special assessments, donations or contributions in cash, service or property from individuals or other governmental agencies for construction purposes were credited to a "contribution in-aid-of construction" account. Capital contributions from external parties are presented as revenues after 2000. The balance in the contributions in-aid-of construction reflects the accumulated contributions prior to 2001. This balance will remain until the Village adopts GASB Statement No. 34 at which time the balance will become part of the Net Assets section. The effective date for the Village to adopt GASB No. 34 is January 1, 2004.

Depreciation on fixed assets acquired by grants is amortized to contributions in-aid-of construction over the estimated useful life of the related asset.

8. The tax equivalent is computed in accordance with the provisions of the Wisconsin Administrative Code as required by the Public Service Commission of Wisconsin.
9. Interest is capitalized on enterprise fund property acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated. During the year, \$468,970 of interest was incurred, of which \$30,891 was capitalized.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. OTHER POLICIES - PROPRIETARY FUNDS (continued)

10. Funds which are set aside for the payment of revenue bonds are classified as restricted assets since their use is limited by the applicable bond indentures.
11. Discount and expense on debt is being amortized on the straight-line method over the life of the debt.
12. Current water rates were approved by the PSCW on June 20, 2000 and placed into effect by the utility on October 1, 2000. The rates are designed to provide a 3.10% return on rate base.

Current sewer rates were approved by the village board on December 19, 2000 and placed into effect by the utility on January 1, 2001.

F. OTHER POLICIES - GENERAL FIXED ASSETS ACCOUNT GROUP

1. Investment in general fixed assets consist of acquisition of land, buildings and improvements, and machinery and equipment capitalized at original cost and/or estimated original cost. Donated fixed assets are valued at their estimated fair value on the date received.
2. Public domain (infrastructure) general fixed assets, such as roads, bridges, curbs and gutters, sidewalks, drainage systems and lighting systems are not capitalized.
3. No depreciation has been provided on general fixed assets.

NOTE 2 - BUDGETARY DATA

The Village adopted annual Governmental Fund budgets for its General Fund, certain Special Revenue Funds, Debt Service Fund, and certain Capital Projects Funds.

These budgets are adopted in accordance with State Statutes. The actual results of operations presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B) are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2003 budget. For purposes of preparing the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget (Exhibit C) the actual results of operations have been adjusted to a basis consistent with the Village's budgeted revenues and expenditures. The budgetary data reflects the original approved budgets of the above funds and subsequent revisions authorized by the Village's Board of Trustees. Budgetary control is exercised at the fund level for all funds. All appropriations lapse at year end.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 2 - BUDGETARY DATA (continued)

The Village did not budget for the Impact Fees, Park Land Site, Fire Designated, Ambulance Designated, Museum Donations, Special Revenue Funds or the Library Building, Economic Development, and Tax Incremental District No. 3, Capital Projects Funds, and, accordingly, the applicable columns of Exhibit C exclude amounts related to these non-budgetary funds. A reconciliation of the actual results for budgetary and non-budgetary funds follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balances (deficit) 12/31</u>	
				2002	2003
Special Revenue Funds					
Budgetary Funds	\$ 1,910,201	\$ 1,759,108	\$ 2,341	\$ 94,613	\$ 248,047
Non-Budgetary Fund	<u>407,821</u>	<u>74,522</u>	<u>25,000</u>	<u>266,007</u>	<u>624,306</u>
	<u>\$ 2,318,022</u>	<u>\$ 1,833,630</u>	<u>\$ 27,341</u>	<u>\$ 360,620</u>	<u>\$ 872,353</u>
Capital Projects Funds					
Budgetary Fund	\$ 253,391	\$ 718,072	\$ 60,000	\$ 698,272	\$ 293,591
Non-Budgetary Funds	<u>38,430</u>	<u>1,514,200</u>	<u>4,351,067</u>	<u>(179,884)</u>	<u>2,695,413</u>
	<u>\$ 291,821</u>	<u>\$ 2,232,272</u>	<u>\$ 4,411,067</u>	<u>\$ 518,388</u>	<u>\$ 2,989,004</u>

NOTE 3 - CASH AND INVESTMENTS

Investment of Village funds is restricted by State Statutes. Available investments are limited to:

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

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 3 - CASH AND INVESTMENTS (continued)

The Village's deposits and investments are categorized to give an indication of the level of custodial credit risk assumed by the Village at year-end. Category 1 includes items that are insured or registered or which are collateralized by or evidenced by securities held by the Village or its agent in the Village's name. Category 2 includes deposits collateralized with securities held by the pledging institution's trust department or agent in the Village's name or uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the Village's name. Category 3 includes uncollateralized deposits, and uninsured and unregistered investments, with securities held by the counterparty or its trust department or agent but not in the Village's name.

	Category			Total	Carrying Amount
	1	2	3		
Local and area banks	<u>\$ 138,741</u>	<u>\$ -</u>	<u>\$ 5,026,079</u>	<u>\$ 5,164,820</u>	\$ 5,179,241
Wisconsin Local Government Investment Pool					4,506,370
Wisconsin Investment Trust					9,402,090
Cash on hand					<u>250</u>
Total					\$ 19,087,951
Unrestricted					\$ 13,995,500
Restricted					<u>5,092,451</u>
					<u>\$ 19,087,951</u>

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying amount is due to outstanding checks and/or deposits in transit.

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts.

Bank accounts and investments in the Wisconsin Local Government Investment Pool are further secured up to \$400,000 by the State of Wisconsin Guarantee Fund subject to the resources of the Fund at each financial institution where funds are held. However, due to the relatively small size of the Guarantee Fund in relationship to the deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities. This coverage has not been considered in computing the amounts in Category 1 above.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 3 - CASH AND TEMPORARY INVESTMENTS (continued)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2003, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported.

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 except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

The Wisconsin Investment Trust (WIT) is a diversified investment fund sponsored by the League of Wisconsin Municipalities. The WIT is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement among Wisconsin Municipalities for the joint exercise of their powers with respect to investment of municipal assets and the cooperative provision of investment management services. The WIT reports the fair value of its underlying assets annually. Participants in the WIT have the right to withdraw their funds in total with one day's notice. At December 31, 2003, the fair value of the WIT's assets was substantially equal to the village's share as reported above.

Fluctuating cash flows due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary uninsured balances during the year significantly exceeding uninsured amounts at the balance sheet date.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 4 - RESTRICTED ASSETS

Restricted assets consist of the following:

	Cash and Investments	Due from other funds	Reserved Fund Balance/ Retained Earnings
Special Revenue Fund			
Impact Fees Fund	\$ 443,659	\$ -	\$ 443,659
Proprietary Funds			
Sewer Utility			
Special Redemption Fund			
Interest and principal account	19,043	-	5,702
Reserve account	324,870	-	-
Construction Fund	2,461,793	1,179,418	-
Revenue Fund	564,746	-	564,746
Sewer Equipment Replacement Fund	288,682	-	288,682
Total Sewer Utility	<u>3,659,134</u>	<u>1,179,418</u>	<u>859,130</u>
Water Utility			
Special Redemption Fund			
Interest and principal account	26,334	-	15,964
Reserve account	315,541	-	-
Construction Fund	647,783	846,221	-
Total Water Utility	<u>989,658</u>	<u>846,221</u>	<u>15,964</u>
Total	<u>\$ 5,092,451</u>	<u>\$ 2,025,639</u>	<u>\$ 1,318,753</u>

The Village has received impact fees which must be spent in accordance with the local ordinance and state statues. Any unspent funds must be refunded to the current property owner.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 5 - FIXED ASSETS

A. GENERAL FIXED ASSET ACCOUNT GROUP

General Fixed Assets Account Group transactions for the year ended December 31, 2003 are summarized below:

	Balance 12/31/02	Additions	Disposals	Balance 12/31/03
Land and improvements	\$ 775,509	\$ 140,000	\$ 18,030	\$ 897,479
Buildings and improvements	7,386,396	1,085,390	242,044	8,229,742
Equipment and furnishings	3,584,816	238,812	189,089	3,634,539
Total	\$ 11,746,721	\$ 1,464,202	\$ 449,163	\$ 12,761,760

B. ENTERPRISE FUNDS

Fixed assets by major classes for Enterprise Funds are summarized below:

	Water Utility	Sewer Utility	Total
Land	\$ 306,467	\$ 17,818	\$ 324,285
Building and improvements	633,570	5,929,692	6,563,262
Improvements other than building	10,926,771	5,308,316	16,235,087
Machinery and equipment	1,082,062	436,999	1,519,061
	12,948,870	11,692,825	24,641,695
Less: Accumulated depreciation	1,817,606	4,700,333	6,517,939
	11,131,264	6,992,492	18,123,756
Construction in progress	1,090,196	2,358,332	3,448,528
Net Property and Equipment	\$ 12,221,460	\$ 9,350,824	\$ 21,572,284

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 6 - DUE FROM/TO OTHER FUNDS

Due from/to other funds at December 31, 2003 are detailed below:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
Special Revenue Funds	\$ 23,992	\$ 22
Debt Service Fund	10,758	-
Capital Projects Funds	11,323	80,636
Enterprise Funds	39,684	-
Agency Fund	<u>32,810</u>	<u>2,250</u>
	<u>118,567</u>	<u>82,908</u>
Special Revenue Fund		
General Fund	22	23,992
Special Revenue Funds	43	43
Capital Projects Funds	1,000	-
Enterprise Funds	<u>34,557</u>	<u>-</u>
	<u>35,622</u>	<u>24,035</u>
Debt Service Fund		
General Fund	-	10,758
Enterprise Funds	-	21,607
Capital Projects Funds	<u>82,658</u>	<u>553,332</u>
	<u>82,658</u>	<u>585,697</u>
Capital Projects Fund		
General Fund	80,636	11,323
Special Revenue Funds	-	1,000
Debt Service Fund	553,332	82,658
Capital Projects Funds	754,331	754,331
Enterprise Funds	<u>276,997</u>	<u>2,039,862</u>
	<u>1,665,296</u>	<u>2,889,174</u>
Enterprise Funds		
General Fund	-	39,684
Special Revenue Funds	-	34,557
Enterprise Funds	208,380	208,380
Debt Service Fund	21,607	-
Capital Projects Funds	<u>2,039,862</u>	<u>276,997</u>
	<u>2,269,849</u>	<u>559,618</u>
Agency Fund		
General Fund	<u>2,250</u>	<u>32,810</u>
	<u>2,250</u>	<u>32,810</u>
Total	<u>\$ 4,174,242</u>	<u>\$ 4,174,242</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM

All eligible Village of Mukwonago employees participate in the Wisconsin Retirement System ("System"), a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS"). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the general category are required by statute to contribute 5.4% of their salary (2.6% for executives and elected officials, 4.0% for protective occupations with social security, and 2.4% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for employees covered by the System for the year ended December 31, 2003 was \$2,182,169; the employer's total payroll was \$2,329,345. The total required contribution paid entirely by the employer for the year ended December 31, 2003 was \$235,678 or 10.80% of covered payroll. Of the total required contribution, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2002 and 2001 were \$225,721 and \$198,161, respectively, equal to the required contribution for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final Average Earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 28, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

The Village of Mukwonago has no pension related debt as of December 31, 2003.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 8 - LONG-TERM OBLIGATIONS

A. SUMMARY OF GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-Term Obligations Account Group transactions for the year ended December 31, 2003 are summarized below:

Type	Balance 12/31/02	Additions	Payments	Balance 12/31/03
General obligation promissory notes	\$ 9,125,000	\$ -	\$ 800,000	\$ 8,325,000
General obligation refunding bonds	4,200,000	-	75,000	4,125,000
General obligation bond anticipation notes	-	4,420,000	-	4,420,000
Accumulated employee benefits	<u>563,198</u>	<u>48,312</u>	<u>-</u>	<u>611,510</u>
 Total	 <u>\$ 15,459,588</u>	 <u>\$ 4,468,312</u>	 <u>\$ 875,000</u>	 <u>\$ 17,481,510</u>

B. GENERAL LONG-TERM DEBT

- The full faith, credit and resources of the Village have been irrevocably pledged to collateralize all of the general obligation debt. Details of the general obligation debt outstanding at December 31, 2003 are as follows:

Type	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance Outstanding 12/31/03
General obligation promissory notes	5/1/98	4.0-4.6%	4/1/99-08	4/1&10/1	\$ 4,430,000	\$ 3,925,000
	3/15/01	4.3	10/1/02-10	4/1&10/1	4,500,000	<u>4,400,000</u>
						<u>8,325,000</u>
General obligation refunding bonds	2/15/97	4.1-5.40	4/1/98-12	4/1&10/1	1,490,000	1,165,000
	2/15/02	4.5-4.6	12/2/11-14	6/1&12/1	2,960,000	<u>2,960,000</u>
						<u>4,125,000</u>
General obligation bond anticipation notes	3/15/03	2.00	3/1/03-05	3/1 & 9/1	4,420,000	<u>4,420,000</u>
						 <u>\$ 16,870,000</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

B. GENERAL LONG-TERM DEBT (continued)

2. Annual principal and interest payments to maturity on general long-term debt are as follows:

Year	Principal	Interest	Total	Balance Outstanding 12/31
2003				\$ 16,870,000
2004	\$ 800,000	\$ 633,601	\$ 1,433,601	16,070,000
2005	5,195,000	554,633	5,749,633	10,875,000
2006	825,000	474,695	1,299,695	10,050,000
2007	1,375,000	432,707	1,807,707	8,675,000
2008	1,625,000	368,170	1,993,170	7,050,000
2009-2014	<u>7,050,000</u>	<u>911,895</u>	<u>7,961,895</u>	-
	<u>\$ 16,870,000</u>	<u>\$ 3,375,701</u>	<u>\$ 20,245,701</u>	

3. The Village's legal debt limit and margin of indebtedness at December 31, 2003 is as follows:

Equalized value - 2003		<u>\$ 482,141,000</u>
Debt Limitation		
5% equalized valuation		\$ 24,107,050
Less: Outstanding general obligation debt		
General long-term debt	\$ 16,870,000	
Enterprise Fund long-term debt (outstanding and pledged)	<u>1,566,154</u>	<u>18,436,154</u>
 Margin of Indebtedness		 <u>\$ 5,670,896</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

C. PROPRIETARY FUND LONG-TERM DEBT

1. Details of long-term debt outstanding at December 31, 2003 are as follows:

Type	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance Outstanding 12/31/2003
Water Utility						
Revenue BANS	3/15/03	2.40%	3/1/03-05	3/1 & 9/1	\$ 5,235,000	\$ 1,326,025
	3/1/01	4.25	3/1/02-06	3/1&9/1	670,000	445,000
Revenue Bonds	2/15/02	3.25-5.00	12/1/02-21	6/1&12/1	6,090,000	2,361,150
	4/29/02	2.75	5/1/03-22	5/1&11/1	627,355	436,753
	9/1/02	1.90-3.30	12/1/03-07	6/1&12/1	690,000	545,000
Advances from municipality	5/1/98	4.00-4.60	5/1/98-08	4/1&10/1	4,430,000	165,839
General Obligation						
Water System Bonds	11/1/99	2.640	5/1/00-18	11/1&5/1	1,886,442	1,566,154
Total Water Utility						6,845,921
Sewer Utility						
Revenue BANS	3/15/03	2.40	3/1/03-05	3/1 & 9/1	5,235,000	3,908,975
Revenue Bonds	2/15/02	3.25-5.00	12/1/02-21	6/1&12/1	6,090,000	3,468,850
Advances from municipality	5/1/98	4.0-4.6	5/1/98-08	4/1&10/1	4,430,000	133,788
Total Sewer Utility						7,511,613
Total Long-Term Debt						14,357,534
Unamortized premium on debt						33,260
Net Long-Term Debt						\$ 14,390,794

2. Annual principal and interest payments to maturity on long-term debt are as follows:

Year	Principal	Interest	Total	Balance Outstanding 12/31
2003				\$ 14,357,534
2004	\$ 540,791	\$ 490,717	\$ 1,031,508	13,816,743
2005	5,796,655	409,961	6,206,616	8,020,088
2006	603,317	327,189	930,506	7,416,771
2007	466,507	308,676	775,183	6,950,264
2008	467,139	291,968	759,107	6,483,125
2009 - 2022	6,483,125	2,103,383	8,586,508	-
	\$14,357,534	\$ 3,931,894	\$ 18,289,428	

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

C. PROPRIETARY FUND LONG-TERM DEBT (continued)

3. The Village has \$3,342,903 in Water Utility Revenue Bonds outstanding at December 31, 2003. The bonds are obligations of the Village of Mukwonago and constitute a statutory lien upon the revenues of the Utility. In accordance with the related Village Resolution, separate funds were established to account for the allocation of the Utility's gross revenues as follows:

1. Water Utility Operation and Maintenance Fund

A monthly amount equal to the estimated current expenses for such month and for the following month.

2. Water Utility Special Redemption Fund - Interest and Principal Account

A monthly amount equal to one-sixth (1/6) of the next installment of interest coming due and an amount equal to one-twelfth (1/12) of the installment of principal of the bonds coming due on the next succeeding principal payment date.

3. Water Utility Special Redemption Fund - Reserve Account

An amount equal to the Reserve requirement. For the year ended December 31, 2003 this requirement was \$315,541.

4. Water Utility Surplus Fund

Any amount remaining after the above monthly transfers have been completed.

4. The Village has \$3,468,850 in Sewerage System Refunding Revenue Bonds outstanding at December 31, 2003. The bonds are obligations of the Village of Mukwonago and constitute a statutory lien upon the revenues of the Utility. In accordance with the related Village Resolution, separate funds were established to account for the allocation of the Utility's gross revenues as follows:

1. Sewer Utility Operation and Maintenance Fund

A monthly amount equal to the estimated current expenses for such month and for the following month.

2. Sewer Utility Special Redemption Fund - Interest and Principal Account

A monthly amount equal to one-sixth (1/6) of the next installment of interest coming due and an amount equal to one-twelfth (1/12) of the installment of principal of the bonds coming due on the next succeeding principal payment date.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

C. PROPRIETARY FUND LONG-TERM DEBT (continued)

3. Sewer Utility Special Redemption Fund - Reserve Account

An amount equal to the Reserve requirement. For the year ended December 31, 2003 this requirement was \$324,870.

4. Sewer Utility Surplus Fund

Any amount remaining after the above monthly transfers have been completed.

NOTE 9 - COMPONENTS OF FUND BALANCES

The components of the fund balances of the Governmental Funds at December 31, 2003 are detailed as follows:

	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund
Reserved					
Non-current assets	\$ 446,751	\$ 45,077	\$ -	\$ -	\$ -
Encumbrances	-	-	-	2,153,116	-
Impact fees	-	443,659	-	-	-
Library	-	-	-	-	25,906
Total Reserved	446,751	488,736	-	2,153,116	25,906
Unreserved					
Designated					
Subsequent years expenditures	-	13,122	-	-	-
Specific uses	109,036	37,039	-	1,432,878	-
Working capital	500,000	-	-	-	-
Total Designated	609,036	50,161	-	1,432,878	-
Undesignated (deficit)	84,142	333,456	(433,329)	(596,990)	-
Total Unreserved	693,178	383,617	(433,329)	835,888	-
Total Fund Balances	\$ 1,139,929	\$ 872,353	\$ (433,329)	\$ 2,989,004	\$ 25,906

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 9 - COMPONENTS OF FUND BALANCE (continued)

The following funds had deficit fund balances as of December 31, 2003.

Special Revenue Funds	
Recycling Fund	\$ 4,400
Debt Service Fund	433,329
Capital Projects Funds	
Capital Projects Fund	28,670
Economic Development	145,909
2001 GO Bond Issue	422,411

The \$433,329 Debt Service Fund deficit will be financed by a new debt issuance that occurred on January 1, 2004. The Village is currently evaluating how the other deficits will be financed.

NOTE 10 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had an excess of actual expenditures over appropriations for the year ended December 31, 2003:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 30,584
Debt Service Fund	344,796
Capital Projects Fund	73,646

NOTE 11 - SEWER EQUIPMENT REPLACEMENT FUND

In accordance with the Village's ordinance enacting a sewer user charge system, and Department of Natural Resources regulations, the Sewer Utility has, as part of the rate structure, incorporated an equipment replacement charge. Revenues generated from this charge are to be accumulated and used for the replacement of certain mechanical equipment. The balance in this reserve as of December 31, 2003 is \$288,682. Transfers to the Sewer Equipment Replacement Fund from unreserved retained earnings amounted to \$26,293 for 2003. \$23,005 was spent during 2003.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 12 - CONDUIT DEBT OBLIGATIONS

From time to time, the Village has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issue. Neither the Village, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2003, there were two series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$5,657,261.

NOTE 13 - SEGMENTS OF ENTERPRISE ACTIVITIES

There are services provided by the Village which are financed by user charges. The key financial data for the year ended December 31, 2003 for those services are as follows:

	Water Utility	Sewer Utility	Total Enterprise Funds
Operating revenues	\$ 1,107,242	\$ 782,869	\$ 1,890,111
Depreciation expense	261,625	229,779	491,404
Operating income	201,185	4,437	205,622
Income (loss) before transfers, amortization and capital contributions	(5,476)	(172,373)	(177,849)
Amortization of capital contributions	-	95,129	95,129
Capital Contributions	589,168	-	589,168
Net change in retained earnings	583,692	(77,244)	506,448
Property, plant and equipment			
Additions	2,782,125	4,265,083	7,047,208
Retirements	99,723	91,276	190,999
Net working capital	439,711	1,366,812	1,806,523
Total assets	15,157,619	16,496,534	31,654,153
Bonds and other long-term liabilities	6,404,988	7,445,015	13,850,003
Total equity	7,545,130	7,311,871	14,857,001

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 14 - CONTRIBUTED CAPITAL

Changes in the Enterprise Funds contributed capital for the year ended December 31, 2003 are detailed below:

	<u>Contributions In-Aid-Of Construction</u>	<u>Capital Paid-In By Municipality</u>
BALANCES - December 31, 2002	\$ 5,352,418	\$ 2,719,891
Add (Deduct)		
Utility plant contributed by Village	-	1,131,328
Amortization of capital contributions	<u>(95,129)</u>	<u>-</u>
BALANCES - December 31, 2003	<u>\$ 5,257,289</u>	<u>\$ 3,851,219</u>

NOTE 15 - CONTINGENCIES AND COMMITMENTS

- A.** The Village participates in a number of State and Federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for or including the year ended December 31, 2003 have not been conducted. Accordingly, the Village's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined at this time, although the Village expects such amounts, if any to be immaterial.
- B.** Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.
- C.** From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.
- D.** The Village's Water and Sewer Utilities have construction commitments of approximately \$478,815 and \$784,026, respectively, as of December 31, 2003. It is anticipated that the construction will be completed in 2004.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE 16 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from coverage in the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

NOTE 17 - SUBSEQUENT EVENTS

On December 12, 2003, the Village of Mukwonago Water Utility filed an application for a rate increase with the Public Service Commission of Wisconsin. The Utility's last rate increase was on June 1, 2002. The increase will take effect on June 1, 2004. The rate increase will provide the Water utility with additional annual revenues of approximately \$193,278.

In January 2004, the Village issued \$4,025,000 of General Obligation Promissory Notes to finance the costs of various capital projects including road improvements, land acquisition and debt service. The bonds are due in varying installments from 2005 to 2013 and bear interest of 2.0-3.5%.

In January 2004, the Village issued \$1,620,000 of Waterworks System/ Sewerage System Revenue Bond Anticipation Notes to finance the costs of water and sewer improvements. The principal is due in 2005 and bear interest of 2%.

NOTE 18 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) recently approved Statement Nos. 34, 37 and 38. These Statements require significant changes from the current method of financial reporting for all state and local governments in the United States. GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*; Statement No. 37, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures* are effective for the Village for the fiscal year beginning on January 1, 2004. These Statements require retroactive application of certain accounting and reporting standards, which may restate portions of these financial statements.

SUPPLEMENTAL INFORMATION

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES - ACTUAL AND BUDGET GENERAL FUND For the Year Ended December 31, 2003

	<u>Actual</u>	<u>Budget</u>	Variance: with Budget - Positive (Negative)
TAXES			
General property taxes	\$ 1,285,590	\$ 1,285,618	\$ (28)
Interest on taxes	32,230	10,000	22,230
Water Utility - tax equivalent	199,249	160,000	39,249
Room tax	9,284	15,500	(6,216)
Agricultural use penalty	3,663	-	3,663
	<u>1,530,016</u>	<u>1,471,118</u>	<u>58,898</u>
SPECIAL ASSESSMENTS			
Principal	191	190	1
Interest	90	30	60
	<u>281</u>	<u>220</u>	<u>61</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	495,467	507,308	(11,841)
Exempt computer aid	25,681	14,724	10,957
Fire insurance dues	16,904	14,500	2,404
Grants and aids			
Transportation aids	341,715	339,714	2,001
Smart growth grant	-	12,000	(12,000)
Public safety training	11,127	-	11,127
Police grant	4,655	-	4,655
	<u>895,549</u>	<u>888,246</u>	<u>7,303</u>
LICENSES AND PERMITS			
Licenses			
Liquor and malt beverage	8,044	6,500	1,544
Cigarette	2,100	1,500	600
Bicycle	6	50	(44)
Dog and cat	2,459	2,060	399
Operator	3,335	3,300	35
Electrical contractors	2,865	2,100	765
Sundry	765	850	(85)
Cable television franchise fees	56,772	52,000	4,772
Permits			
Building	79,534	45,000	34,534
Electrical	13,529	10,500	3,029
Plumbing	18,930	12,500	6,430
Heating	10,998	5,500	5,498
Peddlers	905	400	505
Sundry	8,030	4,000	4,030
Plan review fees	31,593	15,000	16,593
	<u>239,865</u>	<u>161,260</u>	<u>78,605</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES- ACTUAL AND BUDGET GENERAL FUND For the Year Ended December 31, 2003

	Actual	Budget	Variance: with Budget - Positive (Negative)
FINES, FORFEITURES AND PENALTIES			
Court fines	\$ 106,763	\$ 120,500	\$ (13,737)
PUBLIC CHARGES FOR SERVICES			
General government			
Treasurer's fees	48,359	26,500	21,859
License publication fees	359	240	119
Sales of maps	1,008	400	608
Other fees	469	80	389
Protection of persons and property			
Police department revenues	8,429	8,325	104
Fire department revenues	2,737	1,000	1,737
Highway and transportation			
Weed cutting	-	300	(300)
Recreation fees	2,770	2,200	570
Board of appeals	3,250	2,000	1,250
	67,381	41,045	26,336
INTERGOVERNMENTAL CHARGES FOR SERVICES			
Town of Mukwonago			
Dispatch service	86,603	68,000	18,603
Emergency government	156	775	(619)
Dam maintenance	6,066	6,812	(746)
School District - Police service	56,581	56,700	(119)
	149,406	132,287	17,119

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES - ACTUAL AND BUDGET GENERAL FUND For the Year Ended December 31, 2003

	<u>Actual</u>	<u>Budget</u>	Variance: with Budget - Positive (Negative)
INVESTMENT INCOME			
Interest on investments	\$ 26,491	\$ 60,000	\$ (33,509)
OTHER REVENUE			
Revenues from prior years	74	-	74
Donations	300	100	200
Rental income - park	5,285	6,000	(715)
Sundry income	11,529	-	11,529
	<u>17,188</u>	<u>6,100</u>	<u>11,088</u>
TOTAL REVENUES	<u>\$ 3,032,940</u>	<u>\$ 2,880,776</u>	<u>\$ 152,164</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET GENERAL FUND For the Year Ended December 31, 2003

	Actual	Budget	Variance: with Budget - Positive (Negative)
CURRENT			
GENERAL GOVERNMENT			
Village board	\$ 48,977	\$ 40,225	\$ (8,752)
Village president	7,751	7,751	-
Judicial	359	13,850	13,491
Municipal court	19,093	20,217	1,124
Village clerk - treasurer	198,495	195,613	(2,882)
Elections	4,498	5,020	522
Assessment of property	74,503	64,275	(10,228)
Village attorney	108,374	76,500	(31,874)
Village hall	32,140	42,120	9,980
Independent audit	32,252	29,294	(2,958)
Property and liability insurance	69,303	77,845	8,542
Total General Government	595,745	572,710	(23,035)
PUBLIC SAFETY			
Police department	1,606,948	1,534,953	(71,995)
Building inspector	86,732	102,777	16,045
Board of appeals	832	1,100	268
Dam	12,132	13,624	1,492
Emergency government	312	1,550	1,238
Total Public Safety	1,706,956	1,654,004	(52,952)
HEALTH AND SANITATION			
Animal pound	2,237	2,700	463
Garbage collection	8,272	9,442	1,170
Total Health and Sanitation	10,509	12,142	1,633

VILLAGE OF MUKWONAGO

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET GENERAL FUND For the Year Ended December 31, 2003

	Actual	Budget	Variance: with Budget - Positive (Negative)
CURRENT (continued)			
PUBLIC WORKS			
Street signs	\$ 21,298	\$ 19,735	\$ (1,563)
Storm sewers	9,711	8,938	(773)
Streets and alleys	19,781	24,728	4,947
Ice and snow control	73,310	101,409	28,099
Tree and brush control	6,803	6,764	(39)
Street cleaning	11,234	10,703	(531)
Bridge and culverts	789	255	(534)
Curb and gutters	2,402	11,632	9,230
Street lighting	48,071	50,000	1,929
Machinery operation	59,749	88,845	29,096
D.P.W. garage	58,972	70,434	11,462
Engineering	13,567	36,000	22,433
Vacation	21,775	19,296	(2,479)
Holidays	14,559	17,149	2,590
Sick leave	2,136	12,836	10,700
 Total Public Works	 <u>364,157</u>	 <u>478,724</u>	 <u>114,567</u>
CULTURE, RECREATION AND EDUCATION			
Parks	98,146	102,672	4,526
Celebrations	5,612	4,115	(1,497)
Summer recreation	9,700	9,703	3
Museum	14,786	15,894	1,108
 Total Culture, Recreation and Education	 <u>128,244</u>	 <u>132,384</u>	 <u>4,140</u>
CONSERVATION AND DEVELOPMENT			
Forestry	-	694	694
Weed control	189	1,962	1,773
Planning commission	35,954	58,050	22,096
 Total Conservation and Development	 <u>36,143</u>	 <u>60,706</u>	 <u>24,563</u>
UNCLASSIFIED			
Uncollectible accounts	-	500	500
 CAPITAL OUTLAY	 <u>100,000</u>	 <u>-</u>	 <u>(100,000)</u>
 TOTAL EXPENDITURES	 <u><u>\$ 2,941,754</u></u>	 <u><u>\$ 2,911,170</u></u>	 <u><u>\$ (30,584)</u></u>

VILLAGE OF MUKWONAGO

SCHEDULE OF FUNDS DESIGNATED FOR SPECIFIC USE
GENERAL FUND

For the Year Ended December 31, 2003

	Police Department	Public Works	Insurance Fund	Neighborhood Watch	Tree Planting	Police Squad
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenues	<u>768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current						
Public safety	7,902	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>7,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(7,134)	-	-	-	-	-
OTHER FINANCING SOURCES						
Operating transfers in	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Excess of revenues and other financing sources over (under) expenditures	(7,134)	10,000	-	-	-	5,000
FUND BALANCES - Beginning of Year	<u>12,308</u>	<u>69,873</u>	<u>2,869</u>	<u>163</u>	<u>9,750</u>	<u>5,000</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,174</u>	<u>\$ 79,873</u>	<u>\$ 2,869</u>	<u>\$ 163</u>	<u>\$ 9,750</u>	<u>\$ 10,000</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF FUNDS DESIGNATED FOR SPECIFIC USE GENERAL FUND

For the Year Ended December 31, 2003

	Community Center	Sesqui- Centennial	Crib	Village Hall Remodeling	Masonic Police Grant	Mukwonago Area Youth Coalition	Total
REVENUES							
Investment income	\$ -	\$ 6	\$ 2	\$ -	\$ -	\$ -	\$ 8
Other revenues	300	-	-	-	-	550	1,618
Total Revenues	300	6	2	-	-	550	1,626
EXPENDITURES							
Current							
Public safety	-	-	-	-	-	-	7,902
Culture, recreation and education	-	-	-	-	-	320	320
Capital outlay	-	-	-	3,309	-	-	3,309
Total Expenditures	-	-	-	3,309	-	320	11,531
Excess of revenues over (under) expenditures	300	6	2	(3,309)	-	230	(9,905)
OTHER FINANCING SOURCES							
Operating transfers in	-	-	-	-	-	-	15,000
Excess of revenues and other financing sources over (under) expenditures	300	6	2	(3,309)	-	230	5,095
FUND BALANCES - Beginning of Year	650	890	254	2,162	22	-	103,941
FUND BALANCES - END OF YEAR	\$ 950	\$ 896	\$ 256	\$ (1,147)	\$ 22	\$ 230	\$ 109,036

VILLAGE OF MUKWONAGO

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 2003

	Impact Fees Fund	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund	Fire and Ambulance Fund	Fire Designated Fund	Ambulance Designated Fund	Museum Donation Fund	Total
ASSETS										
Cash and investments	\$ -	\$ 158,130	\$ 31,676	\$ 180,132	\$ 49,211	\$ 207,215	\$ 50,338	\$ 42,358	\$ 38,740	\$ 757,800
Accounts receivable	-	-	692	-	-	193,626	-	-	-	194,318
Taxes receivable	-	304,714	404,056	-	-	113,656	-	-	-	822,426
Due from other funds	-	-	87	-	-	35,535	-	-	-	35,622
Restricted assets - cash and investments	443,659	-	-	-	-	-	-	-	-	443,659
TOTAL ASSETS	\$ 443,659	\$ 462,844	\$ 436,511	\$ 180,132	\$ 49,211	\$ 550,032	\$ 50,338	\$ 42,358	\$ 38,740	\$ 2,253,825
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 4,224	\$ 29,909	\$ -	\$ -	\$ 153,902	\$ -	\$ -	\$ -	\$ 188,035
Accrued liabilities	-	21,007	1,510	-	-	20,676	-	-	-	43,193
Long-term advances	-	-	-	115,000	-	-	-	-	-	115,000
Deferred revenue	-	304,714	404,056	-	-	302,439	-	-	-	1,011,209
Due to other funds	-	4,299	5,436	2,000	-	12,300	-	-	-	24,035
Total Liabilities	-	334,244	440,911	117,000	-	489,317	-	-	-	1,381,472
Fund Balances (Deficit)										
Reserved	443,659	-	-	-	-	45,077	-	-	-	488,736
Unreserved										
Designated	-	21,401	-	-	-	15,638	-	-	13,122	50,161
Undesignated	-	107,199	(4,400)	63,132	49,211	-	50,338	42,358	25,618	333,456
Total Fund Balances	443,659	128,600	(4,400)	63,132	49,211	60,715	50,338	42,358	38,740	872,353
TOTAL LIABILITIES AND AND FUND BALANCES	\$ 443,659	\$ 462,844	\$ 436,511	\$ 180,132	\$ 49,211	\$ 550,032	\$ 50,338	\$ 42,358	\$ 38,740	\$ 2,253,825

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
December 31, 2003

	Impact Fees Fund	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund	Fire and Ambulance Fund	Fire Designated Fund	Ambulance Designated Fund	Museum Donation Fund	Total
REVENUES										
Taxes	\$ -	\$ 279,618	\$ 371,230	\$ -	\$ -	\$ 433,261	\$ -	\$ -	\$ -	\$ 1,084,109
Intergovernmental revenues	-	328,855	28,767	-	-	-	-	4,859	-	362,481
Licenses and permits	290,740	-	-	-	-	-	-	-	-	290,740
Public charges for services	-	31,235	33,797	-	-	144,858	-	-	-	209,890
Intergovernmental charges for services	-	-	-	-	-	230,316	-	-	-	230,316
Investment income	2,409	2,266	1,809	2,198	317	7,380	-	-	25	16,404
Other revenues	-	511	-	-	27,480	14,100	11,615	6,102	64,274	124,082
Total Revenues	<u>293,149</u>	<u>642,485</u>	<u>435,603</u>	<u>2,198</u>	<u>27,797</u>	<u>829,915</u>	<u>11,615</u>	<u>10,961</u>	<u>64,299</u>	<u>2,318,022</u>
EXPENDITURES										
Current										
Public Safety	-	-	-	-	-	712,606	5,075	-	-	717,681
Health and sanitation	-	-	423,462	-	-	-	-	-	-	423,462
Culture, recreation and education	-	623,040	-	-	-	-	-	-	-	623,040
Capital outlay	-	-	-	-	-	-	42,756	1,132	25,559	69,447
Total Expenditures	<u>-</u>	<u>623,040</u>	<u>423,462</u>	<u>-</u>	<u>-</u>	<u>712,606</u>	<u>47,831</u>	<u>1,132</u>	<u>25,559</u>	<u>1,833,630</u>
Excess of revenues over (under) expenditures	293,149	19,445	12,141	2,198	27,797	117,309	(36,216)	9,829	38,740	484,392
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	-	-	-	-	25,000	-	-	25,000
Operating transfers out	-	-	(734)	(2,000)	-	-	-	-	-	(2,734)
Sale of fixed assets	-	-	-	-	-	5,075	-	-	-	5,075
Excess of revenues and other financing sources over (under) expenditures and other uses	293,149	19,445	11,407	198	27,797	122,384	(11,216)	9,829	38,740	511,733
FUND BALANCES (DEFICIT) - Beginning of Year	150,510	109,155	(15,807)	62,934	21,414	(61,669)	61,554	32,529	-	360,620
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 443,659</u>	<u>\$ 128,600</u>	<u>\$ (4,400)</u>	<u>\$ 63,132</u>	<u>\$ 49,211</u>	<u>\$ 60,715</u>	<u>\$ 50,338</u>	<u>\$ 42,358</u>	<u>\$ 38,740</u>	<u>\$ 872,353</u>

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2003

	Library Fund			Recycling Fund		
	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)
REVENUES						
Taxes	\$ 279,618	\$ 279,618	\$ -	\$ 371,230	\$ 371,230	\$ -
Intergovernmental revenues	328,855	328,855	-	28,767	20,000	8,767
Public charges for services	31,235	27,350	3,885	33,797	31,000	2,797
Intergovernmental charges for services	-	-	-	-	-	-
Investment income	2,266	4,000	(1,734)	1,809	2,300	(491)
Other revenues	511	500	11	-	-	-
Total Revenues	<u>642,485</u>	<u>640,323</u>	<u>2,162</u>	<u>435,603</u>	<u>424,530</u>	<u>11,073</u>
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Health and sanitation	-	-	-	423,462	424,530	1,068
Culture, recreation and education	623,040	640,323	17,283	-	-	-
Total Expenditures	<u>623,040</u>	<u>640,323</u>	<u>17,283</u>	<u>423,462</u>	<u>424,530</u>	<u>1,068</u>
Excess of revenues over (under) expenditures	19,445	-	19,445	12,141	-	12,141
OTHER FINANCING SOURCES (USES)						
Operating transfers out	-	-	-	(734)	-	(734)
Sale of fixed assets	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	19,445	<u>\$ -</u>	<u>\$ 19,445</u>	11,407	<u>\$ -</u>	<u>\$ 11,407</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>109,155</u>			<u>(15,807)</u>		
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 128,600</u>			<u>\$ (4,400)</u>		

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2003

	Revolving Loan Fund			Fire and Ambulance Fund			Total		
	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 433,261	\$ 433,261	\$ -	\$ 1,084,109	\$ 1,084,109	\$ -
Intergovernmental revenues	-	-	-	-	-	-	357,622	348,855	8,767
Public charges for services	-	-	-	144,858	77,300	67,558	209,890	135,650	74,240
Intergovernmental charges for services	-	-	-	230,316	223,941	6,375	230,316	223,941	6,375
Investment income	2,198	2,000	198	7,380	700	6,680	13,653	9,000	4,653
Other revenues	-	-	-	14,100	14,000	100	14,611	14,500	111
Total Revenues	2,198	2,000	198	829,915	749,202	80,713	1,910,201	1,816,055	94,146
EXPENDITURES									
Current									
Public safety	-	-	-	712,606	749,202	36,596	712,606	749,202	36,596
Health and sanitation	-	-	-	-	-	-	423,462	424,530	1,068
Culture, recreation and education	-	-	-	-	-	-	623,040	640,323	17,283
Total Expenditures	-	-	-	712,606	749,202	36,596	1,759,108	1,814,055	54,947
Excess of revenues over (under) expenditures	2,198	2,000	198	117,309	-	117,309	151,093	2,000	149,093
OTHER FINANCING SOURCES (USES)									
Operating transfers out	(2,000)	(2,000)	-	-	-	-	(2,734)	(2,000)	(734)
Sale of fixed assets	-	-	-	5,075	-	(5,075)	5,075	-	5,075
Excess of revenues and other financing sources over (under) expenditures and other uses	198	\$ -	\$ 198	122,384	\$ -	\$ 122,384	153,434	\$ -	\$ 153,434
FUND BALANCES (DEFICIT) - Beginning of Year	62,934			(61,669)			94,613		
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 63,132			\$ 60,715			\$ 248,047		

VILLAGE OF MUKWONAGO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
DEBT SERVICE FUND
For the Year Ended December 31, 2003

	<u>Actual</u>	<u>Budget</u>	Variance: with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 890,012	\$ 890,012	\$ -
Investment income	3,945	3,000	945
Total Revenues	<u>893,957</u>	<u>893,012</u>	<u>945</u>
EXPENDITURES			
Debt Service			
Principal	875,000	380,000	(495,000)
Interest and fiscal charges	636,845	868,553	231,708
Fees	28,170	10,000	(18,170)
Total Expenditures	<u>1,540,015</u>	<u>1,258,553</u>	<u>(281,462)</u>
Excess of revenues over (under) expenditures	<u>(646,058)</u>	<u>(365,541)</u>	<u>(280,517)</u>
OTHER FINANCING SOURCES			
Operating transfers in	68,933	-	68,933
Reimbursement of advances and interest - Proprietary Funds	143,796	365,541	221,745
Excess of revenues and other financing sources over (under) expenditures	<u>(433,329)</u>	<u>\$ -</u>	<u>\$ (433,329)</u>
FUND BALANCE - Beginning of Year	<u>-</u>		
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (433,329)</u>		

VILLAGE OF MUKWONAGO

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND
December 31, 2003

	Capital Projects	Economic Development	Tax Incremental District No. 3	Library Building	2001 GO Bond Issue	Capital Improvements	Total
ASSETS							
Cash and investments (overdraft)	\$(16,606)	\$ (38,919)	\$ 2,950,237	\$ 7,411	\$ 315,516	\$ 1,450,472	\$ 4,668,111
Taxes receivable	80,486	85,153	-	-	-	-	165,639
Due from other governments	13,697	-	-	-	-	-	13,697
Due from other funds	636	80,000	486,502	-	993,827	104,331	1,665,296
TOTAL ASSETS	\$ 78,213	\$ 126,234	\$ 3,436,739	\$ 7,411	\$ 1,309,343	\$ 1,554,803	\$ 6,512,743
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 14,074	\$ -	\$ 444,334	\$ -	\$ 10,518	\$ -	\$ 468,926
Deferred revenue	80,486	85,153	-	-	-	-	165,639
Due to other funds	12,323	186,990	304,403	-	1,721,236	664,222	2,889,174
Total Liabilities	106,883	272,143	748,737	-	1,731,754	664,222	3,523,739
Fund Balances (Deficit)							
Reserved	-	-	2,153,116	-	-	-	2,153,116
Unreserved							
Designated	-	-	534,886	7,411	-	890,581	1,432,878
Undesignated	(28,670)	(145,909)	-	-	(422,411)	-	(596,990)
Total Fund Balances	(28,670)	(145,909)	2,688,002	7,411	(422,411)	890,581	2,989,004
TOTAL LIABILITIES AND FUND BALANCES	\$ 78,213	\$ 126,234	\$ 3,436,739	\$ 7,411	\$ 1,309,343	\$ 1,554,803	\$ 6,512,743

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS For the Year Ended December 31, 2003

	Capital Projects	Economic Development	Tax Incremental District No. 3	Library Building	2001 GO Bond Issue	Capital Improvement	Total
REVENUES							
Taxes	\$ 109,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,457
Intergovernmental charges for services	92,031	-	-	-	-	-	92,031
Investment income	320	-	38,180	250	34,257	17,326	90,333
Total Revenues	201,808	-	38,180	250	34,257	17,326	291,821
EXPENDITURES							
Capital outlay	188,709	-	1,514,200	-	507,771	21,592	2,232,272
Excess of revenues over (under) expenditures	13,099	-	(1,476,020)	250	(473,514)	(4,266)	(1,940,451)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	100,000	-	-	650,000	-	750,000
Operating transfers out	(40,000)	-	(68,933)	-	-	(650,000)	(758,933)
Proceeds from long term debt	-	-	4,420,000	-	-	-	4,420,000
Excess of revenues and other financing sources over (under) expenditures and other uses	(26,901)	100,000	2,875,047	250	176,486	(654,266)	2,470,616
FUND BALANCES (DEFICIT) - Beginning of Year	(1,769)	(245,909)	(187,045)	7,161	(598,897)	1,544,847	518,388
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (28,670)</u>	<u>\$ (145,909)</u>	<u>\$ 2,688,002</u>	<u>\$ 7,411</u>	<u>\$ (422,411)</u>	<u>\$ 890,581</u>	<u>\$ 2,989,004</u>

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2003

	Capital Projects			Economic Development		
	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)
REVENUES						
Taxes	\$ 109,457	\$ 109,457	\$ -	\$ -	\$ -	\$ -
Intergovernmental charges for services	92,031	45,606	46,425	-	-	-
Investment income	320	-	320	-	-	-
Total Revenues	201,808	155,063	46,745	-	-	-
EXPENDITURES						
Capital outlay	188,709	155,063	(33,646)	-	-	-
Excess of revenues over (under) expenditures	13,099	-	13,099	-	-	-
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	100,000	100,000	-
Operating transfers out	(40,000)	-	(40,000)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(26,901)	\$ -	\$ (26,901)	100,000	\$ 100,000	\$ -
FUND BALANCES (DEFICIT) - Beginning of Year	(1,769)			(245,909)		
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (28,670)			\$ (145,909)		

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2003

	2001 GO Bond Issue			Capital Improvement			Total		
	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)	Actual	Budget	Variance: with Budget - Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,457	\$ 109,457	\$ -
Intergovernmental charges for services	-	-	-	-	-	-	92,031	45,606	46,425
Investment income	34,257	-	34,257	17,326	-	17,326	51,903	-	51,903
Total Revenues	34,257	-	34,257	17,326	-	17,326	253,391	155,063	98,328
EXPENDITURES									
Current	507,771	2,238,567	1,730,796	21,592	1,436,733	1,415,141	718,072	3,830,363	3,112,291
Excess of revenues over (under) expenditures	(473,514)	(2,238,567)	1,765,053	(4,266)	(1,436,733)	1,432,467	(464,681)	(3,675,300)	3,210,619
OTHER FINANCING SOURCES (USES)									
Operating transfers in	650,000	-	650,000	-	-	-	750,000	100,000	650,000
Operating transfers out	-	-	-	(650,000)	-	(650,000)	(690,000)	-	(690,000)
Excess of revenues and other financing sources over (under) expenditures and other uses	176,486	\$ (2,238,567)	\$ 2,415,053	(654,266)	\$ (1,436,733)	\$ 782,467	(404,681)	\$ (3,575,300)	\$ 3,170,619
FUND BALANCES (DEFICIT) - Beginning of Year	(598,897)			1,544,847			698,272		
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (422,411)			\$ 890,581			\$ 293,591		

VILLAGE OF MUKWONAGO

COMBINING BALANCE SHEET - ENTERPRISE FUNDS December 31, 2003

	Water Utility	Sewer Utility	Total
ASSETS			
Current Assets - Unrestricted			
Cash and investments	\$ 709,715	\$ 1,428,006	\$ 2,137,721
Accounts receivable	188,264	196,115	384,379
Inventory	22,911	-	22,911
Taxes receivable	8,062	8,967	17,029
Due from other funds	67,452	176,758	244,210
Total Current Assets - Unrestricted	996,404	1,809,846	2,806,250
Restricted assets			
Cash and investments	989,658	3,659,134	4,648,792
Due from other funds	846,221	1,179,418	2,025,639
Total Restricted Assets	1,835,879	4,838,552	6,674,431
Property and Equipment			
Land and improvements	306,467	17,818	324,285
Buildings and improvements	633,570	5,929,692	6,563,262
Improvements other than buildings	10,926,771	5,308,316	16,235,087
Equipment	1,082,062	436,999	1,519,061
	12,948,870	11,692,825	24,641,695
Less: Accumulated depreciation	1,817,606	4,700,333	6,517,939
	11,131,264	6,992,492	18,123,756
Construction in progress	1,090,196	2,358,332	3,448,528
Total Property and Equipment	12,221,460	9,350,824	21,572,284
Other Assets			
Special assessments receivable	11,350	383,305	394,655
Unamortized debt discount and expenses	92,526	114,007	206,533
Total Other Assets	103,876	497,312	601,188
TOTAL ASSETS	\$ 15,157,619	\$ 16,496,534	\$ 31,654,153

VILLAGE OF MUKWONAGO

COMBINING BALANCE SHEET - ENTERPRISE FUNDS
December 31, 2003

	Water Utility	Sewer Utility	Total
LIABILITIES AND FUND EQUITY			
Current Liabilities - payable from unrestricted assets			
Current portion of long-term debt	\$ 257,783	\$ 23,008	\$ 280,791
Accounts payable	33,798	58,528	92,326
Due to other funds	236,562	323,056	559,618
Accrued compensation	3,293	6,712	10,005
Accrued interest payable	25,257	31,730	56,987
Total Current Liabilities - payable from unrestricted assets	<u>556,693</u>	<u>443,034</u>	<u>999,727</u>
Current Liabilities - payable from restricted assets			
Current portion of long-term debt	191,575	68,425	260,000
Accounts payable	390,363	1,150,748	1,541,111
Accrued interest payable	10,370	13,341	23,711
Total Current Liabilities - payable from restricted assets	<u>592,308</u>	<u>1,232,514</u>	<u>1,824,822</u>
Long-Term Debt			
Revenue bonds payable	6,267,669	7,334,235	13,601,904
Advances from municipality	137,319	110,780	248,099
Total Long-Term Debt	<u>6,404,988</u>	<u>7,445,015</u>	<u>13,850,003</u>
Other Liabilities			
Special deposits	5,120	-	5,120
Accrued compensated absences	53,380	64,100	117,480
Total Other Liabilities	<u>58,500</u>	<u>64,100</u>	<u>122,600</u>
Total Liabilities	<u>7,612,489</u>	<u>9,184,663</u>	<u>16,797,152</u>
Fund Equity			
Contributions in-aid-of construction	2,691,299	2,565,990	5,257,289
Capital paid-in by municipality	2,171,688	1,679,531	3,851,219
Retained earnings			
Reserved	15,964	859,130	875,094
Unreserved	2,666,179	2,207,220	4,873,399
Total Fund Equity	<u>7,545,130</u>	<u>7,311,871</u>	<u>14,857,001</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 15,157,619</u>	<u>\$ 16,496,534</u>	<u>\$ 31,654,153</u>

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS For the Year Ended December 31, 2003

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Charges for services and sales	\$ 1,048,183	\$ 776,180	\$ 1,824,363
Penalties - metered sales	1,965	5,331	7,296
Other operating revenues	57,094	1,358	58,452
Total Operating Revenues	1,107,242	782,869	1,890,111
OPERATING EXPENSES			
Operation and maintenance	434,202	545,543	979,745
Depreciation	261,625	229,779	491,404
Taxes	210,230	3,110	213,340
Total Operating Expenses	906,057	778,432	1,684,489
Operating Income	201,185	4,437	205,622
NONOPERATING REVENUES (EXPENSES)			
Investment income	22,467	61,214	83,681
Other	7,702	3,017	10,719
Reserve capacity assessments	-	2,100	2,100
Interest expense	(219,324)	(218,755)	(438,079)
Amortization of debt discount and expenses	(17,506)	(24,386)	(41,892)
Total Nonoperating Revenues (Expenses)	(206,661)	(176,810)	(383,471)
Income (Loss) Before Transfers, Amortization and Contributions	(5,476)	(172,373)	(177,849)
Amortization of Capital Contributions	-	95,129	95,129
Capital Contributions	589,168	-	589,168
NET CHANGE IN RETAINED EARNINGS	583,692	(77,244)	506,448
RETAINED EARNINGS - Beginning of Year	2,098,451	3,143,594	5,242,045
RETAINED EARNINGS - END OF YEAR	\$ 2,682,143	\$ 3,066,350	\$ 5,748,493

VILLAGE OF MUKWONAGO

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
For the Year Ended December 31, 2003

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 201,185	\$ 4,437	\$ 205,622
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	271,327	220,077	491,404
Other revenue	7,702	3,017	10,719
(Increase) decrease in assets			
Accounts receivable	(11,435)	(16,299)	(27,734)
Taxes receivable	1,622	4,415	6,037
Inventory	46	-	46
Due from other funds	7,144	(144,395)	(137,251)
Increase (decrease) in liabilities			
Accounts payable	(15,281)	(5,805)	(21,086)
Due to other funds	232,063	286,060	518,123
Accrued compensation and compensated absences	(2,463)	(8,264)	(10,727)
Total Adjustments	490,725	338,806	829,531
Net Cash Provided by Operating Activities	691,910	343,243	1,035,153
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES			
Acquisition of property and equipment	(1,471,249)	(2,283,461)	(3,754,710)
Cost of removal	-	(7,250)	(7,250)
Salvage value	3,531	7,500	11,031
Due from other funds	1,000,000	1,695,597	2,695,597
Collections of special assessments	8,608	12,720	21,328
Proceeds from long-term debt	1,453,497	3,890,953	5,344,450
Principal paid on long-term debt	(440,828)	(177,312)	(618,140)
Interest paid on long-term debt	(227,475)	(206,750)	(434,225)
Net Cash Provided by (used) in Capital and Related Financing Activities	326,084	2,931,997	3,258,081
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Reserve capacity assessments collected	-	2,100	2,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	22,467	61,214	83,681
Net Increase in Cash and Cash Equivalents	1,040,461	3,338,554	4,379,015
CASH AND CASH EQUIVALENTS - Beginning of Year	658,912	1,748,586	2,407,498
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,699,373	\$ 5,087,140	\$ 6,786,513
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Unrestricted	\$ 709,715	\$ 1,428,006	\$ 2,137,721
Restricted	989,658	3,659,134	4,648,792
	\$ 1,699,373	\$ 5,087,140	\$ 6,786,513
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Utility plant contributed by village	\$ 319,133	\$ 812,195	\$ 1,131,328
Utility plant contributed by developers	\$ 589,168	\$ -	\$ 589,168

VILLAGE OF MUKWONAGO

COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS
For the Year Ended December 31, 2003

	Contributions In-Aid-Of-Construction			Capital Paid-In by Municipality		
	Water	Sewer	Total	Water	Sewer	Total
BALANCES						
Beginning of Year	\$ 2,691,299	\$ 2,661,119	\$ 5,352,418	\$ 1,852,555	\$ 867,336	\$ 2,719,891
Add (deduct)						
Utility plant contributed by Village	-	-	-	319,133	812,195	1,131,328
Amortization of capital contributions	-	(95,129)	(95,129)	-	-	-
BALANCES						
END OF YEAR	<u>\$ 2,691,299</u>	<u>\$ 2,565,990</u>	<u>\$ 5,257,289</u>	<u>\$ 2,171,688</u>	<u>\$ 1,679,531</u>	<u>\$ 3,851,219</u>

VILLAGE OF MUKWONAGO

SUMMARY OF LONG-TERM DEBT
ENTERPRISE FUND
For the Year Ended December 31, 2003

	Date of Issue	Interest Rate	Principal Due	Interest Due	Original Amount of Loan	Balance Outstanding Dec. 31, 2002	New Issues	Payments	Balance Outstanding Dec. 31, 2003	Principal Due 2004	Interest Due 2004
Water Utility											
Revenue BANS	3/15/03	2.40%	3/1/03-05	3/1 & 9/1	\$ 5,235,000	\$ -	\$ 1,326,025	\$ -	\$ 1,326,025	\$ -	\$ 31,825
	3/1/01	4.25	3/1/02-06	3/1 & 9/1	670,000	570,000	-	125,000	445,000	125,000	16,256
Revenue Bonds	2/15/02	3.25 - 5.00	12/1/02-21	6/1 & 12/1	6,090,000	2,403,675	-	42,525	2,361,150	46,575	108,968
	4/29/02	2.75	5/1/03-22	5/1 & 11/1	627,355	320,502	133,584	17,333	436,753	17,810	11,766
	9/1/02	1.90 - 3.30	12/1/03-07	6/1 & 12/1	690,000	690,000	-	145,000	545,000	145,000	15,472
Advances from municipality	3/1/94	3.10 - 4.55	10/1/95-03	4/1 & 10/1	2,130,000	16,190	-	16,190	-	-	-
	5/1/98	4.00 - 4.60	5/1/98-08	4/1 & 10/1	4,430,000	172,177	-	6,338	165,839	28,520	6,819
General Obligation Water System Bonds	11/1/99	2.640	5/1/00-18	11/1&5/1	1,886,442	1,650,383	-	84,229	1,566,154	86,453	40,205
Total Water Utility						<u>5,822,927</u>	<u>1,459,609</u>	<u>436,615</u>	<u>6,845,921</u>	<u>449,358</u>	<u>231,311</u>
Sewer Utility											
Revenue Bond Anticipation Notes	3/15/03	2.40	3/1/03-05	3/1 & 9/1	5,235,000	-	3,908,975	-	3,908,975	-	93,815
Revenue Bonds	2/15/02	3.25 - 5.00	12/1/02-21	6/1 & 12/1	6,090,000	3,531,325	-	62,475	3,468,850	68,425	160,090
Advances from municipality	3/1/94	3.10 - 4.55	10/1/95-03		2,130,000	97,308	-	97,308	-	-	-
	5/1/98	4.0-4.6	5/1/98-08	4/1 & 10/1	4,430,000	138,901	-	5,113	133,788	23,008	5,501
Total Sewer Utility						<u>3,767,534</u>	<u>3,908,975</u>	<u>164,896</u>	<u>7,511,613</u>	<u>91,433</u>	<u>259,406</u>
TOTAL						<u>\$ 9,590,461</u>	<u>\$ 5,368,584</u>	<u>\$ 601,511</u>	<u>\$ 14,357,534</u>	<u>\$ 540,791</u>	<u>\$ 490,717</u>

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS TO MATURITY
ON LONG-TERM DEBT - ENTERPRISE FUNDS
December 31, 2003

Year	Water Utility			Balance Outstanding December 31,	Sewer Utility			Balance Outstanding December 31,	Total			Balance Outstanding December 31,
	Principal	Interest	Total		Principal	Interest	Total		Principal	Interest	Total	
2003				\$ 6,845,921				\$ 7,511,613				\$ 14,357,534
2004	\$ 449,358	\$ 231,311	\$ 680,669	6,396,563	\$ 91,433	\$ 259,406	\$ 350,839	7,420,180	\$ 540,791	\$ 490,717	\$ 1,031,508	13,816,743
2005	1,788,174	200,675	1,988,849	4,608,389	4,008,481	209,286	4,217,767	3,411,699	5,796,655	409,961	6,206,616	8,020,088
2006	493,182	168,536	661,718	4,115,207	110,135	158,653	268,788	3,301,564	603,317	327,189	930,506	7,416,771
2007	355,504	154,487	509,991	3,759,703	111,003	154,189	265,192	3,190,561	466,507	308,676	775,183	6,950,264
2008	269,428	142,474	411,902	3,490,275	197,711	149,494	347,205	2,992,850	467,139	291,968	759,107	6,483,125
2009	234,305	133,648	367,953	3,255,970	169,575	141,756	311,331	2,823,275	403,880	275,404	679,284	6,079,245
2010	243,541	125,540	369,081	3,012,429	178,500	134,549	313,049	2,644,775	422,041	260,089	682,130	5,657,204
2011	250,836	117,027	367,863	2,761,593	184,450	126,874	311,324	2,460,325	435,286	243,901	679,187	5,221,918
2012	260,243	108,128	368,371	2,501,350	193,375	118,758	312,133	2,266,950	453,618	226,886	680,504	4,768,300
2013	269,737	98,739	368,476	2,231,613	202,300	110,056	312,356	2,064,650	472,037	208,795	680,832	4,296,263
2014	281,347	88,848	370,195	1,950,266	214,200	100,750	314,950	1,850,450	495,547	189,598	685,145	3,800,716
2015	293,052	78,343	371,395	1,657,214	226,100	90,683	316,783	1,624,350	519,152	169,026	688,178	3,281,564
2016	302,827	67,604	370,431	1,354,387	235,025	80,413	315,438	1,389,325	537,852	148,017	685,869	2,743,712
2017	316,750	55,912	372,662	1,037,637	249,900	68,892	318,792	1,139,425	566,650	124,804	691,454	2,177,062
2018	328,750	43,669	372,419	708,887	261,800	56,709	318,509	877,625	590,550	100,378	690,928	1,586,512
2019	215,079	32,567	247,646	493,808	276,675	43,881	320,556	600,950	491,754	76,448	568,202	1,094,758
2020	225,940	22,405	248,345	267,868	291,550	30,047	321,597	309,400	517,490	52,452	569,942	577,268
2021	238,846	11,716	250,562	29,022	309,400	15,470	324,870	-	548,246	27,186	575,432	29,022
2022	29,022	399	29,421	-	-	-	-	-	29,022	399	29,421	-
	<u>\$ 6,845,921</u>	<u>\$ 1,882,028</u>	<u>\$ 8,727,949</u>		<u>\$ 7,511,613</u>	<u>\$ 2,049,866</u>	<u>\$ 9,561,479</u>		<u>\$ 14,357,534</u>	<u>\$ 3,931,894</u>	<u>\$ 18,289,428</u>	

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS TO MATURITY ON LONG-TERM DEBT - WATER UTILITY - ENTERPRISE FUNDS December 31, 2003

Year	Water Utility Revenue BANS - 2003			Water Utility Revenue Bonds - 2002			Water Utility Revenue Bonds - 2002		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2004	\$ -	\$ 31,825	\$ 31,825	\$ 46,575	\$ 108,968	\$ 160,105	\$ 17,810	\$ 11,766	\$ 29,576
2005	1,326,025	15,912	1,341,937	52,650	107,455	164,337	18,300	11,269	29,569
2006	-	-	-	58,725	105,612	158,085	18,803	10,759	29,562
2007	-	-	-	54,675	103,410	212,598	19,320	10,235	29,555
2008	-	-	-	111,375	101,223	211,914	19,851	9,697	29,548
2009	-	-	-	115,425	96,489	213,084	20,397	9,143	29,540
2010	-	-	-	121,500	91,584	211,909	20,958	8,574	29,532
2011	-	-	-	125,550	86,359	212,460	21,535	7,990	29,525
2012	-	-	-	131,625	80,835	212,612	22,127	7,390	29,517
2013	-	-	-	137,700	74,912	214,378	22,735	6,773	29,508
2014	-	-	-	145,800	68,578	215,625	23,360	6,139	29,499
2015	-	-	-	153,900	61,725	214,710	24,003	5,488	29,491
2016	-	-	-	159,975	54,735	216,993	24,663	4,819	29,482
2017	-	-	-	170,100	46,893	216,801	25,341	4,131	29,472
2018	-	-	-	178,200	38,601	218,194	26,038	3,424	29,462
2019	-	-	-	188,325	29,869	218,903	26,754	2,698	-
2020	-	-	-	198,450	20,453	221,130	27,490	1,952	-
2021	-	-	-	210,600	10,530	-	28,246	1,186	-
2022	-	-	-	-	-	-	29,022	399	-
	<u>\$ 1,326,025</u>	<u>\$ 47,737</u>	<u>\$ 1,373,762</u>	<u>\$ 2,361,150</u>	<u>\$ 1,288,231</u>	<u>\$ 3,493,838</u>	<u>\$ 436,753</u>	<u>\$ 123,832</u>	<u>\$ 442,838</u>

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS TO MATURITY
ON LONG-TERM DEBT - WATER UTILITY - ENTERPRISE FUNDS
December 31, 2003

Year	Water Utility Revenue Bonds - 2002			Advances from Municipality - 1998			Water Utility Revenue BANS - 2001			General Obligation Water System Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2004	\$ 145,000	\$ 15,472	\$ 160,472	\$ 28,520	\$ 6,819	\$ 35,339	\$ 125,000	\$ 16,256	\$ 141,256	\$ 86,453	\$ 40,205	\$ 126,658
2005	125,000	12,139	137,139	27,464	5,594	33,058	150,000	10,413	160,413	88,735	37,893	126,628
2006	125,000	8,700	133,700	29,576	4,332	33,908	170,000	3,613	173,613	91,078	35,520	126,598
2007	150,000	4,950	154,950	38,027	2,809	40,836	-	-	-	93,482	33,083	126,565
2008	-	-	-	42,252	971	43,223	-	-	-	95,950	30,583	126,533
2009	-	-	-	-	-	-	-	-	-	98,483	28,016	126,499
2010	-	-	-	-	-	-	-	-	-	101,083	25,382	126,465
2011	-	-	-	-	-	-	-	-	-	103,751	22,678	126,429
2012	-	-	-	-	-	-	-	-	-	106,491	19,903	126,394
2013	-	-	-	-	-	-	-	-	-	109,302	17,054	126,356
2014	-	-	-	-	-	-	-	-	-	112,187	14,131	126,318
2015	-	-	-	-	-	-	-	-	-	115,149	11,130	126,279
2016	-	-	-	-	-	-	-	-	-	118,189	8,050	126,239
2017	-	-	-	-	-	-	-	-	-	121,309	4,888	126,197
2018	-	-	-	-	-	-	-	-	-	124,512	1,644	126,156
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 545,000</u>	<u>\$ 41,261</u>	<u>\$ 586,261</u>	<u>\$ 165,839</u>	<u>\$ 20,525</u>	<u>\$ 186,364</u>	<u>\$ 445,000</u>	<u>\$ 30,282</u>	<u>\$ 475,282</u>	<u>\$ 1,566,154</u>	<u>\$ 330,160</u>	<u>\$ 475,282</u>

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS TO MATURITY
ON LONG-TERM DEBT - SEWER UTILITY - ENTERPRISE FUNDS
December 31, 2003

Year	Sewer Utility Revenue BANS - 2003			Advances from Municipality - 1998			Sewerage System Revenue Bonds - 2002		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2004	\$ -	\$ 93,815	\$ 93,815	\$ 23,008	\$ 5,501	\$ 28,509	\$ 68,425	\$ 160,090	\$ 228,515
2005	3,908,975	46,908	3,955,883	22,156	4,513	26,669	77,350	157,865	235,215
2006	-	-	-	23,860	3,495	27,355	86,275	155,158	241,433
2007	-	-	-	30,678	2,266	32,944	80,325	151,923	232,248
2008	-	-	-	34,086	784	34,870	163,625	148,710	312,335
2009	-	-	-	-	-	-	169,575	141,756	311,331
2010	-	-	-	-	-	-	178,500	134,549	313,049
2011	-	-	-	-	-	-	184,450	126,874	311,324
2012	-	-	-	-	-	-	193,375	118,758	312,133
2013	-	-	-	-	-	-	202,300	110,056	312,356
2014	-	-	-	-	-	-	214,200	100,750	314,950
2015	-	-	-	-	-	-	226,100	90,683	316,783
2016	-	-	-	-	-	-	235,025	80,413	315,438
2017	-	-	-	-	-	-	249,900	68,892	318,792
2018	-	-	-	-	-	-	261,800	56,709	318,509
2019	-	-	-	-	-	-	276,675	43,881	320,556
2020	-	-	-	-	-	-	291,550	30,047	321,597
2021	-	-	-	-	-	-	309,400	15,470	324,870
	<u>\$ 3,908,975</u>	<u>\$ 140,723</u>	<u>\$4,049,698</u>	<u>\$ 133,788</u>	<u>\$ 16,559</u>	<u>\$ 150,347</u>	<u>\$ 3,468,850</u>	<u>\$ 1,892,584</u>	<u>\$ 5,361,434</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF INSURANCE IN FORCE - ENTERPRISE FUNDS
December 31, 2003

Type of Coverage	Insurer	Expiration Date	Amount
Comprehensive general liability	League of Wisconsin Municipalities Mutual Insurance	1/1/05	\$ 3,000,000
Automobile:	League of Wisconsin Municipalities Mutual Insurance	1/1/05	
Liability			3,000,000
Uninsured motorist			500,000
Underinsured motorist			500,000
Medical			10,000
Workers' compensation	League of Wisconsin Municipalities Mutual Insurance	1/1/05	2,000,000
Personal injury and law enforcement liability	League of Wisconsin Municipalities Mutual Insurance	1/1/05	3,000,000
Medical payments	League of Wisconsin Municipalities Mutual Insurance	1/1/05	10,000
Public officials liability	League of Wisconsin Municipalities Mutual Insurance	1/1/05	3,000,000
Employee Benefits Liability	League of Wisconsin Municipalities Mutual Insurance	1/1/05	3,000,000
Damage to Premises rented to you	League of Wisconsin Municipalities Mutual Insurance	1/1/05	250,000
Auto physical damage endorsement	League of Wisconsin Municipalities Mutual Insurance	1/1/05	557,853
Auto replacement value endorsement	League of Wisconsin Municipalities Mutual Insurance	1/1/05	2,695,000
Commercial Crime Policy	Travelers	Until Cancellation	
Forgery alterations			100,000
Public Emp. Dis. Per loss			100,000

This schedule is intended only as a descriptive summary; no expression of opinion as to the adequacy of coverage is intended. The coverages indicated above are those of the Village of Mukwonago, of which the Sewage System Utility and Water Utility are Proprietary-Enterprise Funds.

VILLAGE OF MUKWONAGO

STATISTICAL INFORMATION ENTERPRISE FUNDS

For the Year Ended December 31, 2003

	<u>Number of Connections</u>
Water and Sewer Utility connections at December 31, 2003	
Type of customer	
Residential	1,825
Commercial	252
Public authority	45
Industrial	<u>22</u>
	<u>2,144</u>
	<u>Thousand gallons (000 omitted)</u>
Water usage in 2003 as basis for water and sewer service charges	
Type of Customer	
Residential	119,077
Commercial	61,170
Public authority	19,179
Industrial	<u>9,710</u>
	<u>209,136</u>

VILLAGE OF MUKWONAGO

COMBINING BALANCE SHEET - FIDUCIARY FUNDS
December 31, 2003

	Expendable Trust Fund	Agency Fund	
	Library Trust Fund	Tax Escrow Fund	Total
ASSETS			
Cash and investments	\$ 25,906	\$ 5,213,065	\$ 5,238,971
Taxes receivable	-	987,109	987,109
Due from other funds	-	2,250	2,250
	-	2,250	2,250
TOTAL ASSETS	\$ 25,906	\$ 6,202,424	\$ 6,228,330
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 19,635	\$ 19,635
Due to other taxing units	-	6,149,979	6,149,979
Due to other funds	-	32,810	32,810
	-	32,810	32,810
Total Liabilities	-	6,202,424	6,202,424
Fund Balances			
Reserved for library activities	25,906	-	25,906
	25,906	-	25,906
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,906	\$ 6,202,424	\$ 6,228,330

VILLAGE OF MUKWONAGO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - EXPENDABLE TRUST FUND
LIBRARY TRUST FUND
For the Year Ended December 31, 2003

REVENUES	
Interest	\$ 316
EXPENDITURES	<u>-</u>
Excess of revenues over expenditures	316
FUND BALANCE	
Beginning of year	<u>25,590</u>
END OF YEAR	<u><u>\$ 25,906</u></u>

VILLAGE OF MUKWONAGO

SUMMARY OF LONG-TERM DEBT - GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
For the Year Ended December 31, 2003

	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount of Loan	Balance Outstanding Dec. 31, 2002	Additions	Payments	Balance Outstanding Dec. 31, 2003	Interest Paid 2003	Principal Due 2004	Interest Due 2004
General obligation refunding bonds	2/15/97	4.1-5.4%	4/1/98-12	4/1 & 10/1	\$ 1,490,000	\$ 1,240,000	\$ -	\$ 75,000	\$ 1,165,000	\$ 62,823	\$ 75,000	\$ 59,260
	2/15/02	4.5-4.6	12/01/11-14	6/1 & 12/1	2,960,000	2,960,000	-	-	2,960,000	133,660	-	133,660
						<u>4,200,000</u>	<u>-</u>	<u>75,000</u>	<u>4,125,000</u>	<u>196,483</u>	<u>75,000</u>	<u>192,920</u>
General obligation promissory notes	3/1/94	3.1-4.55	10/1/95-03	4/1 & 10/1	2,130,000	600,000	-	600,000	-	27,300	-	-
	5/1/98	4.0-4.6	4/1/99-08	4/1 & 10/1	4,430,000	4,075,000	-	150,000	3,925,000	179,250	675,000	161,381
	3/15/01	4.3	10/1/02-10	4/1 & 10/1	4,500,000	4,450,000	-	50,000	4,400,000	193,050	50,000	190,900
						<u>9,125,000</u>	<u>-</u>	<u>800,000</u>	<u>8,325,000</u>	<u>399,600</u>	<u>725,000</u>	<u>352,281</u>
Tax Exempt G.O BAN	3/15/03	2.00	3/1/03-05	3/1 & 9/1	4,420,000	-	4,420,000	-	4,420,000	40,762	-	88,400
TOTAL						<u>\$ 13,325,000</u>	<u>\$ 4,420,000</u>	<u>\$ 875,000</u>	<u>\$ 16,870,000</u>	<u>\$ 636,845</u>	<u>\$ 800,000</u>	<u>\$ 633,601</u>

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS
TO MATURITY ON LONG-TERM DEBT -
GENERAL LONG-TERM DEBT ACCOUNT GROUP
December 31, 2003

Year	\$4,420,000 G.O. BANS			\$4,500,000 G.O. Promissory Notes			\$4,430,000 G.O. Promissory Notes		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2004	\$ -	\$ 88,400	\$ 88,400	\$ 50,000	\$ 190,900	\$ 240,900	\$ 675,000	\$ 161,381	\$ 836,381
2005	4,420,000	44,200	4,464,200	50,000	188,750	238,750	650,000	132,400	782,400
2006	-	-	-	50,000	186,600	236,600	700,000	102,525	802,525
2007	-	-	-	400,000	184,450	584,450	900,000	66,475	966,475
2008	-	-	-	550,000	167,250	717,250	1,000,000	23,000	1,023,000
2009	-	-	-	1,600,000	143,600	1,743,600	-	-	-
2010	-	-	-	1,700,000	74,800	1,774,800	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
	<u>\$ 4,420,000</u>	<u>\$ 132,600</u>	<u>\$ 4,552,600</u>	<u>\$ 4,400,000</u>	<u>\$ 1,136,350</u>	<u>\$ 5,536,350</u>	<u>\$ 3,925,000</u>	<u>\$ 485,781</u>	<u>\$ 4,410,781</u>

VILLAGE OF MUKWONAGO

ANNUAL PRINCIPAL AND INTEREST PAYMENTS
TO MATURITY ON LONG-TERM DEBT -
GENERAL LONG-TERM DEBT ACCOUNT GROUP

(concluded)

December 31, 2003

Year	\$1,490,000 G.O. Refunding Bond			\$2,960,000 G.O. Refunding Bonds			Total			Balance Outstanding December 31,
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2003										\$ 16,870,000
2004	\$ 75,000	\$ 59,260	\$ 134,260	\$ -	\$ 133,660	\$ 133,660	\$ 800,000	\$ 633,601	\$ 1,433,601	16,070,000
2005	75,000	55,623	130,623	-	133,660	133,660	5,195,000	554,633	5,749,633	10,875,000
2006	75,000	51,910	126,910	-	133,660	133,660	825,000	474,695	1,299,695	10,050,000
2007	75,000	48,122	123,122	-	133,660	133,660	1,375,000	432,707	1,807,707	8,675,000
2008	75,000	44,260	119,260	-	133,660	133,660	1,625,000	368,170	1,993,170	7,050,000
2009	100,000	39,710	139,710	-	133,660	133,660	1,700,000	316,970	2,016,970	5,350,000
2010	100,000	34,460	134,460	-	133,660	133,660	1,800,000	242,920	2,042,920	3,550,000
2011	100,000	29,135	129,135	1,000,000	133,660	1,133,660	1,100,000	162,795	1,262,795	2,450,000
2012	490,000	13,230	503,230	500,000	88,660	588,660	990,000	101,890	1,091,890	1,460,000
2013	-	-	-	1,000,000	66,160	1,066,160	1,000,000	66,160	1,066,160	460,000
2014	-	-	-	460,000	21,160	481,160	460,000	21,160	481,160	-
	<u>\$ 1,165,000</u>	<u>\$ 375,710</u>	<u>\$ 1,540,710</u>	<u>\$ 2,960,000</u>	<u>\$ 1,245,260</u>	<u>\$ 4,205,260</u>	<u>\$ 16,870,000</u>	<u>\$ 3,375,701</u>	<u>\$ 20,245,701</u>	

VILLAGE OF MUKWONAGO

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA

1999 - 2003 Tax Rolls

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
STATE TAXES	\$ 66,588	\$ 74,643	\$ 83,608	\$ 89,199	\$ 96,428
COUNTY TAXES	788,277	840,709	1,017,455	1,034,140	1,069,638
SPECIAL DISTRICT TAXES	11,148	6,390	19,747	19,678	19,198
LOCAL TAXES					
Village	2,091,083	2,625,768	3,205,212	3,369,168	3,685,759
Overrun (underrun)	-	367	-	-	-
Tax increment district	577,578	687,066	-	-	-
	<u>2,668,661</u>	<u>3,313,201</u>	<u>3,205,212</u>	<u>3,369,168</u>	<u>3,685,759</u>
LOCAL SCHOOL TAXES	<u>3,001,915</u>	<u>3,242,669</u>	<u>3,830,013</u>	<u>3,931,634</u>	<u>4,322,247</u>
TECHNICAL SCHOOL TAXES	<u>437,235</u>	<u>487,514</u>	<u>609,201</u>	<u>628,945</u>	<u>642,468</u>
Total General Property Taxes	6,973,824	7,965,126	8,765,236	9,072,764	9,835,738
SPECIAL ASSESSMENTS	<u>55,448</u>	<u>33,646</u>	<u>28,761</u>	<u>25,029</u>	<u>21,778</u>
Aggregate Amount of Taxes	<u>\$ 7,029,272</u>	<u>\$ 7,998,772</u>	<u>\$ 8,793,997</u>	<u>\$ 9,097,793</u>	<u>\$ 9,857,516</u>
ASSESSED VALUATION	<u>\$ 305,540,707</u>	<u>\$ 327,969,598</u>	<u>\$348,661,433</u>	<u>\$ 348,994,282</u>	<u>\$463,283,248</u>
EQUALIZED VALUATION	<u>\$ 332,940,800</u>	<u>\$ 373,214,200</u>	<u>\$420,312,200</u>	<u>\$ 445,994,400</u>	<u>\$482,141,000</u>
RATIO OF ASSESSMENT	<u>92%</u>	<u>88%</u>	<u>83%</u>	<u>78%</u>	<u>96%</u>

VILLAGE OF MUKWONAGO

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA Waukesha County 1999 - 2003 Tax Rolls

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
STATE TAXES	\$ 66,588	\$ 74,639	\$ 83,154	\$ 88,889	\$ 96,064
COUNTY TAXES	788,277	840,617	1,006,079	1,026,388	1,060,860
SPECIAL DISTRICT TAXES	11,148	6,390	19,747	19,678	19,198
LOCAL TAXES					
Village	2,091,083	2,625,446	3,188,336	3,357,409	3,671,828
Overrun (underrun)	-	367	-	-	-
Tax increment district	577,578	687,066	-	-	-
	<u>2,668,661</u>	<u>3,312,879</u>	<u>3,188,336</u>	<u>3,357,409</u>	<u>3,671,828</u>
LOCAL SCHOOL TAXES	3,001,915	3,242,519	3,810,852	3,918,727	4,306,674
TECHNICAL SCHOOL TAXES	437,235	487,484	605,525	626,536	639,771
Total General Property Taxes	6,973,824	7,964,528	8,713,693	9,037,627	9,794,395
SPECIAL ASSESSMENTS	55,448	33,646	28,761	25,029	21,778
Aggregate Amount of Taxes	<u>\$ 7,029,272</u>	<u>\$ 7,998,174</u>	<u>\$ 8,742,454</u>	<u>\$ 9,062,656</u>	<u>\$ 9,816,173</u>
ASSESSED VALUATION	<u>\$ 305,540,707</u>	<u>\$ 327,944,058</u>	<u>\$ 347,111,110</u>	<u>\$ 347,673,713</u>	<u>\$ 461,668,241</u>
EQUALIZED VALUATION	<u>\$ 332,880,300</u>	<u>\$ 373,195,600</u>	<u>\$ 418,042,300</u>	<u>\$ 444,445,900</u>	<u>\$ 480,322,000</u>
RATIO OF ASSESSMENT	<u>92%</u>	<u>88%</u>	<u>83%</u>	<u>78%</u>	<u>96%</u>

VILLAGE OF MUKWONAGO

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA Walworth County 1999 - 2003 Tax Rolls

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
STATE TAXES	\$ -	\$ 4	\$ 454	\$ 310	\$ 364
COUNTY TAXES	-	92	11,376	7,752	8,778
SPECIAL DISTRICT TAXES	-	-	-	-	-
LOCAL TAXES					
Village	-	322	16,876	11,759	13,931
Overrun (underrun)	-	-	-	-	-
Tax increment district	-	-	-	-	-
	<u>-</u>	<u>322</u>	<u>16,876</u>	<u>11,759</u>	<u>13,931</u>
LOCAL SCHOOL TAXES	-	150	19,161	12,907	15,573
TECHNICAL SCHOOL TAXES	-	30	3,676	2,409	2,697
Total General Property Taxes	-	598	51,543	35,137	41,343
SPECIAL ASSESSMENTS	-	-	-	-	-
Aggregate Amount of Taxes	<u>\$ -</u>	<u>\$ 598</u>	<u>\$ 51,543</u>	<u>\$ 35,137</u>	<u>\$ 41,343</u>
ASSESSED VALUATION	<u>\$ -</u>	<u>\$ 25,540</u>	<u>\$ 1,550,323</u>	<u>\$ 1,320,569</u>	<u>\$ 1,615,007</u>
EQUALIZED VALUATION	<u>\$ 60,500</u>	<u>\$ 18,600</u>	<u>\$ 2,269,900</u>	<u>\$ 1,548,500</u>	<u>\$ 1,819,000</u>
RATIO OF ASSESSMENT	<u>0%</u>	<u>137%</u>	<u>68%</u>	<u>85%</u>	<u>89%</u>