

VILLAGE OF MUKWONAGO

Mukwonago, Wisconsin

FINANCIAL STATEMENTS

December 31, 2004

VILLAGE OF MUKWONAGO

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Mukwonago
Mukwonago, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mukwonago, Wisconsin, as of and for the year ended December 31, 2004, which collectively comprise the village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Mukwonago's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mukwonago, Wisconsin, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the Village of Mukwonago has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of January 1, 2004.

The budgetary comparison information on pages 59 through 60 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Village of Mukwonago, Wisconsin, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

To the Village Board
Village of Mukwonago

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mukwonago, Wisconsin basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Milwaukee, Wisconsin
March 22, 2005

BASIC FINANCIAL STATEMENTS

VILLAGE OF MUKWONAGO

STATEMENT OF NET ASSETS December 31, 2004

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	\$ 7,957,969	\$ 2,798,010	\$ 10,755,979
Receivables (net of allowance for uncollectible accounts)	4,335,804	952,860	5,288,664
Inventory	-	22,988	22,988
Internal balances	(1,921,557)	1,921,557	-
Deferred debits	175,134	167,321	342,455
Restricted Assets			
Cash and investments	899,491	1,894,696	2,794,187
Capital Assets			
Land	904,500	324,281	1,228,781
Construction in progress	-	6,044,107	6,044,107
Other capital assets, net of depreciation	<u>13,906,806</u>	<u>17,548,709</u>	<u>31,455,515</u>
 Total Assets	 <u>26,258,147</u>	 <u>31,674,529</u>	 <u>57,932,676</u>
LIABILITIES			
Accounts payable and other current liabilities	652,432	238,930	891,362
Accrued interest payable	127,607	110,526	238,133
Unearned revenue	3,983,705	-	3,983,705
Noncurrent Liabilities			
Due within one year	5,170,786	7,396,748	12,567,534
Due in more than one year	<u>15,582,208</u>	<u>8,193,867</u>	<u>23,776,075</u>
 Total Liabilities	 <u>25,516,738</u>	 <u>15,940,071</u>	 <u>41,456,809</u>
NET ASSETS			
Invested in capital assets, net of related debt	181,586	10,120,392	10,301,978
Restricted	633,721	370,481	1,004,202
Unrestricted (deficit)	<u>(73,898)</u>	<u>5,243,585</u>	<u>5,169,687</u>
 TOTAL NET ASSETS	 <u>\$ 741,409</u>	 <u>\$ 15,734,458</u>	 <u>\$ 16,475,867</u>

VILLAGE OF MUKWONAGO

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 643,275	\$ 129,560	\$ -	\$ -
Public safety	2,653,575	672,423	51,508	50,363
Public works	1,818,889	287,223	390,672	1,338,433
Health and sanitation	542,027	63,791	-	-
Culture, recreation and education	793,401	35,275	363,302	87,819
Conservation and development	50,405	-	-	-
Interest and fiscal charges	733,172	-	-	-
Total Governmental Activities	<u>7,234,744</u>	<u>1,188,272</u>	<u>805,482</u>	<u>1,476,615</u>
Business-Type Activities				
Water	1,023,748	1,310,163	-	2,260
Sanitary Sewer	1,135,027	1,013,593	-	310,000
Total Business-Type Activities	<u>2,158,775</u>	<u>2,323,756</u>	<u>-</u>	<u>312,260</u>
Total	<u>\$ 9,393,519</u>	<u>\$ 3,512,028</u>	<u>\$ 805,482</u>	<u>\$ 1,788,875</u>

General revenues

Taxes

Property taxes levied for general purposes

Property taxes levied for debt service

Property taxes levied for capital projects

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Transfers

Change in net assets

NET ASSETS - Beginning of Year

NET ASSETS - END OF YEAR

Net (Expenses) Revenues and
Changes in Net Assets

Governmental Activities	Business Type Activities	Totals
\$ (513,715)	\$ -	\$ (513,715)
(1,879,281)	-	(1,879,281)
197,439	-	197,439
(478,236)	-	(478,236)
(307,005)	-	(307,005)
(50,405)	-	(50,405)
(733,172)	-	(733,172)
<u>(3,764,375)</u>	<u>-</u>	<u>(3,764,375)</u>
-	288,675	288,675
-	188,566	188,566
-	477,241	477,241
<u>(3,764,375)</u>	<u>477,241</u>	<u>(3,287,134)</u>
2,381,667	-	2,381,667
1,223,606	-	1,223,606
80,486	-	80,486
35,219	-	35,219
457,004	-	457,004
129,802	64,831	194,633
9,686	-	9,686
<u>4,317,470</u>	<u>64,831</u>	<u>4,382,301</u>
<u>(335,385)</u>	<u>335,385</u>	<u>-</u>
217,710	877,457	1,095,167
<u>523,699</u>	<u>14,857,001</u>	<u>15,380,700</u>
<u>\$ 741,409</u>	<u>\$ 15,734,458</u>	<u>\$ 16,475,867</u>

VILLAGE OF MUKWONAGO

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2004

	General Fund	Impact Fee Fund	Debt Service Fund	Tax Incremental District No. 3 Fund
ASSETS				
Cash and investments (overdraft)	\$ 1,419,659	\$ -	\$ (7,219)	\$ 91,104
Receivables				
Taxes	1,449,434	-	1,431,195	89,659
Accounts	244,581	-	-	-
Special assessments	61,774	-	-	-
Due from other governments	40,168	-	-	-
Due from other funds	76,165	5,000	6,460	750,657
Restricted assets - cash and investments	-	899,491	-	-
	\$ 3,291,781	\$ 904,491	\$ 1,430,436	\$ 931,420
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 169,838	\$ -	\$ -	\$ 144,881
Accrued liabilities	53,457	-	-	-
Due to other funds	203,968	270,770	590,596	304,402
Deferred revenues	1,511,208	-	1,431,195	89,659
Due to other governments	-	-	-	-
Total liabilities	1,938,471	270,770	2,021,791	538,942
Fund Balances				
Reserved	1,379,354	633,721	-	-
Unreserved (deficit), reported in:				
General fund	(26,044)	-	-	-
Special revenue funds	-	-	-	-
Debt service fund	-	-	(591,355)	-
Capital project funds	-	-	-	392,478
Total Fund Balances	1,353,310	633,721	(591,355)	392,478
	\$ 3,291,781	\$ 904,491	\$ 1,430,436	\$ 931,420

Amounts reported for governmental activities in the statement of net assets are different because:

- Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.
- Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.
- Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note II.A.

NET ASSETS OF GOVERNMENTAL ACTIVITIES

<u>2004 GO Bond Fund</u>	<u>2001 GO Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,915,923	\$ 234,619	\$ 2,303,883	\$ 7,957,969
-	-	1,013,418	3,983,706
-	-	5,575	250,156
-	-	-	61,774
-	-	-	40,168
-	931,497	280,119	2,049,898
-	-	-	899,491
<u>\$ 3,915,923</u>	<u>\$ 1,166,116</u>	<u>\$ 3,602,995</u>	<u>\$ 15,243,162</u>
\$ 10,521	\$ 22,901	\$ 223,211	\$ 571,352
-	-	27,623	81,080
2,073	1,721,237	878,409	3,971,455
-	-	1,013,417	4,045,479
-	-	115,000	115,000
<u>12,594</u>	<u>1,744,138</u>	<u>2,257,660</u>	<u>8,784,366</u>
-	103,861	-	2,116,936
-	-	-	(26,044)
-	-	526,703	526,703
-	-	-	(591,355)
<u>3,903,329</u>	<u>(681,883)</u>	<u>818,632</u>	<u>4,432,556</u>
<u>3,903,329</u>	<u>(578,022)</u>	<u>1,345,335</u>	<u>6,458,796</u>
<u>\$ 3,915,923</u>	<u>\$ 1,166,116</u>	<u>\$ 3,602,995</u>	
			14,811,306
			61,774
			<u>(20,590,467)</u>
			<u>\$ 741,409</u>

VILLAGE OF MUKWONAGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2004

	General Fund	Impact Fee Fund	Debt Service Fund	Tax Incremental District No. 3 Fund
REVENUES				
Taxes	\$ 1,512,415	\$ -	\$ 1,223,606	\$ -
Intergovernmental revenues	881,560	-	-	-
Licenses and permits	381,286	969,175	-	-
Fines, forfeitures and penalties	98,155	-	-	-
Public charges for services	47,037	-	-	-
Interdepartmental charges for services	86,242	-	-	-
Special assessments	266	-	-	-
Investment income	38,188	10,664	9,776	14,404
Other revenues	14,475	-	-	-
Total Revenues	3,059,624	979,839	1,233,382	14,404
EXPENDITURES				
Current				
General government	587,061	-	-	-
Public safety	1,771,155	-	-	-
Public works	465,750	-	-	-
Health and sanitation	11,876	-	-	-
Culture, recreation and education	121,409	-	-	-
Conservation and development	41,561	-	-	-
Capital Outlay	-	-	-	2,221,528
Debt Service				
Principal	-	-	748,472	-
Interest and fees	-	-	820,238	-
Total Expenditures	2,998,812	-	1,568,710	2,221,528
Excess (deficiency) of revenues over expenditures	60,812	979,839	(335,328)	(2,207,124) (2,207,124)
OTHER FINANCING SOURCES (USES)				
Transfers in	293,157	-	88,400	-
Transfers out	(146,633)	(789,777)	-	(88,400)
Proceeds on the sale of capital assets	6,045	-	-	-
Capital leases incurred	-	-	-	-
Payment to escrow agent	-	-	(3,100,043)	-
Premium on refunding bonds issued	-	-	42,045	-
Long-term debt issued	-	-	3,146,900	-
Total Other Financing Sources (Uses)	152,569	(789,777)	177,302	(88,400)
Net Change in Fund Balances	213,381	190,062	(158,026)	(2,295,524)
FUND BALANCES (DEFICIT) - Beginning of Year	1,139,929	443,659	(433,329)	2,688,002
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,353,310	\$ 633,721	\$ (591,355)	\$ 392,478

See accompanying notes to the financial statements.

2004 GO Bond Fund	2001 GO Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 987,531	\$ 3,723,552
-	-	663,522	1,545,082
-	-	-	1,350,461
-	-	-	98,155
-	-	264,271	311,308
-	-	11,460	97,702
-	-	-	266
30,442	2,727	21,296	127,497
-	-	93,639	108,114
<u>30,442</u>	<u>2,727</u>	<u>2,041,719</u>	<u>7,362,137</u>
-	-	-	587,061
-	-	586,032	2,357,187
-	-	-	465,750
-	-	417,297	429,173
-	-	662,006	783,415
-	-	8,844	50,405
307,022	158,338	268,326	2,955,214
-	-	5,897	754,369
94,943	-	-	915,181
<u>401,965</u>	<u>158,338</u>	<u>1,948,402</u>	<u>9,297,755</u>
<u>(371,523)</u>	<u>(155,611)</u>	<u>93,317</u>	<u>(1,935,618)</u>
232,065	-	190,633	804,255
-	-	(114,830)	(1,139,640)
-	-	2,375	8,420
-	-	21,733	21,733
-	-	-	(3,100,043)
17,787	-	-	59,832
<u>4,025,000</u>	<u>-</u>	<u>-</u>	<u>7,171,900</u>
<u>4,274,852</u>	<u>-</u>	<u>99,911</u>	<u>3,826,457</u>
3,903,329	(155,611)	193,228	1,890,839
-	(422,411)	1,152,107	4,567,957
<u>\$ 3,903,329</u>	<u>\$ (578,022)</u>	<u>\$ 1,345,335</u>	<u>\$ 6,458,796</u>

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds	\$ 1,890,839
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense. in the statement of activities

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide statements	2,955,214
Some items reported as outlay were not capitalized	(1,070,817)
Depreciation is reported in the government-wide statements	(677,851)
Net book value of assets retired	(29,906)

Contributed capital assets are reported as revenues in the statement of activities	425,892
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt issued	(7,193,633)
Principal repaid	3,854,412

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(58,427)
Accrued interest on debt	5,507

Governmental funds report debt premiums, discounts and issuance costs as other financing source (uses). However, in the statement of net assets, these are deferred and reported as other assets. These are allocated over the period the debt is outstanding in the statement of activities and are reported as amortization expense.

Debt issuance costs capitalized	186,488
Premiums capitalized	(59,832)
Amortization	<u>(9,986)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 217,710</u>
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VILLAGE OF MUKWONAGO

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2004

	Business Type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Totals
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 699,438	\$ 2,098,572	\$ 2,798,010
Accounts receivable	330,673	214,536	545,209
Taxes receivable	12,038	9,726	21,764
Inventory	22,988	-	22,988
Due from other funds	149,373	367,177	516,550
Restricted cash and investments	24,771	32,966	57,737
Total Current Assets	1,239,281	2,722,977	3,962,258
NON-CURRENT ASSETS			
Restricted Assets			
Cash and investments	310,106	1,526,853	1,836,959
Due from other funds	846,221	1,193,640	2,039,861
Capital Assets			
Land	306,463	17,818	324,281
Construction in progress	1,897,567	4,146,540	6,044,107
Other capital assets, net of depreciation	10,599,570	6,949,139	17,548,709
Other Assets			
Special assessments receivable	8,098	377,789	385,887
Unamortized debt issuance expenses	74,558	92,763	167,321
Total Non-Current Assets	14,042,583	14,304,542	28,347,125
Total Assets	\$ 15,281,864	\$ 17,027,519	\$ 32,309,383

	Business Type Activities - Enterprise Funds		
	Water	Sanitary	Totals
	Utility	Sewer Utility	
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 28,635	\$ 188,101	\$ 216,736
Accrued compensation	1,437	2,858	4,295
Accrued interest payable	47,896	39,509	87,405
Due to other funds	145,515	489,339	634,854
Current portion of long-term debt	2,064,333	5,077,415	7,141,748
Liabilities Payable From Restricted Assets			
Accounts payable	4,534	13,365	17,899
Accrued interest payable	9,966	13,155	23,121
Current portion of long-term debt	177,650	77,350	255,000
Total Current Liabilities	<u>2,479,966</u>	<u>5,901,092</u>	<u>8,381,058</u>
NON-CURRENT LIABILITIES			
Long-Term Debt			
Bonds and notes payable	4,635,140	3,433,232	8,068,372
Other Liabilities			
Special deposits	5,120	-	5,120
Accrued compensated absences	56,209	64,166	120,375
Total Non-Current Liabilities	<u>4,696,469</u>	<u>3,497,398</u>	<u>8,193,867</u>
Total Liabilities	<u>7,176,435</u>	<u>9,398,490</u>	<u>16,574,925</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,222,165	3,898,227	10,120,392
Restricted	103,781	266,700	370,481
Unrestricted	<u>1,779,483</u>	<u>3,464,102</u>	<u>5,243,585</u>
Total Net Assets	<u>8,105,429</u>	<u>7,629,029</u>	<u>15,734,458</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,281,864</u>	<u>\$ 17,027,519</u>	<u>\$ 32,309,383</u>

VILLAGE OF MUKWONAGO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended December 31, 2004

	Business Type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Total
OPERATING REVENUES			
Charges for services and sales	\$ 1,244,129	\$ 1,005,832	\$ 2,249,961
Penalties - metered sales	3,035	7,361	10,396
Other operating revenues	61,898	400	62,298
Total Operating Revenues	1,309,062	1,013,593	2,322,655
OPERATING EXPENSES			
Operation and maintenance	444,441	661,495	1,105,936
Depreciation	283,067	263,790	546,857
Taxes	17,415	1,338	18,753
Total Operating Expenses	744,923	926,623	1,671,546
Operating Income (Loss)	564,139	86,970	651,109
NONOPERATING REVENUES (EXPENSES)			
Investment income	14,048	50,783	64,831
Other	1,101	-	1,101
Interest expense	(255,034)	(175,786)	(430,820)
Amortization of debt issuance expenses	(23,791)	(32,618)	(56,409)
Total nonoperating revenues (expense)	(263,676)	(157,621)	(421,297)
Income (loss) before contributions and transfers	300,463	(70,651)	229,812
CAPITAL CONTRIBUTIONS	2,260	310,000	312,260
TRANSFERS IN	478,172	79,540	557,712
TRANSFERS OUT	(220,596)	(1,731)	(222,327)
Change in Net Assets	560,299	317,158	877,457
NET ASSETS - Beginning of Year	7,545,130	7,311,871	14,857,001
NET ASSETS - END OF YEAR	\$ 8,105,429	\$ 7,629,029	\$ 15,734,458

VILLAGE OF MUKWONAGO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2004

	Business Type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,024,205	\$ 793,845	\$ 1,818,050
Receipts (payments) from municipality	67,800	-	67,800
Payments to vendors	(408,492)	(176,021)	(584,513)
Payments to employees	(148,678)	(194,744)	(343,422)
Net cash flows from operating activities	534,835	423,080	957,915
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tax equivalent paid	(220,596)	(1,731)	(222,327)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of property and equipment	(1,258,924)	(2,887,919)	(4,146,843)
Debt issued costs paid	(5,823)	(11,374)	(17,197)
Impact fees transferred in	478,172	79,540	557,712
Capital contributions received	-	30,000	30,000
Collections of special assessments	3,252	5,516	8,768
Proceeds from long-term debt	476,846	1,155,400	1,632,246
Principal paid on long-term debt	(454,069)	(103,851)	(557,920)
Interest paid on long-term debt	(232,799)	(168,193)	(400,992)
Net cash flows from capital and related financing activities	(993,345)	(1,900,881)	(2,894,226)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	14,048	50,783	64,831
Net increase (decrease) in cash and cash equivalents	(665,058)	(1,428,749)	(2,093,807)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,699,373	5,087,140	6,786,513
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,034,315	\$ 3,658,391	\$ 4,692,706

	Business Type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 564,139	\$ 86,970	\$ 651,109
Nonoperating revenue	1,101	-	1,101
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	293,215	253,641	546,856
Change in assets and liabilities:			
Accounts receivable	(142,409)	(18,421)	(160,830)
Taxes receivable	(3,976)	(759)	(4,735)
Inventory	(77)	-	(77)
Due from other funds	(81,921)	(190,419)	(272,340)
Accounts payable	(5,163)	129,573	124,410
Due to other funds	(91,047)	166,283	75,236
Accrued compensation and compensated absences	973	(3,788)	(2,815)
Net cash flows from operating activities	<u>\$ 534,835</u>	<u>\$ 423,080</u>	<u>\$ 957,915</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS			
Cash and investments - Unrestricted	\$ 699,438	\$ 2,098,572	\$ 2,798,010
Cash and investments - Restricted - Current	\$ 24,771	\$ 32,966	57,737
Cash and investments - Restricted - Non-Current	310,106	1,526,853	1,836,959
	<u>\$ 1,034,315</u>	<u>\$ 3,658,391</u>	<u>\$ 4,692,706</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Utility plant contributed by developers	<u>\$ 2,260</u>	<u>\$ 280,000</u>	<u>\$ 282,260</u>

VILLAGE OF MUKWONAGO

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2004

	Private Purpose Library Trust Fund	Agency Funds Tax Escrow Fund	Totals
ASSETS			
Cash and investments	\$ 26,121	\$ 5,286,976	\$ 5,313,097
Taxes receivable	-	1,086,584	1,086,584
	26,121	6,373,560	6,399,681
LIABILITIES			
Accounts payable	-	23,693	23,693
Due to other governments	-	6,349,867	6,349,867
	-	6,373,560	6,373,560
NET ASSETS			
Restricted	\$ 26,121	\$ -	\$ 26,121

VILLAGE OF MUKWONAGO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
Year Ended December 31, 2004

	<u>Private Purpose</u>
	Library
	Trust
	<u>Fund</u>
ADDITIONS	
Investment income	\$ 215
DEDUCTIONS	
	<u>-</u>
Change in Net Assets	215
NET ASSETS - Beginning of Year	<u>25,906</u>
NET ASSETS - END OF YEAR	<u>\$ 26,121</u>

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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VILLAGE OF MUKWONAGO

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VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Mukwonago, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds 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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. 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. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 1999 issued Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34) and in June 2001, issued Statement No. 37 *Basic Financial Statement – and Management's Discussion and Analysis – For State and Local Governments – Omnibus*, (GASB 37), and Statement No. 38 *Certain Financial Statement Note Disclosures*. The Village of Mukwonago implemented these standards effective January 1, 2004.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Statements No. 34 and 37, among many other changes, add two new “government-wide” financial statements as basic financial statements required for all governmental units. The statement of net assets and the statement of activities are the two new required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the village used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note I.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Statement No. 38 requires additional note disclosures.

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets, liabilities revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the village believes is particularly important to financial statement users may be reported as a major fund.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following major governmental funds:

- General Fund – accounts for the village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Impact Fee Special Revenue Fund – accounts for resources legally restricted to pursuant to the village’s impact fee ordinance.
- Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.
- Tax Incremental District No. 3 Capital Projects Fund – accounts for expenditures outlined in the TID project plan and related revenues and proceeds from long-term borrowing.
- 2004 General Obligation Bond Capital Projects Fund - accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects as determined in the 2004 borrowing.
- 2001 General Obligation Bond Capital Projects Fund - accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects as determined in the 2001 borrowing.

The village reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system
- Sanitary Sewer Utility – accounts for operations of the sanitary system

The village reports the following non-major governmental funds:

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

	Fire and Ambulance	Library	Recycling
	Revolving Loan	Park Land Site	Fire
Designated	Ambulance Designated	Museum Donation	Specific Use

Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Capital Projects	Economic Development
Library	Capital Improvement

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

In addition, the village reports the following fund types:

Private-purpose trust funds are used to report any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments.

Library Trust Fund

Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Escrow Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water and Sanitary Sewer Utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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 being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled 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.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, 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 before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sanitary utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements 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/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company 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, a local professional football stadium district, a local cultural arts 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.

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. Investment income on commingled investments of municipal accounting funds is allocated to the general fund, the water utility and the Sanitary Sewer Utility. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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, 2004, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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, 2004, the fair value of the WIT's assets was substantially equal to the village's share as reported in these statements.

See Note IV.A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund balance sheet.

Property tax calendar – 2004 tax roll:

Lien date and levy date	December 2004
Tax bills mailed	December 2004
Payment in full, or	January 31, 2005
First installment due	January 31, 2005
Second installment due	April 30, 2005
Third installment due	July 31, 2005
Personal property taxes in full	January 31, 2005
Tax sale - 2004	
Delinquent real estate taxes	October 2007

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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 for the water and sanitary utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore are not available for appropriation.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,500 for general capital assets and \$2,500 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2007, when GASB 34 requires the village to retroactively report all major general infrastructure assets acquired since January 1, 1980. For the year ended December 31, 2004, the village has retroactively reported its road network infrastructure acquired by its governmental fund types. Other governmental fund infrastructure consisting of storm sewer has not yet been retroactively reported.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$30,891 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	50 Years
Machinery and Equipment	3-25 Years
Library collection	10-30 Years
Infrastructure	20-50 Years
Utility System	3-77 Years

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

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. Employees may accumulate a maximum of 120 days of sick leave.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2004 are determined on the basis of current salary rates and include salary related payments.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable, grant advances, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet..

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5,444,000 made up of two issues.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for the Library. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “other long-term assets that are not available to pay for current period expenditures and therefore are deferred in the funds”. The details of this difference are as follows:

Special assessments	\$ <u>61,774</u>
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Long-term liabilities applicable to the village’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net assets.

Bonds and notes payable	\$ (19,952,221)
Capital lease	(15,836)
Accumulated employee benefits	(669,937)
Capitalized debt issuance costs	175,134
Accrued interest	<u>(127,607)</u>
Combined Adjustment for Long-Term Liabilities	\$ (20,590,467)

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

B. DETAILED EXPLANATION OF ADJUSTMENT TO PRIOR YEAR ENDING BALANCES TO CURRENT YEAR BEGINNING BALANCES USED ON THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES

Financial statements for the year ended December 31, 2003 were issued in conformance with generally accepted accounting principles. GASB 34 requires certain amounts be restated. The reconciliation of restated amounts to the December 31, 2003 year end balance is:

Total Equity and Other Credits Reported for December 31, 2003	\$ 32,212,624
Less	
Capital assets	(12,761,760)
Fund equity for proprietary funds	(14,857,001)
Fund equity for fiduciary funds	<u>(25,906)</u>
Beginning Fund Balance Report on Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, as Adjusted	4,567,957
The following adjustments are necessary to determine the beginning net assets for the statement of activities	
Capital asset related items	
Capital assets reported on December 31, 2003	12,761,760
Adjustments to capital assest reported on December 31, 2003	3,943,427
Accumulated depreciation for governmental type capital assets through December 31, 2003	(3,496,413)
Long-term assets as of December 31, 2003	61,964
Long-term outstanding obligations items	
Long-term obligations as of December 31, 2003	(17,181,882)
Accrued interest on long-term obligations as of December 31, 2003	<u>(133,114)</u>
Beginning Net Assets Reported on Statement of Activities for Governmental Activities	<u>\$ 523,699</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C.

The village adopted annual Governmental Fund budgets for its General, Fire and Ambulance Special Revenue, Library Special Revenue, Recycling Special Revenue Revolving Loan Special Revenue, Park Land Special Revenue, Museum Donation Special Revenue, Debt Service, General Capital Projects, and Economic Development Capital Projects Funds.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. Budgetary control is exercised at the fund level for all funds.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had an excess of expenditure over appropriations:

Fund	Amount
Fire and Ambulance Special Revenue Fund	\$ 99,238
Revolving Loan Special Revenue Fund	163
Museum Donation Revolving Fund	35,320
Debt Service Fund	277,356

C. DEFICIT FUND BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2004, the following individual funds held a deficit balance:

Fund	Amount
Debt Service Fund	\$ 591,355
2001 GO Bond Capital Projects Fund	578,022
Capital Projects Fund	28,525
Economic Development Capital Projects Fund	27,721

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

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments are categorized to give an indication of the level of custodial credit risk assumed by the entity 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 financial 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			Totals	Carrying
	1	2	3		Amount/Fair
	\$	\$	\$	\$	Value
Local and area banks	200,000	-	5,509,459	5,709,459	5,631,925
Local government investment pool					5,888,491
Wisconsin investment trust					7,342,597
Petty cash					250
Total					\$ 18,863,263
Per statement of net assets:					
Unrestricted					\$ 10,755,979
Restricted					2,794,187
Per statement of fiduciary net assets - fiduciary funds					5,313,097
Total					\$ 18,863,263

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

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 noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the amounts in Category 1 above.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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.

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

B. RECEIVABLES

Receivables as of year end for the government's individual major funds, nonmajor funds and fiduciary funds in the aggregate, are detailed on the governmental funds balance sheet, proprietary funds statement of net assets and the fiduciary funds statement of fiduciary net assets. All receivables are expected to be collected within one year.

Receivables of the village are reported net of uncollectible amounts. The total allowance for uncollectible amounts related to receivables is as follows:

Fire and ambulance	\$ <u>148,489</u>
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VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable	\$ -	\$ 3,983,705	\$ 3,983,705
Special assessments not yet due	61,774	-	61,774
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 61,774	 \$ 3,983,705	 \$ 4,045,479

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Construction – Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

The Sanitary Sewer Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The village collects impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2004:

Governmental Activities

Impact fees fund	<u>\$ 899,491</u>
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Business-Type Activities

Water Utility

Cash and Investments

Special redemption fund

Interest and principal account	\$ 24,771
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Reserve account	<u>310,106</u>
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Total Cash and Investments	334,877
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Due from other funds

Construction fund	<u>846,221</u>
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Total Water Utility	<u>1,181,098</u>
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Sanitary Sewer Utility

Cash and Investments

Special redemption fund

Interest and principal account	19,601
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Reserve account	324,870
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Construction fund	955,094
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Sewer equipment replacement fund	<u>260,254</u>
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Total Cash and Investments	1,559,819
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Due from other funds

Construction fund	<u>1,193,640</u>
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Total Sanitary Sewer Utility	<u>2,753,459</u>
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Total Business-Type Activities Restricted Assets	<u>\$ 3,934,557</u>
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VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 904,500	\$ -	\$ -	\$ 904,500
Construction in progress	<u>1,113,612</u>	<u>-</u>	<u>(1,113,612)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>2,018,112</u>	<u>-</u>	<u>(1,113,612)</u>	<u>904,500</u>
Capital Assets Being Depreciated:				
Buildings	5,743,677	-	-	5,743,677
Machinery and equipment	2,377,926	64,006	(40,660)	2,401,272
Library collection	456,666	77,024	-	533,690
Infrastructure	<u>6,108,809</u>	<u>3,282,868</u>	<u>-</u>	<u>9,391,677</u>
Total Capital Assets Being Depreciated	<u>14,687,078</u>	<u>3,423,898</u>	<u>(40,660)</u>	<u>18,070,316</u>
Less: Accumulated Depreciation for:				
Buildings	(374,127)	(114,874)	-	(489,001)
Machinery and equipment	(902,154)	(193,394)	10,754	(1,084,794)
Library collection	(82,754)	(27,117)	-	(109,871)
Infrastructure	<u>(2,137,378)</u>	<u>(342,466)</u>	<u>-</u>	<u>(2,479,844)</u>
Total Accumulated Depreciation	<u>(3,496,413)</u>	<u>(677,851)</u>	<u>10,754</u>	<u>(4,163,510)</u>
Net Capital Assets Being Depreciated	<u>11,190,665</u>	<u>2,746,047</u>	<u>(29,906)</u>	<u>13,906,806</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,208,777</u>	<u>\$ 2,746,047</u>	<u>\$ (1,143,518)</u>	<u>\$ 14,811,306</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to Governmental Activities functions as follows:

Governmental Activities

General government	\$ 41,364
Public safety	204,347
Public works, which includes the depreciation of infrastructure	368,562
Culture, recreation and education	<u>63,578</u>
Total Governmental Activities Depreciation Expense	<u>\$ 677,851</u>

The Museum Fund in the village owns a collection of Indian Relics for display within the Museum. As it would be the village's intent to use any proceeds from the sale of individual items to acquire other items for this collection, the village has not included these items as capital assets.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Water Utility</u>				
Capital Assets Not Being Depreciated:				
Land and land rights	\$ 306,463	\$ -	\$ -	\$ 306,463
Construction in progress	1,090,196	807,371	-	1,897,567
Total Capital Assets Not Being Depreciated	1,396,659	807,371	-	2,204,030
Capital Assets Being Depreciated:				
Source of supply	1,149,571	-	-	1,149,571
Pumping	1,200,932	-	-	1,200,932
Treatment	184,501	-	-	184,501
Transmission and distribution	9,777,200	28,674	(7,511)	9,798,363
Administrative and general assets	330,199	43,735	(15,476)	358,458
Total Capital Assets Being Depreciated	12,642,403	72,409	(22,987)	12,691,825
Less: Accumulated Depreciation				
Source of supply	(140,005)	(27,221)	-	(167,226)
Pumping	(248,412)	(50,481)	-	(298,893)
Treatment	(16,727)	(11,070)	-	(27,797)
Transmission and distribution	(1,248,213)	(176,316)	6,290	(1,418,239)
Administrative and general assets	(164,249)	(28,127)	12,276	(180,100)
Total Accumulated Depreciation	(1,817,606)	(293,215)	18,566	(2,092,255)
Net Capital Assets Being Depreciated	10,824,797	(220,806)	(4,421)	10,599,570
Total Capital Assets, Net of Accumulated Depreciation	\$ 12,221,456	\$ 586,565	\$ (4,421)	\$ 12,803,600

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Sanitary Sewer Utility</u>				
Capital Assets Not Being Depreciated:				
Land and land rights	\$ 17,818	\$ -	\$ -	\$ 17,818
Construction in progress	2,358,332	1,788,208	-	4,146,540
Total Capital Assets Not Being Depreciated	2,376,150	1,788,208	-	4,164,358
Capital Assets Being Depreciated:				
Collection system	5,308,316	-	-	5,308,316
Collection system pumping	1,188,159	-	-	1,188,159
Treatment and disposal plant	4,993,487	34,053	-	5,027,540
Equipment	185,045	194,053	-	379,098
Total Capital Assets Being Depreciated	11,675,007	228,106	-	11,903,113
Less: Accumulated Depreciation				
Collection system	(1,151,065)	(106,166)	-	(1,257,231)
Collection system pumping	(430,048)	(51,016)	-	(481,064)
Treatment and disposal plant	(3,052,529)	(75,560)	-	(3,128,089)
Equipment	(66,691)	(20,899)	-	(87,590)
Total Accumulated Depreciation	(4,700,333)	(253,641)	-	(4,953,974)
Net Capital Assets Being Depreciated	6,974,674	(25,535)	-	6,949,139
Total Capital Assets, Net of Accumulated Depreciation	\$ 9,350,824	\$ 1,762,673	\$ -	\$ 11,113,497

Depreciation expense was charged to Business-Type Activities functions as follows:

Business-Type Activities	
Water Utility	\$ 283,067
Sanitary Sewer Utility	263,790
Total Business-Type Activities Depreciation Expense	\$ 546,857

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fire and Ambulance Fund	\$ 75,033
General Fund	Nonmajor Governmental Funds	943
General Fund	Water Utility	93
General Fund	Sanitary Sewer Utility	96
Debt Service Fund	General Fund	6,460
Tax Incremental District No. 3 Fund	Debt Service Fund	486,502
Tax Incremental District No. 3 Fund	Water Utility	106,246
Tax Incremental District No. 3 Fund	Sanitary Sewer Utility	157,909
2001 GO Bond Fund	Debt Service Fund	4,500
2001 GO Bond Fund	Nonmajor Governmental Funds	650,000
2001 GO Bond Fund	Sanitary Sewer Utility	276,997
Nonmajor Governmental Funds	General Fund	139,835
Nonmajor Governmental Funds	Impact Fee Fund	5,000
Nonmajor Governmental Funds	2004 GO Bond Fund	2,073
Nonmajor Governmental Funds	Nonmajor Governmental Funds	138,211
Water Utility	General Fund	52,673
Water Utility	Debt Service Fund	42,082
Water Utility	2001 GO Bond Fund	846,222
Water Utility	Impact Fee Fund	280
Water Utility	Sanitary Sewer Utility	54,337
Sanitary Sewer Utility	Debt Service Fund	57,512
Sanitary Sewer Utility	Impact Fee Fund	270,490
Sanitary Sewer Utility	Tax Incremental District No. 3 Fund	304,402
Sanitary Sewer Utility	2001 GO Bond Fund	875,015
Sanitary Sewer Utility	Nonmajor Governmental Funds	14,222
Sanitary Sewer Utility	Water Utility	<u>39,176</u>
Subtotal - Fund Financial Statements		4,606,309
Less: Fund eliminations		(1,602,070)
Less: Government-wide eliminations		<u>(1,082,682)</u>
Total Internal Balances - Government-Wide		
Statement of Net Assets		<u>\$ 1,921,557</u>

All amounts will be repaid within one year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 541,341
Business-Type Activities	Governmental Activities	<u>(2,462,898)</u>
Total		<u>\$ (1,921,557)</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The principal purpose of these interfunds is the collection of special charges on the tax roll and the allocation of commingled cash and investment balances.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Fire and Ambulance Fund	\$ 68,830
General Fund	Nonmajor Governmental Funds	2,000
General Fund	Water Utility	220,596
General Fund	Sanitary Sewer Utility	1,731
Debt Service Fund	Tax Incremental District No. 3 Fund	88,400
2004 GO Bond Fund	Impact Fee Fund	232,065
Nonmajor Governmental Funds	General Fund	146,633
Nonmajor Governmental Funds	Nonmajor Governmental Funds	44,000
Water Utility	Impact Fee Fund	478,172
Sanitary Sewer Utility	Impact Fee Fund	<u>79,540</u>
Subtotal - Fund Financial Statements		1,361,967
Less: Fund eliminations		(581,928)
Less: Government-wide eliminations		<u>(444,654)</u>
Total Transfers - Government-Wide Statement of Activities		<u>\$ 335,385</u>

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 222,327
Business-Type Activities	Governmental Activities	<u>(557,712)</u>
Total		<u>\$ (335,385)</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATION

Long-term obligations activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bond and Notes Payable:					
General obligation debt	\$ 12,150,372	\$ 7,171,900	\$ 3,750,372	\$ 15,571,900	\$ 745,800
Bond anticipation notes	4,420,000	-	-	4,420,000	4,420,000
Add/(subtract) deferred amounts for:					
Loss on refunding	-	(98,143)	-	(98,143)	-
Premiums	-	59,832	1,368	58,464	-
Sub-total	<u>16,570,372</u>	<u>7,133,589</u>	<u>3,751,740</u>	<u>19,952,221</u>	<u>5,165,800</u>
Other Liabilities:					
Capital lease	-	21,733	5,897	15,836	4,986
Due to other governments	115,000	-	-	115,000	-
Compensated Absences	<u>611,510</u>	<u>58,427</u>	<u>-</u>	<u>669,937</u>	<u>-</u>
Total Other Liabilities	<u>726,510</u>	<u>80,160</u>	<u>5,897</u>	<u>800,773</u>	<u>4,986</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 17,296,882</u>	<u>\$ 7,213,749</u>	<u>\$ 3,757,637</u>	<u>\$ 20,752,994</u>	<u>\$ 5,170,786</u>
BUSINESS-TYPE ACTIVITIES					
Bond and Notes Payable:					
General obligation debt	\$ 1,865,781	\$ 248,100	\$ 386,081	\$ 1,727,800	\$ 117,935
Revenue Bonds	6,811,753	12,247	278,310	6,545,690	273,813
Revenue BANS	5,680,000	1,620,000	125,000	7,175,000	7,005,000
Add/(subtract) deferred amounts for:					
Premiums	<u>33,260</u>	<u>-</u>	<u>16,630</u>	<u>16,630</u>	<u>-</u>
Sub-total	<u>14,390,794</u>	<u>1,880,347</u>	<u>806,021</u>	<u>15,465,120</u>	<u>7,396,748</u>
Other Liabilities:					
Special deposits	5,120	-	-	5,120	-
Compensated Absences	<u>117,480</u>	<u>2,895</u>	<u>-</u>	<u>120,375</u>	<u>-</u>
Total Other Liabilities	<u>122,600</u>	<u>2,895</u>	<u>-</u>	<u>125,495</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 14,513,394</u>	<u>\$ 1,883,242</u>	<u>\$ 806,021</u>	<u>\$ 15,590,615</u>	<u>\$ 7,396,748</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed five percent of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2004, was \$26,075,950. Total general obligation debt outstanding or reserved at year end was \$21,719,700.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/04
Governmental Activities					
General Obligation Debt					
Promissory notes	3/15/01	10/1/10	4.30%	\$ 4,500,000	\$ 4,350,000
	1/1/04	12/1/13	2.00-3.50	4,025,000	4,025,000
Refunding bonds	2/15/97	4/1/12	4.10-5.40	1,490,000	1,090,000
	2/15/02	12/2/14	4.50-4.60	2,960,000	2,960,000
	12/15/04	4/1/09	3.5-2.8	3,395,000	<u>3,146,900</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 15,571,900</u>
Business-Type Activities					
General Obligation Debt					
<u>Water Utility</u>					
Refunding Bonds	12/15/04	4/1/09	3.5-2.8%	\$ 3,395,000	\$ 137,320
Water System Bonds	11/1/99	5/1/18	2.64	1,886,442	<u>1,479,700</u>
Total Water Utility					1,617,020
<u>Sanitary Sewer Utility</u>					
Refunding Bonds	12/15/04	4/1/09	3.5-2.8	3,395,000	<u>110,780</u>
Total Business-Type Activities - General Obligation Debt					<u>\$ 1,727,800</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt Service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2005	\$ 745,800	\$ 577,282	\$ 117,935	\$ 43,789
2006	1,033,170	569,464	142,908	41,656
2007	1,460,980	534,379	147,502	37,367
2008	1,679,520	482,803	151,430	33,055
2009	2,827,430	423,783	156,052	28,818
2010 - 2014	7,825,000	819,775	532,814	99,148
2015 - 2018	-	-	479,159	25,712
Totals	\$ 15,571,900	\$ 3,407,486	\$ 1,727,800	\$ 309,545

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water and Sanitary Sewer Utilities.

Revenue debt payable at December 31, 2004 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/04
Business-Type Activities					
Water Utility					
Revenue Bonds	2/15/02	12/1/21	3.25-5.00%	\$ 6,090,000	\$ 2,314,575
	4/29/02	5/1/22	2.75	627,355	430,690
	9/1/02	12/1/07	1.90-3.30	690,000	400,000
Total Water Utility Revenue Bonds					3,145,265
Sanitary Sewer Utility					
Revenue Bonds	2/15/02	12/1/21	3.25-5.00	6,090,000	3,400,425
Total Business-Type Activities - Revenue Bonds					\$ 6,545,690

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt	
	Principal	Interest
2005	\$ 273,813	\$ 289,044
2006	289,330	280,531
2007	304,862	270,805
2008	295,408	259,901
2009	305,969	247,645
2010 - 2014	1,748,818	1,031,153
2015 - 2019	2,230,355	593,536
2020 - 2022	1,097,135	80,138
Totals	\$ 6,545,690	\$ 3,052,753

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Bond Anticipation Notes

Bond anticipation notes are payable from future debt refundings. At December 31, 2004, bond anticipation notes consisted of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/04
Governmental Activities					
BANS	3/15/03	3/1/05	2.00%	\$ 4,420,000	\$ 4,420,000
Business-Type Activities					
<u>Water Utility</u>					
Revenue BANS	3/1/01	3/1/06	4.25%	\$ 670,000	\$ 320,000
	3/15/03	3/1/05	2.40	5,235,000	1,326,025
	1/1/04	3/1/05	2.00	1,620,000	<u>464,600</u>
Total Water Utility Revenue BANS					<u>2,110,625</u>
<u>Sanitary Utility</u>					
Revenue BANS	3/15/03	3/1/05	2.40	5,235,000	3,908,975
	1/1/04	3/1/05	2.00	1,620,000	<u>1,155,400</u>
Total Sanitary Utility Revenue BANS					<u>5,064,375</u>
Total Business-Type Activities - Revenue BANS					<u>\$ 7,175,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Bond Anticipation Notes		Business-Type Activities Bond Anticipation Notes	
	Principal	Interest	Principal	Interest
2005	\$ 4,420,000	\$ 44,200	\$ 7,005,000	\$ 89,433
2006	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>3,613</u>
Totals	<u>\$ 4,420,000</u>	<u>\$ 44,200</u>	<u>\$ 7,175,000</u>	<u>\$ 93,046</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the village's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The village's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Advanced Refunding

On December 15, 2004, the village issued \$3,395,000 general obligation refunding bonds with interest rates of 2.80% to 3.50% to advance refund \$3,250,000 of outstanding general obligation promissory notes with interest rates of 4.40% to 4.60%. The net proceeds of \$3,348,143 (after net payment of \$87,045 in underwriting fees, insurance and other issuance costs, plus issuance premium of \$42,045, less excess proceeds of \$1,857) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments on April 1 of each year in 2005 and 2006. As a result, those bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities.

The cash flow requirements on the refunded notes prior to the advance refunding was \$3,574,400 from 2005 through 2008. The cash flow requirements on the 2004 refunding bonds are \$3,661,509 from 2005 through 2009. The advance refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$14,200. The reason for refunding the bonds at a loss was to receive a reduced interest rate.

Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deduction from debt payable in the government-wide statements. No amortization was reported for 2004.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee – Capital Leases

In 2004 the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$21,733 which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2004, are as follows:

	<u>Governmental Activities</u>
2005	\$ 5,897
2006	5,897
2007	<u>5,897</u>
Sub-Total	17,691
Less: amount representing interest	<u>(1,855)</u>
Present Value of Minimum Lease Payments	<u>\$ 15,836</u>

Lessee – Operating Leases

The Village has no material operating leases with a remaining noncancellable term exceeding one year.

Lessor – Capital Leases

The Village has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The Village does not receive material lease payments from property rented to others.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2004 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 904,500
Other capital assets, net of accumulated depreciation	13,906,806
Less: long-term debt outstanding	(19,968,057)
Plus: unspent capital related debt proceeds	5,163,203
Plus: unamortized debt issuance expenses	<u>175,134</u>
Total Invested in Capital Assets, Net of Related Debt	181,586
Restricted for Impact Fees	633,721
Unrestricted (deficit)	<u>(73,898)</u>
Total Governmental Activities Net Assets	<u>\$ 741,409</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2004 include the following:

Reserved

Major Funds

General fund

Non-current receivables	\$ 49,870
Other funds' deficits	<u>1,329,484</u>
	\$ <u>1,379,354</u>

2001 GO Bond Fund - encumbrance \$ 103,861

Non-Major Fund

Impact Fee Fund - impact fees \$ 633,721

Unreserved (Deficit)

Major Funds

General fund - undesignated (deficit)	\$ (26,044)
Debt Service Fund - undesignated (deficit)	(591,355)
Tax Incremental District No. 3 - designated for projects	392,478
2004 GO Bond Fund - designated for projects	3,903,329
2001 GO Bond Fund - undesignated (deficit)	<u>(681,883)</u>
Total Major Funds	\$ <u>2,996,525</u>

Non-Major Funds

Special Revenue Funds

Library Fund - undesignated	\$ 85,975
Recycling Fund - undesignated	47,195
Revolving Loan Fund - undesignated	62,444
Park Land Site Fund	
Designated for subsequent years' expenditures	59,100
Undesignated	27,168
Fire Designated Fund - undesignated	59,945
Ambulance Designated Fund - undesignated	44,351
Museum Donation Fund - undesignated	5,415
Specific Use Fund - undesignated	<u>135,110</u>
Total Special Revenue Funds	\$ <u>526,703</u>

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved (Deficit) (cont.)

Non-Major Funds (cont.)

Capital Projects

Capital Projects Fund - undesignated (deficit)	\$ (28,525)
Economic Development Fund - undesignated (deficit)	(27,721)
Library Fund - designated for specific uses	7,482
Capital Improvement - designated for projects	<u>867,396</u>
Total Capital Projects Funds	<u>\$ 818,632</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 324,281
Construction in progress	6,044,107
Other capital assets, net of accumulated depreciation	17,548,709
Less: long-term debt outstanding	(15,465,120)
Plus: unspent capital related debt proceeds	955,094
Plus: unamortized debt issuance expenses	167,321
Plus: non-capital debt proceeds	<u>546,000</u>
Total Invested in Capital Assets, Net of Related Debt	<u>10,120,392</u>

Restricted

Equipment replacement	260,254
Debt service	<u>110,227</u>
Total Restricted	<u>370,481</u>

Unrestricted

5,243,585

Total Business-Type Activities Net Assets \$ 15,734,458

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible village 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 5.6% of their salary (2.6% for Executives and Elected Officials, 4.5% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for village employees covered by the system for the year ended December 31, 2004 was \$2,254,426; the employer's total payroll was \$2,440,285. The total required contribution for the year ended December 31, 2004 was \$257,404 or 11.4 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2003 and 2002 were \$235,678 and \$225,721, respectively, equal to the required contributions 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 a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of 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.

VILLAGE OF MUKWONAGO

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

B. 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; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

The Village's Sanitary Sewer Utility has construction commitments of approximately \$494,000, as of December 31, 2004. It is anticipated that the construction will be completed in 2005.

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 and the Village Attorney 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. SUBSEQUENT EVENTS

In March 2005, the village issued \$5,450,000 of Bond Anticipation Notes to finance the costs of various capital projects within the village's Tax Incremental District No. 3 and to refund \$4,420,000 of Bond Anticipation Notes issued on March 15, 2003. The bonds are due in 2008 and bear interest of 3.25%.

The village also issued \$7,640,000 of Waterworks System/Sewerage System Revenue Bond Anticipation Notes to refund certain other long term obligations. The principal is due in 2008 and bear interest of 3.3%.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,656,122	\$ 1,734,742	\$ 78,620
Intergovernmental	856,405	881,560	25,155
Licenses and permits	203,170	381,286	178,116
Fines, forfeitures and penalties	126,000	98,155	(27,845)
Public charges for services	80,385	47,037	(33,348)
Interdepartmental charges for services	135,413	86,242	(49,171)
Special assessments	260	266	6
Investment income	30,000	38,188	8,188
Other revenues	50,845	14,475	(36,370)
Total Revenues	<u>3,138,600</u>	<u>3,281,951</u>	<u>143,351</u>
EXPENDITURES			
Current			
General government	700,483	587,061	113,422
Public safety	1,762,960	1,771,155	(8,195)
Public works	475,043	465,750	9,293
Health and sanitation	11,421	11,876	(455)
Culture, recreation and education	128,360	121,409	6,951
Conservation and development	29,736	41,561	(11,825)
Total Expenditures	<u>3,108,003</u>	<u>2,998,812</u>	<u>109,191</u>
Excess (deficiency) of revenues over expenditures	<u>30,597</u>	<u>283,139</u>	<u>252,542</u>
OTHER FINANCING SOURCES			
Transfers in	2,000	70,830	68,830
Transfers out	(32,597)	(146,633)	(114,036)
Proceeds on the sale of capital assets	-	6,045	6,045
Total Other Financing Sources (Uses)	<u>(30,597)</u>	<u>(69,758)</u>	<u>(39,161)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>213,381</u>	<u>213,381</u>
FUND BALANCE - Beginning of Year		<u>1,139,929</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,353,310</u>	

VILLAGE OF MUKWONAGO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2004

BUDGETARY INFORMATION

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C.

The village adopted annual Governmental Fund budgets for its General, Fire and Ambulance Special Revenue, Library Special Revenue, Recycling Special Revenue Revolving Loan Special Revenue, Park Land Special Revenue, Museum Donation Special Revenue, Debt Service, General Capital Projects, and Economic Development Capital Projects Funds.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. Budgetary control is exercised at the fund level for all funds.

SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

December 31, 2004

	Special Revenue Funds				
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund	Fire Designated Fund
ASSETS					
Cash and investments	\$ 102,996	\$ 80,387	\$ 175,444	\$ 86,306	\$ 10,762
Taxes receivable	343,085	387,383	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	22	2,000	-	49,183
Restricted assets - cash and investments	-	-	-	-	-
TOTAL ASSETS	<u>\$ 446,081</u>	<u>\$ 467,792</u>	<u>\$ 177,444</u>	<u>\$ 86,306</u>	<u>\$ 59,945</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,699	\$ 31,763	\$ -	\$ 38	\$ -
Accrued liabilities	11,791	1,017	-	-	-
Due to other governments	-	-	115,000	-	-
Deferred revenue	343,085	387,383	-	-	-
Due to other funds	531	434	-	-	-
Total Liabilities	<u>360,106</u>	<u>420,597</u>	<u>115,000</u>	<u>38</u>	<u>-</u>
Fund Balances (Deficit)					
Reserved	-	-	-	-	-
Unreserved					
Designated	-	-	-	59,100	-
Undesignated	85,975	47,195	62,444	27,168	59,945
Total Fund Balances	<u>85,975</u>	<u>47,195</u>	<u>62,444</u>	<u>86,268</u>	<u>59,945</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 446,081</u>	<u>\$ 467,792</u>	<u>\$ 177,444</u>	<u>\$ 86,306</u>	<u>\$ 59,945</u>

Special Revenue Funds				Capital Projects Funds				Total Nonmajor Funds
Ambulance Designated Fund	Museum Donation Fund	Fire and Ambulance Fund	Specific Use Fund	Capital Projects Fund	Economic Development Fund	Library Fund	Capital Improvement Fund	
\$ (5,015)	\$ 5,415	\$ 293,562	\$ 135,110	\$ (28,035)	\$ 4,013	\$ 7,482	\$ 1,435,456	\$ 2,303,883
-	-	65,872	-	171,169	45,909	-	-	1,013,418
-	-	5,575	-	-	-	-	-	5,575
-	-	-	-	-	-	-	-	-
49,913	-	-	-	-	72,597	-	106,404	280,119
-	-	-	-	-	-	-	-	-
<u>\$ 44,898</u>	<u>\$ 5,415</u>	<u>\$ 365,009</u>	<u>\$ 135,110</u>	<u>\$ 143,134</u>	<u>\$ 122,519</u>	<u>\$ 7,482</u>	<u>\$ 1,541,860</u>	<u>\$ 3,602,995</u>
\$ 547	\$ -	\$ 175,432	\$ -	\$ 490	\$ -	\$ -	\$ 10,242	\$ 223,211
-	-	14,815	-	-	-	-	-	27,623
-	-	-	-	-	-	-	-	115,000
-	-	65,871	-	171,169	45,909	-	-	1,013,417
-	-	108,891	-	-	104,331	-	664,222	878,409
<u>547</u>	<u>-</u>	<u>365,009</u>	<u>-</u>	<u>171,659</u>	<u>150,240</u>	<u>-</u>	<u>674,464</u>	<u>2,257,660</u>
-	-	-	-	-	-	-	-	-
	-	-	135,110	-	-	7,482	867,396	1,069,088
44,351	5,415	-	-	(28,525)	(27,721)	-	-	276,247
<u>44,351</u>	<u>5,415</u>	<u>-</u>	<u>135,110</u>	<u>(28,525)</u>	<u>(27,721)</u>	<u>7,482</u>	<u>867,396</u>	<u>1,345,335</u>
<u>\$ 44,898</u>	<u>\$ 5,415</u>	<u>\$ 365,009</u>	<u>\$ 135,110</u>	<u>\$ 143,134</u>	<u>\$ 122,519</u>	<u>\$ 7,482</u>	<u>\$ 1,541,860</u>	<u>\$ 3,602,995</u>

VILLAGE OF MUKWONAGO

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2004

	Special Revenue Funds				
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund	Fire Designated Fund
REVENUES					
Taxes	\$ 304,714	\$ 403,522	\$ -	\$ -	\$ -
Intergovernmental revenues	362,995	28,803	-	-	-
Licenses and permits	-	-	-	-	-
Public charges for services	30,491	33,376	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Investment income	1,615	3,191	1,475	738	-
Other revenues	301	-	-	45,000	2,375
Total revenues	700,116	468,892	1,475	45,738	2,375
EXPENDITURES					
Current					
Public safety	-	-	-	-	2,222
Health and sanitation	-	417,297	-	-	-
Culture, recreation and education	661,508	-	-	-	-
Conservation and development	-	-	163	8,681	-
Capital Outlay	83,608	-	-	-	4,546
Debt Service					
Principal	-	-	-	-	-
Total expenditures	745,116	417,297	163	8,681	6,768
Excess (deficiency) of revenues over expenditures	(45,000)	51,595	1,312	37,057	(4,393)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	14,000
Transfers out	-	-	(2,000)	-	-
Proceeds on the sale of capital assets	2,375	-	-	-	-
Capital leases incurred	-	-	-	-	-
Total Other Financing Sources (Uses)	2,375	-	(2,000)	-	14,000
Net Changes in Fund Balances	(42,625)	51,595	(688)	37,057	9,607
FUND BALANCES (DEFICIT) -					
Beginning of Year	128,600	(4,400)	63,132	49,211	50,338
FUND BALANCES (DEFICIT) -					
END OF YEAR	\$ 85,975	\$ 47,195	\$ 62,444	\$ 86,268	\$ 59,945

Special Revenue Funds				Capital Projects Funds				Total Nonmajor Funds
Ambulance Designated Fund	Museum Donation Fund	Fire and Ambulance Fund	Specific Use Fund	Capital Projects Fund	Economic Development Fund	Library Fund	Capital Improvement Fund	
\$ -	\$ -	\$ 113,656	\$ -	\$ 80,486	\$ 85,153	\$ -	\$ -	\$ 987,531
3,490	-	258,261	-	6,450	-	-	3,523	663,522
-	-	-	-	-	-	-	-	-
-	-	200,404	-	-	-	-	-	264,271
-	-	-	-	11,460	-	-	-	11,460
-	100	1,328	-	182	438	71	12,158	21,296
11,847	15,027	17,517	1,572	-	-	-	-	93,639
15,337	15,127	591,166	1,572	98,578	85,591	71	15,681	2,041,719
759	-	583,051	-	-	-	-	-	586,032
-	-	-	-	-	-	-	-	417,297
-	-	-	498	-	-	-	-	662,006
-	-	-	-	-	-	-	-	8,844
22,585	48,452	-	-	70,269	-	-	38,866	268,326
-	-	-	-	5,897	-	-	-	5,897
23,344	48,452	583,051	498	76,166	-	-	38,866	1,948,402
(8,007)	(33,325)	8,115	1,074	22,412	85,591	71	(23,185)	93,317
10,000	-	-	134,036	-	32,597	-	-	190,633
-	-	(68,830)	-	(44,000)	-	-	-	(114,830)
-	-	-	-	-	-	-	-	2,375
-	-	-	-	21,733	-	-	-	21,733
10,000	-	(68,830)	134,036	(22,267)	32,597	-	-	99,911
1,993	(33,325)	(60,715)	135,110	145	118,188	71	(23,185)	193,228
42,358	38,740	60,715	-	(28,670)	(145,909)	7,411	890,581	1,152,107
\$ 44,351	\$ 5,415	\$ -	\$ 135,110	\$ (28,525)	\$ (27,721)	\$ 7,482	\$ 867,396	\$ 1,345,335

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
TAXES			
General property taxes	\$ 1,474,622	\$ 1,474,622	\$ -
Water Utility- tax equivalent	160,000	222,327	62,327
Interest on taxes	9,500	2,573	(6,927)
Room tax	12,000	8,078	(3,922)
Agricultural use penalty	-	27,142	27,142
	<u>1,656,122</u>	<u>1,734,742</u>	<u>78,620</u>
SPECIAL ASSESSMENTS			
Principal	190	190	-
Interest	70	76	6
	<u>260</u>	<u>266</u>	<u>6</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	428,734	430,525	1,791
Exempt computer aid	20,000	26,479	6,479
Fire insurance dues	17,000	18,673	1,673
Grants and aids			
Transportation aids	390,671	390,672	1
Police grants	-	15,211	15,211
	<u>856,405</u>	<u>881,560</u>	<u>25,155</u>
LICENSES AND PERMITS			
Licenses			
Liquor and malt beverage	7,400	18,477	11,077
Cigarette	1,800	2,100	300
Bicycle	50	55	5
Dog and cat	3,070	2,873	(197)
Operator	3,100	3,300	200
Electrical contractors	2,300	2,815	515
Sundry	900	1,015	115
Cable television franchise fees	52,000	66,244	14,244
Permits			
Building	70,900	164,814	93,914
Electrical	13,000	34,896	21,896
Plumbing	14,000	19,500	5,500
Heating	9,000	23,158	14,158
Peddlers	650	1,205	555
Sundry	5,000	9,655	4,655
Plan review fees	20,000	31,179	11,179
	<u>203,170</u>	<u>381,286</u>	<u>178,116</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
FINES, FORFEITURES AND PENALTIES			
Court fines	\$ 126,000	\$ 98,155	\$ (27,845)
PUBLIC CHARGES FOR SERVICES			
General government			
Treasurer's fees	40,000	30,320	(9,680)
Assessor's fees	30	191	161
License publication fees	255	557	302
Sales of maps	500	615	115
Photocopies	700	816	116
Other fees	25,500	313	(25,187)
Protection of persons and property			
Police department revenues	9,900	6,634	(3,266)
Fire department revenues	1,000	3,067	2,067
Highway and transportation			
Weed cutting	500	-	(500)
Garbage and recycling fees	-	1,024	1,024
Board of appeals	2,000	3,500	1,500
	<u>80,385</u>	<u>47,037</u>	<u>(33,348)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES			
Town of Mukwonago			
Dispatch service	70,000	23,342	(46,658)
Emergency government	775	-	(775)
Dam maintenance	6,638	6,142	(496)
School District - Police service	58,000	56,758	(1,242)
	<u>135,413</u>	<u>86,242</u>	<u>(49,171)</u>
INVESTMENT INCOME			
Interest on investments	30,000	38,188	8,188
OTHER REVENUE			
Revenues from prior years	-	3,532	3,532
Rental income - park	6,000	5,297	(703)
Sundry income	44,845	5,646	(39,199)
	<u>50,845</u>	<u>14,475</u>	<u>(36,370)</u>
TOTAL REVENUES	<u>3,138,600</u>	<u>3,281,951</u>	<u>143,351</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
CURRENT			
GENERAL GOVERNMENT			
Village board	\$ 48,584	\$ 40,297	\$ 8,287
Village president	7,751	7,783	(32)
Judicial	14,455	7,716	6,739
Municipal court	20,017	20,316	(299)
Village clerk - treasurer	217,899	193,813	24,086
Elections	11,624	9,085	2,539
Assessment of property	91,217	76,300	14,917
Village attorney	117,135	82,518	34,617
Village hall	40,356	32,600	7,756
Independent audit	45,000	26,832	18,168
Property and liability insurance	86,445	89,801	(3,356)
Total General Government	<u>700,483</u>	<u>587,061</u>	<u>113,422</u>
PUBLIC SAFETY			
Police department	1,646,316	1,658,451	(12,135)
Building inspector	100,717	98,005	2,712
Board of appeals	1,100	3,262	(2,162)
Dam	13,277	11,437	1,840
Emergency government	1,550	-	1,550
Total Public Safety	<u>1,762,960</u>	<u>1,771,155</u>	<u>(8,195)</u>
HEALTH AND SANITATION			
Animal pound	2,800	2,420	380
Garbage collection	8,621	9,456	(835)
Total Health and Sanitation	<u>11,421</u>	<u>11,876</u>	<u>(455)</u>
CULTURE, RECREATION AND EDUCATION			
Parks	106,801	101,989	4,812
Celebrations	5,359	5,511	(152)
Museum	16,200	13,909	2,291
Total Culture, Recreation and Education	<u>128,360</u>	<u>121,409</u>	<u>6,951</u>
CONSERVATION AND DEVELOPMENT			
Forestry	743	100	643
Weed control	1,493	534	959
Planning commission	27,500	40,927	(13,427)
Total Conservation and Development	<u>29,736</u>	<u>41,561</u>	<u>(11,825)</u>

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2004

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
CURRENT (continued)			
PUBLIC WORKS			
Street signs	\$ 21,412	\$ 21,012	\$ 400
Storm sewers	7,238	7,495	(257)
Streets and alleys	18,417	20,339	(1,922)
Ice and snow control	113,802	84,298	29,504
Tree and brush control	9,949	3,504	6,445
Street cleaning	12,071	13,416	(1,345)
Bridge and culverts	930	563	367
Curb and gutters	11,699	1,533	10,166
Street lighting	52,000	55,965	(3,965)
Machinery operation	83,579	80,509	3,070
D.P.W. garage	64,652	64,599	53
Engineering	26,000	70,466	(44,466)
Vacation	21,813	23,990	(2,177)
Holidays	18,005	14,154	3,851
Sick leave	13,476	3,907	9,569
Total Public Works	<u>475,043</u>	<u>465,750</u>	<u>9,293</u>
 TOTAL EXPENDITURES	 <u>3,108,003</u>	 <u>2,998,812</u>	 <u>109,191</u>
 Excess (deficiency) of revenues over expenditures	 <u>30,597</u>	 <u>283,139</u>	 <u>252,542</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	2,000	70,830	68,830
Transfers out	(32,597)	(146,633)	(114,036)
Proceeds on the sale of capital assets	<u>-</u>	<u>6,045</u>	<u>6,045</u>
Total Other Financing Sources (Uses)	<u>(30,597)</u>	<u>(69,758)</u>	<u>(39,161)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 213,381	 <u>\$ 213,381</u>
 FUND BALANCE - Beginning of Year		<u>1,139,929</u>	
 FUND BALANCE - END OF YEAR		 <u>\$ 1,353,310</u>	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LIBRARY FUND

For the Year Ended December 31, 2004

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 304,714	\$ 304,714	\$ -
Intergovernmental revenues	332,757	362,995	30,238
Public charges for services	28,350	30,491	2,141
Investment income	3,000	1,615	(1,385)
Other revenues	500	301	(199)
Total Revenues	<u>669,321</u>	<u>700,116</u>	<u>30,795</u>
EXPENDITURES			
Current			
Culture, recreation and education	688,618	661,508	27,110
Capital Outlay	<u>79,250</u>	<u>83,608</u>	<u>(4,358)</u>
Total Expenditures	<u>767,868</u>	<u>745,116</u>	<u>22,752</u>
Excess (deficiency) of revenues over expenditures	(98,547)	(45,000)	53,547
OTHER FINANCING SOURCES (USES)			
Proceeds on the sale of capital assets	<u>-</u>	<u>2,375</u>	<u>2,375</u>
Net Change in Fund Balance	<u>\$ (98,547)</u>	<u>(42,625)</u>	<u>\$ 55,922</u>
FUND BALANCE - Beginning of Year		<u>128,600</u>	
FUND BALANCE - END OF YEAR		<u>\$ 85,975</u>	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RECYCLING FUND

For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 403,522	\$ 403,522	\$ -
Intergovernmental revenues	28,000	28,803	803
Public charges for services	31,000	33,376	2,376
Investment income	<u>2,300</u>	<u>3,191</u>	<u>891</u>
Total Revenues	<u>464,822</u>	<u>468,892</u>	<u>4,070</u>
EXPENDITURES			
Current			
Health and sanitation	<u>449,015</u>	<u>417,297</u>	<u>31,718</u>
Net Change in Fund Balance	<u>\$ 15,807</u>	51,595	<u>\$ 35,788</u>
FUND BALANCE - Beginning of Year		<u>(4,400)</u>	
FUND BALANCE - END OF YEAR		<u>\$ 47,195</u>	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL REVOLVING LOAN FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income	\$ 2,000	\$ 1,475	\$ (525)
EXPENDITURES			
Current			
Conservation and development	-	163	(163)
Excess (deficiency) of revenues over expenditures	2,000	1,312	(362)
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,000)	(2,000)	-
Net Change in Fund Balance	\$ -	(688)	\$ (688)
FUND BALANCE - Beginning of Year		63,132	
FUND BALANCE - END OF YEAR		\$ 62,444	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK LAND SITE FUND
For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 738	\$ 738
Other revenues	-	45,000	45,000
Total Revenues	-	45,738	45,738
EXPENDITURES			
Current			
Conservation and development	-	8,681	(8,681)
Capital Outlay	17,400	-	17,400
Total Expenditures	17,400	8,681	8,719
Net Change in Fund Balance	\$ (17,400)	37,057	\$ 54,457
FUND BALANCE - Beginning of Year		890,581	
FUND BALANCE - END OF YEAR		\$ 927,638	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUSEUM DONATION FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income	\$ 10	\$ 100	\$ 90
Other revenues	-	15,027	15,027
Total Revenues	10	15,127	15,117
EXPENDITURES			
Capital Outlay	13,132	48,452	(35,320)
Net Change in Fund Balance	<u>\$ (13,122)</u>	(33,325)	<u>\$ (20,203)</u>
FUND BALANCE - Beginning of Year		<u>38,740</u>	
FUND BALANCE - END OF YEAR		<u>\$ 5,415</u>	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FIRE AND AMBULANCE FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 113,656	\$ 113,656	\$ -
Public charges for services	122,500	200,404	77,904
Intergovernmental charges for services	232,857	258,261	25,404
Investment income	700	1,328	628
Other revenues	14,100	17,517	3,417
Total Revenues	483,813	591,166	107,353
EXPENDITURES			
Current			
Public safety	483,813	583,051	(99,238)
Excess (deficiency) of revenues over expenditures	-	8,115	8,115
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(68,830)	(68,830)
Net Change in Fund Balance	\$ -	(60,715)	\$ (60,715)
FUND BALANCE - Beginning of Year		60,715	
FUND BALANCE - END OF YEAR		\$ -	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,223,606	\$ 1,223,606	\$ -
Investment income	3,900	9,776	5,876
Total Revenues	<u>1,227,506</u>	<u>1,233,382</u>	<u>5,876</u>
EXPENDITURES			
Debt Service			
Principal	748,472	748,472	-
Interest	532,882	728,693	(195,811)
Fees	10,000	91,545	(81,545)
Total Expenditures	<u>1,291,354</u>	<u>1,568,710</u>	<u>(277,356)</u>
Excess (deficiency) of revenues over expenditures	<u>(63,848)</u>	<u>(335,328)</u>	<u>(271,480)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	63,848	88,400	24,552
Proceeds from long-term debt	-	3,146,900	3,146,900
Premium on refunding bonds	-	42,045	42,045
Payment to escrow agent	-	(3,100,043)	(3,100,043)
Total Other Financing Sources (Uses)	<u>63,848</u>	<u>177,302</u>	<u>113,454</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(158,026)</u>	<u>\$ (158,026)</u>
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(433,329)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (591,355)</u>	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 80,486	\$ 80,486	\$ -
Intergovernmental revenue	-	6,450	6,450
Intergovernmental charges for services	19,011	11,460	(7,551)
Investment income	300	182	(118)
Total Revenues	99,797	98,578	(1,219)
EXPENDITURES			
Capital outlay	55,797	70,269	(14,472)
Debt service			
Principal	-	5,897	(5,897)
Total Expenditures	55,797	76,166	(20,369)
Excess (deficiency) of revenues over expenditures	44,000	22,412	(21,588)
OTHER FINANCING SOURCES (USES)			
Transfers out	(44,000)	(44,000)	-
Capital leases incurred	-	21,733	21,733
Total Other Financing Sources (Uses)	(44,000)	(22,267)	21,733
Net Change in Fund Balance	\$ -	145	\$ 145
FUND BALANCE (DEFICIT) - Beginning of Year		(28,670)	
FUND BALANCE (DEFICIT) - END OF YEAR		\$ (28,525)	

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT
For the Year Ended December 31, 2004

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 85,153	\$ 85,153
Investment income	-	438	438
Total Revenues	-	85,591	85,591
OTHER FINANCING SOURCES (USES)			
Transfers in	32,597	32,597	-
Transfers out	(117,750)	-	117,750
Total Other Financing Sources (Uses)	(85,153)	32,597	117,750
Net Change in Fund Balance	\$ (85,153)	118,188	\$ 203,341
FUND BALANCE (DEFICIT) - Beginning of Year		(145,909)	
FUND BALANCE (DEFICIT) - END OF YEAR		\$ (27,721)	

VILLAGE OF MUKWONAGO

SCHEDULE OF INSURANCE IN FORCE
ENTERPRISE FUNDS
December 31, 2004

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 Sanitary Sewer Utility and Water Utility are Enterprise Funds.

VILLAGE OF MUKWONAGO

STATISTICAL INFORMATION ENTERPRISE FUNDS

For the Year Ended December 31, 2004

	<u>Number of Connections</u>
Water and Sewer Utility connections at December 31, 2004	
Type of customer	
Residential	1,878
Commercial	259
Public authority	46
Industrial	<u>22</u>
	<u>2,205</u>
	<u>Thousand gallons (000 omitted)</u>
Water usage in 2004 as basis for water and sewer service charges	
Type of Customer	
Residential	111,911
Commercial	61,033
Public authority	20,296
Industrial	<u>8,747</u>
	<u>201,987</u>