

**CITY OF WEST ALLIS, WISCONSIN
WEST ALLIS, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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City of West Allis, Wisconsin

DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

City Council
City of West Allis, Wisconsin
West Allis, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Allis, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, Miscellaneous Grants Fund, and Police Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) which represents one hundred percent of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2022. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, in so far as it relates to the amounts included for FIRE, is based solely upon the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of FIRE, a discretely presented component unit of the City, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of Matter – Implementation of New Standard

As discussed in Note 1 to the financial statements, effective January 1, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The guidance requires lessors to recognize a lease receivable and a corresponding deferred inflow of resources and lessee to recognize an intangible right-to-use asset and corresponding lease liability for all leases with noncancellable lease terms greater than twelve months. The implementation had no impact on the City's previously reported fund balance or net position. Our opinions is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

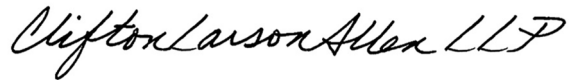
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 25, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

As management of the City of West Allis, Wisconsin (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial statements of the City for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$229,051,080 (*net position*). This is an increase of \$24,301,173, mainly due to a net increase in deferred outflows for pension and an increase in capital assets.
- The City's net position for the governmental activities increased by \$14,727,544, per pages 19 - 20 of the financial statements. The primary reason for the change in net position is related to pension activities and capital assets. The OPEB obligation related to the City's single employer defined benefit plan has increased from 2021 to 2022 and is calculated in accordance with GASB Statement #75.
- As of the close of the year, the City's governmental funds reported combined 2022 ending fund balances of \$77,532,309 as compared to \$79,603,067 at the end of 2021. The decrease of \$2,070,758 is unfavorable, but minor. It is primarily due to the timing of a debt refinancing in which proceeds of long term debt were recognized as an other financing source in December 2021, but the debt service expenditures to retire the debt were incurred in January 2022. Of the total fund balance, approximately 98.36%, or \$76,263,357, is classified as spendable fund balance (restricted, committed, assigned and unassigned).
- At the end of 2022, the unassigned fund balance for the general fund was \$27,067,518 or approximately 44.18% of total general fund expenditures compared to \$26,204,041 or approximately 45.18% at the end of 2021. Other than Taxes and Fines and Forfeits, General Fund Revenues exceeded budget expectations in 2022, which covered for under-budget results in other categories, and resulted in a total favorable variance of \$1,498,464. All expense categories were under budget in 2022, resulting in a total net favorable variance of \$4,067,075. Transfers in were under-budget by \$100,389 and Transfers out were over-budget by \$5,182,544. The net impact of these results were the main drivers in the modest overall net change in fund balance of \$282,606 for the General Fund, more favorable than final budgeted expectations.

This discussion and analysis is designed to be an introduction to the basic financial statements of the City. These statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements. This report also contains other supplementary and required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide statements are made up of the statement of net position and the statement of activities.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two being reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This means, some revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from those functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities (those supported by taxes and intergovernmental revenues) of the City include general government; public safety; public works; health and human services; culture and recreation, and conservation and development. The business-type activities (those supported by user fees) are the Water Utility, Sanitary Sewer Utility, Storm Water Utility, Solid Waste Utility, Parking Utility and the Senior Citizen's Housing.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit known as the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE). Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-20 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements; however, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison may help readers better understand the long-term impact of a government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

The City maintained approximately 46 individual governmental funds during 2022. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, miscellaneous grants fund, police grants fund, and the debt service fund, which are considered major funds. Data from the other approximately 42 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the combining statements found elsewhere in this report.

The City adopts annual appropriation budgets for the general, certain special revenue, debt service, and certain capital projects funds. Budgetary comparison statements have been provided to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found starting on page 21 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the functions of the Water Utility, Sanitary Sewer Utility, Storm Water Utility, Solid Waste Fund, Parking Utility, and the Beloit Road Housing Management Fund are presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for its self-funded programs for health insurance and general liability insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-78 of this report.

Required supplementary information (RSI). RSI includes the schedule of proportionate share of the net pension liability (asset) and schedules of contributions for the pension plan and the schedule of changes in OPEB liability and related ratios, schedule of proportionate share of the net OPEB liability, and schedule of contributions related to the City's other postemployment benefit plans. These schedules can be found starting on page 79 of this report.

Supplementary information. The combining statements referred to in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 86 of this report.

Government-wide Financial Analysis As discussed earlier, net position may serve as a useful indicator of a government's financial position over time. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$229,051,080 at the close of 2022. This compares to \$204,749,907 at the close of 2021. Although the City's net position is positive, a major portion is due to the investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure), less any related outstanding indebtedness used to acquire those assets. The City uses these capital assets to

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

DECEMBER 31, 2022

provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt and deferred outflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 236,116	\$ 207,745	\$ 32,690	\$ 32,688	\$ 268,806	\$ 240,433
Capital assets	201,234	189,205	122,252	119,112	323,486	308,317
Total assets	437,350	396,950	154,942	151,800	592,292	548,750
Deferred outflows						
Loss on debt refunding	856	990	-	-	856	990
Pension	53,900	35,545	2,474	1,689	56,374	37,234
OPEB	28,329	28,167	939	927	29,268	29,094
Total deferred outflows	83,085	64,702	3,413	2,616	86,498	67,318
Long-term liabilities						
Outstanding	212,084	198,889	28,666	37,182	240,750	236,071
Other liabilities	34,898	22,124	4,496	3,730	39,394	25,854
Total liabilities	246,982	221,013	33,162	40,912	280,144	261,925
Deferred inflows						
Property taxes	52,175	57,954	-	43	52,175	57,997
Payment in lieu of taxes	1,413	-	-	-	1,413	-
Leases	16,383	-	1,750	-	18,133	-
Pension	65,201	46,894	2,982	2,258	68,183	49,152
OPEB	28,749	40,987	942	1,258	29,691	42,245
Total deferred inflows	163,921	145,835	5,674	3,559	169,595	149,394
Net position						
Net investment in capital assets	144,308	135,553	98,239	86,259	242,547	221,812
Restricted	6,316	10,901	-	-	6,316	10,901
Restricted for pension assets	27,676	21,398	1,266	1,030	28,942	22,428
Unrestricted	(68,768)	(73,048)	20,014	22,656	(48,754)	(50,392)
Total net position	\$ 109,532	\$ 94,804	\$ 119,519	\$ 109,945	\$ 229,051	\$ 204,749

A portion of the City's overall net position represents resources that are subject to external restrictions on how they may be used. Due in part to the implementation of GASB Statement No. 75, which required the City to record the net OPEB liability as determined by an actuarial study, there is a deficit in the unrestricted net position, of \$48,807,593.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for service	\$ 9,405,518	\$11,267,107	\$ 27,325,200	\$ 25,615,656	\$ 36,730,718	\$ 36,882,763
Operating grants and contributions	17,938,614	16,255,315	936,276	546,662	18,874,890	16,801,977
Capital grants and contributions	11,444,054	6,867,329	1,746,554	1,505,106	13,190,608	8,372,435
General revenues						
Property taxes	51,343,422	50,136,536	43,000	43,000	51,386,422	50,179,536
Other taxes	2,060,773	2,182,949	-	-	2,060,773	2,182,949
Grants and contributions not restricted to specific programs	10,531,511	10,531,065	-	-	10,531,511	10,531,065
Other	2,168,421	3,209,858	1,114,463	702,009	3,282,884	3,911,867
Total revenues	104,892,313	100,450,159	31,165,493	28,412,433	136,057,806	128,862,592
Expenses						
General government	11,981,102	14,057,437	-	-	11,981,102	14,057,437
Public safety	36,843,555	30,277,873	-	-	36,843,555	30,277,873
Public works	18,925,478	19,284,564	-	-	18,925,478	19,284,564
Health and human services	13,372,695	12,355,950	-	-	13,372,695	12,355,950
Culture and recreation	2,255,127	2,435,552	-	-	2,255,127	2,435,552
Conservation and development	7,102,193	8,338,055	-	-	7,102,193	8,338,055
Interest and fiscal charges	1,108,726	1,424,455	-	-	1,108,726	1,424,455
Water utility	-	-	6,956,705	6,929,648	6,956,705	6,929,648
Sanitary sewer utility	-	-	7,582,438	7,357,379	7,582,438	7,357,379
Storm water utility	-	-	3,151,472	2,232,846	3,151,472	2,232,846
Solid waste utility	-	-	2,435,463	1,772,925	2,435,463	1,772,925
Parking utility	-	-	41,154	53,872	41,154	53,872
Senior citizen housing	-	-	525	(5,908)	525	(5,908)
Total expenses	91,588,876	88,173,886	20,167,757	18,340,762	111,756,633	106,514,648
Increase (decrease) in net position before transfers	13,303,437	12,276,273	10,997,736	10,071,671	24,301,173	22,347,944
Transfers	1,424,107	1,511,418	(1,424,107)	(1,511,418)	-	-
Change in net position	14,727,544	13,787,691	9,573,629	8,560,253	24,301,173	22,347,944
Net position - January 1	94,804,344	81,016,653	109,945,563	101,385,310	204,749,907	182,401,963
Net position - December 31	\$ 109,531,888	\$94,804,344	\$ 119,519,192	\$ 109,945,563	\$ 229,051,080	\$ 204,749,907

Governmental activities: Governmental activities increased the City's net position by \$14,727,544 during 2022 compared to an increase of \$13,787,691 in 2021. Key elements of this net increase are as follows:

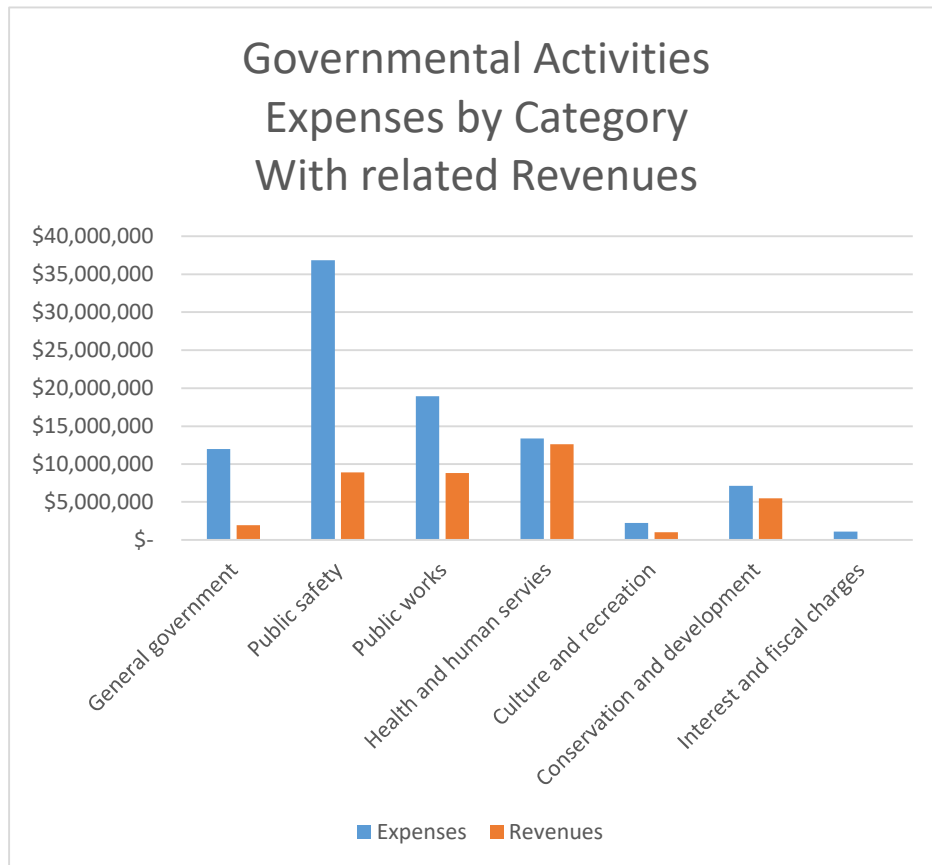
- Governmental activities program revenues increased by \$4,398,435, due to increases in operating grants and contributions of \$1,683,299 and increases in capital grants and contributions of \$4,576,725; offset by a decrease in charges for services of \$1,861,589.
- Governmental activities general revenues increased by a total of \$43,719 most notably due to increases in tax revenues of \$1,084,710; offset by decreases in other revenues of \$1,040,991.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

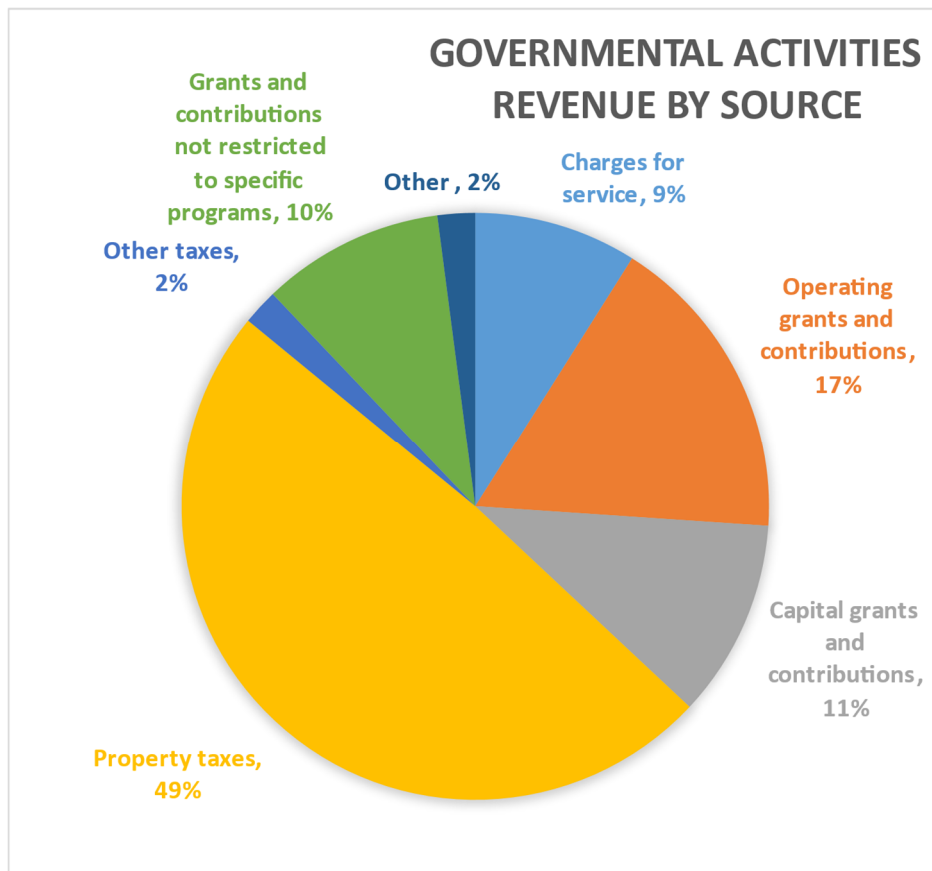
DECEMBER 31, 2022

- Governmental activities expenses increased by \$3,414,990, due to increases of \$6,565,682 in public safety activities and \$1,016,745 in health and human services activities, offset by decreases of \$2,076,335 in general government activities, \$1,235,862 in conservation and development activities, \$315,729 in interest and fiscal charges, \$359,086 in public works activities and \$180,425 in culture and recreation activities.
- The internal services funds net position increased by \$873,055 in 2022.



City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
DECEMBER 31, 2022



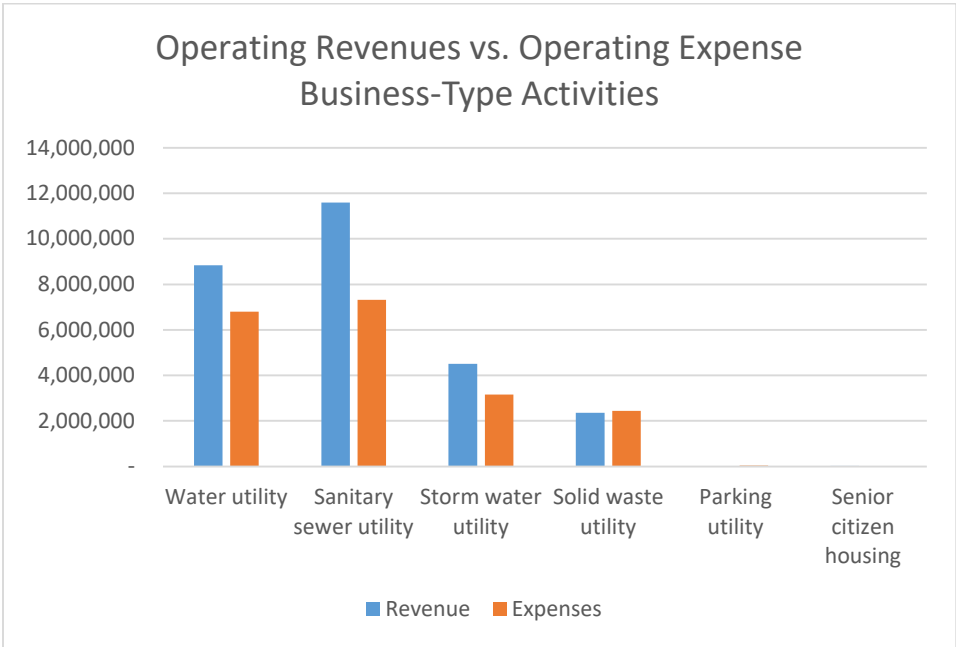
Business-type activities. Business-type activities reported a change in net position of \$9,573,629. Key elements of this net increase in are as follows:

- The Water Utility's net position increase by \$2,957,151 in 2022 as compared to an increase of \$2,423,622 in 2021. The utility realized a 5.84% rate of return in 2022 as compared to 5.03% in 2021 based on the Public Service Commission of Wisconsin (PSC) calculation.
- The Sanitary Sewer Utility's net position increase by \$4,621,599 in 2022 as compared to an increase of \$3,741,120 in 2021. The rate was held stable at \$1.95 per ccf (750 gallons) during 2022. The rate is designed to allow for sufficient cash flow for bond principal and interest payment needs and to fund additional maintenance needs of the city's aging sewer system on a cash basis. Over the past several years the cost of required repairs has risen significantly because of new DNR regulations related to clear water inflow into the sanitary system. Rates are reviewed annually during the budget process.

City of West Allis, Wisconsin

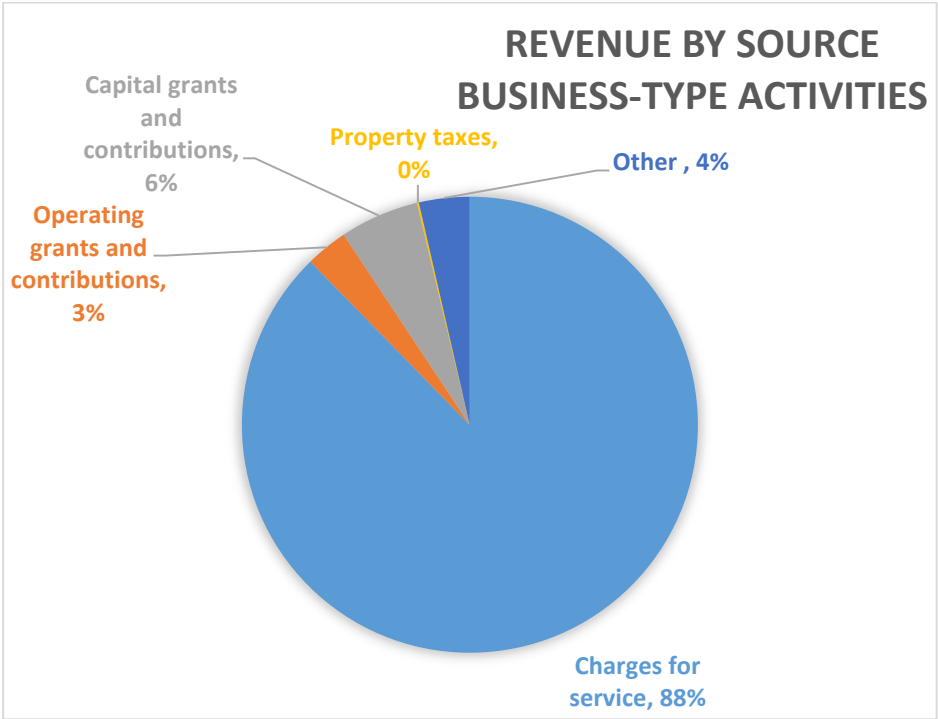
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

- The Storm Water Utility’s net position increased by \$1,735,069 in 2022 compared to an increase of \$1,958,656 in 2021. The rate was held stable in 2022. The Storm Water Utility spending on infrastructure continues to increase due to efforts to address the flooding and clear water inflow into the system. The rate is designed to fund annual infrastructure replacements on a cash basis due to the ongoing nature of this replacement cycle.
- The Solid Waste Utility was established in 2006 to provide a revenue source to fund the costs of the state mandated city-recycling program. The Utility’s net position increased by \$171,758 in 2022 as compared to the increase of \$378,069 in 2021. Rates were increased in 2022 due to an expected increase in tipping fees.
- The Parking Utility’s net position increased by \$40,327 in 2022 as compared to an increase of \$20,682 in 2021. The Utility continues to face the challenge of maintaining the parking lots despite the drop off of dedicated parking permit revenues in the downtown area.
- The Beloit Road Housing Management Fund’s net position increased by \$47,725 in 2022 as compared to an increase of \$38,104 in 2021. The housing development was sold to an LLC investor group in December 2011. The LLC has made significant upgrades to the housing complex with funding from the federal Low Income Housing Tax Credit program and city loans, including improved, ADA-compliant units and an activity center. The City is a minority partner in the LLC and contracts with the LLC to provide maintenance and management services.



City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
DECEMBER 31, 2022



Financial Analysis of the Government's Funds

As indicated earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus on the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. Spendable fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2022 the City's governmental funds reported combined ending fund balances of \$77,532,309; a modest decrease of \$2,070,758 or approximately 2.6% compared to the balance at the end of 2021. Of the total fund balance, the Non-Spendable portion is \$1,268,952, while the total Spendable Fund Balance is \$76,263,357. The Spendable portion of the total fund balance includes \$15,073,092 of restricted funds, which are restricted as to their use by granting agencies or for debt service purposes. The remaining \$61,190,265 of Spendable Fund Balance consists of various amounts either committed or assigned for specific purpose by the action of the Common Council or unassigned amounts. Details of these commitments and assignments as they relate to the General Fund may be found on pages 72-75, Note 3.J.

City of West Allis, Wisconsin

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

General Fund: The general fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$27,067,518 while total fund balance was \$45,189,199. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to expenditures and net transfers. Unassigned fund balance represents 41.66% of total general fund expenditures and transfers, while total fund balance represents 69.56% of total general fund expenditures and net transfers. The fund balance increased by \$282,606 due to the under spending of substantially all main expenditure categories in the General Fund largely due to staffing vacancies during 2022. Excess revenues over expenditures of \$3,983,192 were reduced by transfers out to fund capital improvements to result in the net fund balance increase of \$282,606

Miscellaneous Grants Fund: The Miscellaneous Grants Fund is a special revenue fund used to account for the expenditure of certain federal or state grant funds. In 2022, expenditures totaled \$4.87 million, the largest portion of which was \$4,327,749 of capital outlay expenditures of American Rescue Plan Act (ARPA) funds on water and sewer infrastructure. Revenues were recognized to offset expenses incurred resulting in an immaterial fund balance of (\$1,921) at year end. At year end, the fund holds \$22.3 million of cash and an additional \$421,371 of grant funds due from other governments. These amounts are offset by unearned revenue of \$22.6 million, which represents grant funds received but not yet spent and \$100,696 of payables. Such funds are expected to be spent in subsequent years in accordance with the federal restrictions on the grant funding.

Police Grants Fund: The Police Grants Fund is a special revenue fund used to account for expenditure of federal and state police related grant funds. In 2022, expenditures totaled \$17.5 million, of which the most significant expenses related to the execution of a lease for the right to use space in the amount of \$14.5 million.

Debt Service Funds: At the end of the current fiscal year, the fund balance in the debt service fund was \$307,134. This was mostly due to a premium received on the sale of bonds and is expected to be applied to future debt service expenses.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficits) for these funds can be seen in the table below.

	<u>2022</u>	<u>2021</u>
Unrestricted position:		
Water utility	\$ (2,626,034)	\$ (930,346)
Sanitary sewer utility	3,709,385	5,317,051
Storm water utility	6,665,593	6,287,029
Solid waste utility	4,720,567	4,534,258
Parking utility	211,217	172,041
Senior citizen housing	7,333,384	7,276,060
Total unrestricted net position	<u>\$ 20,014,112</u>	<u>\$ 22,656,093</u>

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

General Fund Budgetary Highlights

For 2022, there was no overall change between the original budget and the final amended budget, but minor amendments between expenditure categories of general government, public safety, public works, health and human services, and culture and recreation.

Revenues were more than budgetary estimates – explanation:

During 2022, revenues were higher than budget by \$1,498,464. The largest increase was in Miscellaneous Revenues due to interest on investments exceeding budgeted expectations. Intergovernmental, Licenses and Permits, and Public Charges for Services were higher than budget by \$130,785; \$319,988; and \$443,480 respectively. These amounts were offset by lower-than-budgeted fines and forfeits and taxes of \$28,898 and \$387,818 respectively.

Expenditures were less than budgetary estimates – explanation:

Actual operating expenditures were less than the final budget by \$4,067,075. Substantially all operating expenditures in the General Fund came in under budget due to the impact staffing vacancies in 2022.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business type activities as of December 31, 2022, net of accumulated depreciation\amortization amounts to \$323,486,272. Total investment in capital assets prior to accumulated depreciation\amortization was \$705,811,909. This investment in capital assets includes land, buildings, right-to-use (leased) assets, machinery and equipment, vehicles, and infrastructure including roads, sewers, bridges, parking lot improvements, and lighting. The increase in capital assets, net of accumulated depreciation\amortization for the current fiscal year was \$15,169,309, from the prior year (a 6.4% increase for governmental activities and a 2.6% increase for business-type activities).

Major capital asset events during the year included the following:

Governmental Activities:

- Infrastructure improvements added \$5,479,210 to capital assets.
- Building improvements added \$8,512,752 to capital assets, net of disposals.
- Machinery and equipment added \$4,983,982 to capital assets, net of disposals.
- Right-to-use assets added \$14,480,035 to capital assets with the implementation of GASB statement 87.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) DECEMBER 31, 2022

Business Type Activities:

- The Water Utility increased capital assets by \$987,124 for water distribution mains, services, hydrants, and meters.
- The Sanitary Sewer increased capital assets by \$1,816,586.
- The Storm Water Utility increased assets by \$397,356.

City of West Allis Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 13,051,777	\$ 13,051,777	\$ 963,716	\$ 963,716	\$ 14,015,493	\$ 14,015,493
Construction in progress	3,706,171	5,810,142	124,234	438	3,830,405	5,810,580
Buildings and improvements	205,290,062	196,777,310	521,513	502,189	205,811,575	197,279,499
Land improvements	1,044,044	1,015,810	-	-	1,044,044	1,015,810
Machinery and equipment	105,796,146	100,812,164	6,017,602	6,095,587	111,813,748	106,907,751
Right-to-use asset	14,480,035	-	-	-	14,480,035	-
Infrastructure	193,849,403	188,370,193	160,967,206	155,817,553	354,816,609	344,187,746
Total capital assets	537,217,638	505,837,396	168,594,271	163,379,483	705,811,909	669,216,879
Less: Accumulated depreciation	(335,983,570)	(316,632,120)	(46,342,067)	(44,267,796)	(382,325,637)	(360,899,916)
Net capital assets	\$ 201,234,068	\$ 189,205,276	\$ 122,252,204	\$ 119,111,687	\$ 323,486,272	\$ 308,316,963

Additional information on the City's capital assets can be found in the footnote 3. B. on pages 51-52.

Long-term debt. At the end of fiscal year 2022, the City had total bonded debt outstanding of \$65,424,074 backed by the city's general obligation unlimited tax pledge. Moody's rating on the general obligation debt is Aa2.

The City's total net general-obligation debt outstanding decreased by \$19,285,070 or 22.77% during the current year, largely due to the timing of a refinancing in which refunding notes were issued in late December 2021 but retirement of the prior obligations occurred in January 2022. The city issued \$4,270,000 while paying down \$23,555,070. New debt issued in 2022 was for \$2,670,000 for street improvements and \$1,600,000 for street lighting improvements.

State Statutes limit the amount of general obligation debt a City may issue to 5% of its total equalized value. The City's current debt level is 23.60% of its limitation of \$275,920,565 compared to 34.82% in 2021.

City of West Allis Outstanding Debt General Obligation Notes and Bonds

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation notes	\$ 8,743,388	\$ 10,230,367	\$ 5,375,000	\$ 5,375,000	\$ 14,118,388	\$ 15,605,367
General obligation bonds	33,510,012	42,515,012	17,795,674	26,588,765	51,305,686	69,103,777
Total outstanding debt	\$ 42,253,400	\$ 52,745,379	\$ 23,170,674	\$ 31,963,765	\$ 65,424,074	\$ 84,709,144

Additional information on the City's long-term debt can be found in footnote 3. D. on pages 55-58 of this report.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

DECEMBER 31, 2022

Economic Factors and Next Year's Budgets and Rates

- After several years of decreasing property values, the City has experienced steady growth and rising property values since 2018. Contributing factors include strong housing demand, in line with nationwide housing trends, as well as TIF District redevelopment efforts which have provided new construction growth.
- The general fund finished the year with an unassigned balance of \$27,067,518, an increase of \$863,477 from the previous year, and total fund balance of \$45,189,199 reflects a modest increase of \$282,606 from the previous year.
- The second half of 2022 saw significant increases in interest rates which drove an increase in investment earnings for the year. With the City's stable reserves, even though interest rates will likely continue to vary, the increase from several years of historically low interest rates, provides a welcome revenue increase in investment earnings for the annual budget.
- The City continues to be affected by legislation at the state level. In 2011, a significant change to the collective bargaining rights of unions provided the City with greater flexibility to address some budget pressures. However, since public safety unions remain outside of the legislation and they are the largest component of the City's budget, state-imposed levy limits and expenditure restraint limits result in significant budget pressures annually.
- In July 2021, the State of Wisconsin adopted its biennial budget for 2022 -2023. That budget held to the strict levy limits that have been in place since 2011, which allow a levy increase by the percentage of equalized value net new construction. It retained funding for Shared Revenues and Transportation Aid. The State's biennial budget for 2024-2025 is anticipated to provide an increase in state aids to local municipalities like West Allis. The City continues to monitor the state budget process and analyze its impact.
- On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), a nearly \$1.9 trillion COVID-19 relief package. This is the first time in American history that the US Treasury is funding all municipalities directly. The federal formula provided almost \$31 million to the City of West Allis via payments received in 2021 and 2022 but comes with restrictions as to how the funds can be spent. The City's initial plans focused on spending the funds on water and sewer infrastructure upgrades and \$9.1 million has been spent through the end of 2022. Additional planning continues. Federal rules require remaining funds to be obligated by the end of 2024 and expenditures to be completed by the end of 2026.

All of these factors were considered in preparing the City's budget for the fiscal year and are being monitored closely when considering future year budgets as well.

City of West Allis, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

DECEMBER 31, 2022

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of West Allis for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of West Allis – Attn: Finance Department, 7525 West Greenfield Ave, West Allis, WI 53214, or (414) 302-8260. You can also request copies or additional information using the “Contact Us” link on the Finance Department page of the City’s website at www.westalliswi.gov.

BASIC FINANCIAL STATEMENTS

City of West Allis, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit FIRE
ASSETS				
Cash and investments	\$ 142,981,271	\$ 14,436,799	\$ 157,418,070	\$ 13,004,364
Receivables:				
Taxes and special charges	25,960,508	-	25,960,508	-
Delinquent taxes	654,994	-	654,994	-
Accounts	2,311,761	8,687,246	10,999,007	84,795
Special assessments	2,571,622	-	2,571,622	-
Loans, net	11,939,419	6,076,206	18,015,625	10,161,466
Leases	16,564,500	1,770,561	18,335,061	-
Other	95,565	114,536	210,101	83,031
Internal balances	237,994	(237,994)	-	-
Due from other governments	1,652,750	432,923	2,085,673	-
Inventories and prepaid items	225,303	143,518	368,821	-
Mutual Insurance Deposit	3,244,299	-	3,244,299	-
Other assets	-	-	-	97,778
Restricted assets:				
Net pension asset	27,675,910	1,265,962	28,941,872	-
Capital assets, nondepreciable/nonamortizable	16,757,948	1,087,950	17,845,898	-
Capital assets, depreciable/amortizable, net	184,476,120	121,164,254	305,640,374	-
Total assets	437,349,964	154,941,961	592,291,925	23,431,434
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	855,981	-	855,981	-
Pension related amounts	53,900,463	2,473,935	56,374,398	-
Other postemployment related amounts	28,328,748	939,081	29,267,829	-
Total deferred outflows of resources	83,085,192	3,413,016	86,498,208	-
LIABILITIES				
Accounts payable	4,338,622	1,091,127	5,429,749	33,150
Accrued and other current liabilities	4,795,151	95,253	4,890,404	71,218
Due to other governments	-	1,799,204	1,799,204	-
Accrued interest payable	248,493	144,066	392,559	-
Special deposits	2,134,903	89,542	2,224,445	-
Unearned revenues	23,381,588	1,276,108	24,657,696	3,454
Long-term obligations:				
Due within one year	7,257,880	3,086,337	10,344,217	-
Other postemployment benefits	3,385,000	110,000	3,495,000	-
Due in more than one year	60,661,328	20,926,749	81,588,077	-
Other postemployment benefits	140,779,596	4,542,736	145,322,332	-
Total liabilities	246,982,561	33,161,122	280,143,683	107,822
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	52,175,037	-	52,175,037	-
Payment in lieu of taxes	1,413,461	-	1,413,461	-
Leases receivable	16,382,705	1,750,225	18,132,930	-
Pension related amounts	65,200,622	2,982,432	68,183,054	-
Other postemployment related amounts	28,748,882	942,006	29,690,888	-
Total deferred inflows of resources	163,920,707	5,674,663	169,595,370	-
NET POSITION				
Net investment in capital assets	144,308,214	98,239,118	242,547,332	-
Restricted:				
Tax incremental districts	1,459,427	-	1,459,427	-
Grant and loan programs	3,444,374	-	3,444,374	-
Library	1,353,328	-	1,353,328	-
Debt service	58,641	-	58,641	-
Pension Activity	27,675,910	1,265,962	28,941,872	-
Unrestricted	(68,768,006)	20,014,112	(48,753,894)	23,323,612
Total net position	\$ 109,531,888	\$ 119,519,192	\$ 229,051,080	\$ 23,323,612

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 11,981,102	\$ 1,906,035	\$ 61,126	\$ -
Public safety	36,843,555	5,295,357	3,582,365	-
Public works	18,925,478	715,402	6,966,231	1,119,629
Health and human services	13,372,695	721,230	1,618,859	10,295,059
Culture and recreation	2,255,127	654,954	385,304	-
Conservation and development	7,102,193	112,540	5,324,729	29,366
Interest and fiscal charges	1,108,726	-	-	-
Total governmental activities	<u>91,588,876</u>	<u>9,405,518</u>	<u>17,938,614</u>	<u>11,444,054</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	6,956,705	8,837,426	-	1,740,043
Sanitary sewer utility	7,582,438	11,587,086	682,676	-
Storm water utility	3,151,472	4,507,949	-	6,511
Solid waste utility	2,435,463	2,361,601	253,600	-
Parking utility	41,154	12,059	-	-
Senior citizen housing	525	19,079	-	-
Total business-type activities	<u>20,167,757</u>	<u>27,325,200</u>	<u>936,276</u>	<u>1,746,554</u>
Total primary government	<u>\$ 111,756,633</u>	<u>\$ 36,730,718</u>	<u>\$ 18,874,890</u>	<u>\$ 13,190,608</u>
COMPONENT UNIT				
FIRE	<u>\$ 777,786</u>	<u>\$ 3,613,137</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes				
Tax increments				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Lease revenue				
Interest and investment earnings				
Miscellaneous				
Gain (loss) on sale of asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1				
Net position - December 31				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	FIRE
\$ (10,013,941)	\$ -	\$ (10,013,941)	\$ -
(27,965,833)	-	(27,965,833)	-
(10,124,216)	-	(10,124,216)	-
(737,547)	-	(737,547)	-
(1,214,869)	-	(1,214,869)	-
(1,635,558)	-	(1,635,558)	-
(1,108,726)	-	(1,108,726)	-
<u>(52,800,690)</u>	<u>-</u>	<u>(52,800,690)</u>	<u>-</u>
-	3,620,764	3,620,764	-
-	4,687,324	4,687,324	-
-	1,362,988	1,362,988	-
-	179,738	179,738	-
-	(29,095)	(29,095)	-
-	18,554	18,554	-
<u>-</u>	<u>9,840,273</u>	<u>9,840,273</u>	<u>-</u>
<u>(52,800,690)</u>	<u>9,840,273</u>	<u>(42,960,417)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,835,351</u>
44,798,242	43,000	44,841,242	-
6,545,180	-	6,545,180	-
2,060,773	-	2,060,773	-
10,531,511	-	10,531,511	-
-	91,766	91,766	-
1,037,726	167,008	1,204,734	352,799
1,101,798	852,685	1,954,483	-
28,897	3,004	31,901	-
1,424,107	(1,424,107)	-	-
<u>67,528,234</u>	<u>(266,644)</u>	<u>67,261,590</u>	<u>352,799</u>
<u>14,727,544</u>	<u>9,573,629</u>	<u>24,301,173</u>	<u>3,188,150</u>
<u>94,804,344</u>	<u>109,945,563</u>	<u>204,749,907</u>	<u>20,135,462</u>
<u>\$ 109,531,888</u>	<u>\$ 119,519,192</u>	<u>\$ 229,051,080</u>	<u>\$ 23,323,612</u>

City of West Allis, Wisconsin

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General	Miscellaneous Grants	Police Grants	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 70,679,219	\$ 22,315,419	\$ 500,418	\$ 2,570,554	\$ 37,305,250	\$ 133,370,860
Receivables						
Taxes and special charges	20,298,175	-	-	2,188,411	3,473,922	25,960,508
Delinquent taxes	654,994	-	-	-	-	654,994
Accounts	1,887,430	-	-	-	230,243	2,117,673
Special assessments	-	-	-	-	2,571,622	2,571,622
Loans, net	1,000,000	-	-	-	10,939,419	11,939,419
Leases receivable	16,564,500	-	-	-	-	16,564,500
Other	87,790	-	-	-	7,775	95,565
Due from other funds	517,116	-	-	-	-	517,116
Advance to other funds	1,061,038	-	-	-	-	1,061,038
Due from other governments	-	421,371	539,616	-	691,763	1,652,750
Prepaid items	207,914	-	17,389	-	-	225,303
Total assets	<u>\$ 112,958,176</u>	<u>\$ 22,736,790</u>	<u>\$ 1,057,423</u>	<u>\$ 4,758,965</u>	<u>\$ 55,219,994</u>	<u>\$ 196,731,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,151,292	\$ 75,526	\$ 109,995	\$ -	\$ 1,700,394	\$ 3,037,207
Accrued and other current liabilities	4,736,590	-	391	-	58,087	4,795,068
Due to other funds	-	25,170	-	-	253,952	279,122
Advance from other funds	-	-	-	-	1,061,038	1,061,038
Special deposits	1,527,745	-	-	-	574,790	2,102,535
Unearned revenues	-	22,638,015	17,389	-	509,222	23,164,626
Total liabilities	7,415,627	22,738,711	127,775	-	4,157,483	34,439,596
Deferred inflows of resources						
Property taxes levied for subsequent year	40,702,574	-	-	4,451,831	7,020,632	52,175,037
Delinquent property taxes	654,995	-	-	-	-	654,995
Accounts receivable	199,615	-	-	-	243,408	443,023
Loans receivable	1,000,000	-	-	-	10,118,600	11,118,600
Leases receivable	16,382,705	-	-	-	-	16,382,705
Special assessments	-	-	-	-	2,571,622	2,571,622
Payment in lieu of taxes	1,413,461	-	-	-	-	1,413,461
Total deferred inflows of resources	60,353,350	-	-	4,451,831	19,954,262	84,759,443
Fund balances						
Nonspendable	1,268,952	-	-	-	-	1,268,952
Restricted	-	-	929,648	307,134	13,836,310	15,073,092
Committed	-	-	-	-	3,726,332	3,726,332
Assigned	16,852,729	-	-	-	15,833,910	32,686,639
Unassigned	27,067,518	(1,921)	-	-	(2,288,303)	24,777,294
Total fund balances	45,189,199	(1,921)	929,648	307,134	31,108,249	77,532,309
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 112,958,176</u>	<u>\$ 22,736,790</u>	<u>\$ 1,057,423</u>	<u>\$ 4,758,965</u>	<u>\$ 55,219,994</u>	<u>\$ 196,731,348</u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balances as shown on previous page	\$ 77,532,309
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds	201,234,068
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds	14,788,240
Net position of internal service fund is reported in the Statement of Net Position as governmental activities	11,497,970
Long-term assets are not considered available; therefore, are not reported in the funds	
Net pension asset	27,675,910
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds	
Loss on advance refunding	855,981
Deferred outflows related to pensions	53,900,463
Deferred inflows related to pensions	(65,200,622)
Deferred outflows related to other postemployment benefits	28,328,748
Deferred inflows related to other postemployment benefits	(28,748,882)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Bonds and notes payable	(50,762,229)
Lease liability	(14,051,704)
Premium on debt	(1,423,032)
Termination benefits	(1,682,243)
Other postemployment benefit	(144,164,596)
Accrued interest on long-term obligations	(248,493)
Net position of governmental activities as reported on the Statement of Net Position (see page 18)	<u>\$ 109,531,888</u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Miscellaneous Grants	Police Grants	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 41,865,941	\$ -	\$ -	\$ 4,333,919	\$ 7,047,141	\$ 53,247,001
Special assessments	-	-	-	-	1,250,212	1,250,212
Intergovernmental	13,013,703	4,870,548	3,068,479	-	7,287,686	28,240,416
Licenses and permits	2,047,813	-	-	-	-	2,047,813
Fines and forfeits	1,779,276	-	-	-	-	1,779,276
Public charges for services	4,420,830	-	-	-	859,021	5,279,851
Intergovernmental charges for services	-	-	-	-	60,056	60,056
Miscellaneous	2,120,927	-	32,108	50	1,151,674	3,304,759
Total revenues	65,248,490	4,870,548	3,100,587	4,333,969	17,655,790	95,209,384
EXPENDITURES						
Current						
General government	8,411,019	13,533	2,110,004	-	-	10,534,556
Public safety	38,222,341	-	-	-	366,197	38,588,538
Public works	10,382,442	-	-	-	-	10,382,442
Health and human services	1,893,132	14,228	-	-	1,617,351	3,524,711
Culture and recreation	2,227,166	-	-	-	994,643	3,221,809
Conservation and development	129,198	515,038	-	-	6,942,235	7,586,471
Debt service						
Principal	-	-	428,331	5,265,000	11,038,155	16,731,486
Interest and fiscal charges	-	-	142,359	502,900	1,138,955	1,784,214
Capital outlay	-	4,327,749	14,852,362	-	6,259,809	25,439,920
Total expenditures	61,265,298	4,870,548	17,533,056	5,767,900	28,357,345	117,794,147
Excess of revenues over (under) expenditures	3,983,192	-	(14,432,469)	(1,433,931)	(10,701,555)	(22,584,763)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	4,270,000	4,270,000
Issuance of right-to-use lease	-	-	14,480,035	-	-	14,480,035
Premium on debt issued	-	-	-	280,365	-	280,365
Transfers in	1,494,109	-	-	-	8,411,919	9,906,028
Transfers out	(5,194,695)	-	-	(26,169)	(3,201,559)	(8,422,423)
Total other financing sources (uses)	(3,700,586)	-	14,480,035	254,196	9,480,360	20,514,005
Net change in fund balances	282,606	-	47,566	(1,179,735)	(1,221,195)	(2,070,758)
Fund balances - January 1	44,906,593	(1,921)	882,082	1,486,869	32,329,444	79,603,067
Fund balances - December 31	\$ 45,189,199	\$ (1,921)	\$ 929,648	\$ 307,134	\$ 31,108,249	\$ 77,532,309

The notes to the basic financial statements are an integral part of this statement

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2022

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balances as shown on previous page \$ (2,070,758)

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as capital outlay in governmental fund statements	25,439,920
Capital outlay is reported as expenditures in other categories in the fund financial statements, but is capitalized in the government-wide financial statements	5,940,322
Depreciation expense reported in the Statement of Activities	(19,372,180)
Net book value of disposals	20,730

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

(2,188,988)

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

Long-term debt issued	(4,270,000)
Amortization of loss on debt refunding	(133,857)
Premium on debt issued	(280,365)
Principal repaid on debt	16,303,152
Principal repaid on lease liability	428,334

Some expenses reported 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:

Accrued interest on long-term debt	687,331
Amortization of premiums, discounts	122,019
Termination benefits	(130,582)
Net pension asset	6,277,905
Deferred outflows of resources related to pensions	18,355,632
Deferred inflows of resources related to pensions	(18,306,846)
Other postemployment benefits	(10,887,573)
Deferred outflows of resources related to other postemployment benefits	161,859
Deferred inflows of resources related to other postemployment benefits	12,238,469

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

873,055

Change in net position of governmental activities as reported in the Statement of Activities (see pages 19 - 20)

\$ 14,727,544

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 42,253,759	\$ 42,253,759	\$ 41,865,941	\$ (387,818)
Intergovernmental	12,882,918	12,882,918	13,013,703	130,785
Licenses and permits	1,727,825	1,727,825	2,047,813	319,988
Fines and forfeits	1,808,174	1,808,174	1,779,276	(28,898)
Public charges for services	3,977,350	3,977,350	4,420,830	443,480
Miscellaneous	1,100,000	1,100,000	2,120,927	1,020,927
Total revenues	63,750,026	63,750,026	65,248,490	1,498,464
EXPENDITURES				
Current				
General government	9,841,867	9,386,061	8,411,019	975,042
Public safety	38,643,452	38,991,300	38,222,341	768,959
Public works	12,297,112	12,372,445	10,382,442	1,990,003
Health and human services	2,012,560	2,028,830	1,893,132	135,698
Culture and recreation	2,410,805	2,414,165	2,227,166	186,999
Conservation and development	138,728	139,572	129,198	10,374
Total expenditures	65,344,524	65,332,373	61,265,298	4,067,075
Excess of revenues over (under) expenditures	(1,594,498)	(1,582,347)	3,983,192	5,565,539
OTHER FINANCING SOURCES (USES)				
Transfers in	1,594,498	1,594,498	1,494,109	(100,389)
Transfers out	-	(12,151)	(5,194,695)	(5,182,544)
Total other financing sources (uses)	1,594,498	1,582,347	(3,700,586)	(5,282,933)
Net change in fund balance	-	-	282,606	282,606
Fund balance - January 1	44,906,593	44,906,593	44,906,593	-
Fund balance - December 31	\$ 44,906,593	\$ 44,906,593	\$ 45,189,199	\$ 282,606

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - MISCELLANEOUS GRANTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,204,035	\$ 16,204,035	\$ 4,870,548	\$ (11,333,487)
Total revenues	16,204,035	16,204,035	4,870,548	(11,333,487)
EXPENDITURES				
Current				
General government	710,915	710,915	13,533	697,382
Health and human services	-	-	14,228	(14,228)
Conservation and development	733,149	733,149	515,038	218,111
Capital outlay	7,109,150	7,109,150	4,327,749	2,781,401
Total expenditures	8,553,214	8,553,214	4,870,548	3,682,666
Net change in fund balance	7,650,821	7,650,821	-	(7,650,821)
Fund balance - January 1	(1,921)	(1,921)	(1,921)	-
Fund balance - December 31	\$ 7,648,900	\$ 7,648,900	\$ (1,921)	\$ (7,650,821)

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - POLICE GRANTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,350,127	\$ 2,350,127	\$ 3,068,479	\$ 718,352
Miscellaneous	-	-	32,108	32,108
Total revenues	<u>2,350,127</u>	<u>2,350,127</u>	<u>3,100,587</u>	<u>750,460</u>
EXPENDITURES				
Current				
Public safety	2,530,127	2,530,127	2,110,004	420,123
Debt service				
Principal	-	-	428,331	(428,331)
Interest and fiscal charges	-	-	142,359	(142,359)
Capital outlay	-	-	14,852,362	(14,852,362)
Total expenditures	<u>2,530,127</u>	<u>2,530,127</u>	<u>17,533,056</u>	<u>(15,002,929)</u>
Excess of revenues over expenditures	<u>(180,000)</u>	<u>(180,000)</u>	<u>(14,432,469)</u>	<u>(14,252,469)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of right-to-use lease	-	-	14,480,035	14,480,035
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,480,035</u>	<u>14,480,035</u>
Net change in fund balance	<u>(180,000)</u>	<u>(180,000)</u>	<u>47,566</u>	<u>227,566</u>
Fund balance - January 1	<u>882,082</u>	<u>882,082</u>	<u>882,082</u>	<u>-</u>
Fund balance - December 31	<u>\$ 702,082</u>	<u>\$ 702,082</u>	<u>\$ 929,648</u>	<u>\$ 227,566</u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

	Enterprise Funds				Governmental Activities	
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets						
Cash and investments	\$ -	\$ 3,251,544	\$ 5,919,812	\$ 5,265,443	\$ 14,436,799	\$ 9,610,411
Receivables						
Customer accounts	4,103,366	2,930,747	1,139,559	653,331	8,827,003	194,088
Leases receivable	52,302	-	-	20,017	72,319	-
Other	-	-	-	114,536	114,536	-
Due from other governments	293,166	-	-	-	293,166	-
Inventories and prepaid items	143,518	-	-	-	143,518	-
Total current assets	4,592,352	6,182,291	7,059,371	6,053,327	23,887,341	9,804,499
Noncurrent assets						
Advance to other funds	-	-	-	1,658,572	1,658,572	-
Loans receivable	-	-	-	6,076,206	6,076,206	-
Leases receivable	1,485,457	-	-	212,785	1,698,242	-
Deposit with CVMIC	-	-	-	-	-	3,244,299
Net pension asset	646,761	172,474	237,237	209,490	1,265,962	-
Capital assets						
Nondepreciable	98,086	84,138	-	905,726	1,087,950	-
Depreciable, net	33,827,335	46,253,547	40,462,900	620,472	121,164,254	-
Total noncurrent assets	36,057,639	46,510,159	40,700,137	9,683,251	132,951,186	3,244,299
Total assets	40,649,991	52,692,450	47,759,508	15,736,578	156,838,527	13,048,798
DEFERRED OUTFLOWS OF RESOURCES						
Pension related amounts	1,251,752	338,285	468,402	415,496	2,473,935	-
Other postemployment related amounts	881,770	13,891	24,375	19,045	939,081	-
Total deferred outflows of resources	2,133,522	352,176	492,777	434,541	3,413,016	-

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS (CONTINUED) DECEMBER 31, 2022

	Enterprise Funds				Total Enterprise Funds	Governmental
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds		Internal Service Funds
LIABILITIES						
Current liabilities						
Accounts payable	\$ 236,918	\$ 471,671	\$ 218,641	\$ 163,897	\$ 1,091,127	\$ 1,301,415
Accrued and other current liabilities	71,936	10,178	7,595	5,544	95,253	83
Due to other funds	237,994	-	-	-	237,994	-
Due to other governments	-	1,799,204	-	-	1,799,204	-
Special deposits	89,542	-	-	-	89,542	32,368
Unearned revenue	72,669	-	-	1,203,439	1,276,108	216,962
Current portion of long-term debt	1,251,099	1,744,414	90,824	-	3,086,337	-
Current portion of other postemployment	110,000	-	-	-	110,000	-
Accrued interest payable	57,020	82,496	4,550	-	144,066	-
Total current liabilities	2,127,178	4,107,963	321,610	1,372,880	7,929,631	1,550,828
Long-term obligations, less current portion						
Advance from other funds	1,658,572	-	-	-	1,658,572	-
General obligation debt	8,265,168	11,940,818	720,763	-	20,926,749	-
Other postemployment benefits	4,472,865	43,598	76,500	59,773	4,652,736	-
Total long-term liabilities	14,396,605	11,984,416	797,263	59,773	27,238,057	-
Total liabilities	16,523,783	16,092,379	1,118,873	1,432,653	35,167,688	1,550,828
DEFERRED INFLOWS OF RESOURCES						
Leases receivable	1,522,064	-	-	228,161	1,750,225	-
Pension related amounts	1,523,679	406,325	558,897	493,531	2,982,432	-
Other postemployment related amounts	894,106	11,610	20,372	15,918	942,006	-
Total deferred inflows of resources	3,939,849	417,935	579,269	737,610	5,674,663	-
NET POSITION						
Net investment in capital assets	24,409,154	32,652,453	39,651,313	1,526,198	98,239,118	-
Restricted for pension assets	646,761	172,474	237,237	209,490	1,265,962	-
Unrestricted	(2,626,034)	3,709,385	6,665,593	12,265,168	20,014,112	11,497,970
Total net position	\$ 22,429,881	\$ 36,534,312	\$ 46,554,143	\$ 14,000,856	\$ 119,519,192	\$ 11,497,970

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds				Governmental	
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 8,749,226	\$ 11,587,086	\$ 4,507,949	\$ 2,380,680	\$ 27,224,941	\$ 16,403,555
Parking fees and permits	-	-	-	12,059	12,059	-
Other	88,200	-	-	-	88,200	-
Total operating revenues	8,837,426	11,587,086	4,507,949	2,392,739	27,325,200	16,403,555
OPERATING EXPENSES						
Operation and maintenance	6,057,636	6,722,936	2,431,861	2,416,593	17,629,026	-
Insurance claims and estimate changes	-	-	-	-	-	15,530,500
Depreciation	735,000	594,161	721,178	60,549	2,110,888	-
Total operating expenses	6,792,636	7,317,097	3,153,039	2,477,142	19,739,914	15,530,500
Operating income (loss)	2,044,790	4,269,989	1,354,910	(84,403)	7,585,286	873,055
NONOPERATING REVENUES (EXPENSES)						
General property taxes	-	-	-	43,000	43,000	-
Interest income	15,421	-	-	151,587	167,008	59,498
Lease revenue	67,760	-	-	24,006	91,766	-
Nonoperating grants	-	682,676	-	253,600	936,276	-
Gain (loss) on disposal of capital assets	3,004	(16,177)	-	-	(13,173)	-
Interest and fiscal charges	(164,069)	(249,164)	1,567	-	(411,666)	-
Other	85,434	3,150	672,081	92,020	852,685	-
Total nonoperating revenues (expenses)	7,550	420,485	673,648	564,213	1,665,896	59,498
Income before contributions and transfers	2,052,340	4,690,474	2,028,558	479,810	9,251,182	932,553
Capital contributions	1,740,043	-	6,511	-	1,746,554	-
Transfers in	18,875	-	-	-	18,875	-
Transfers out	(854,107)	(68,875)	(300,000)	(220,000)	(1,442,982)	(59,498)
Change in net position	2,957,151	4,621,599	1,735,069	259,810	9,573,629	873,055
Net position - January 1	19,472,730	31,912,713	44,819,074	13,741,046	109,945,563	10,624,915
Net position - December 31	<u>\$ 22,429,881</u>	<u>\$ 36,534,312</u>	<u>\$ 46,554,143</u>	<u>\$ 14,000,856</u>	<u>\$ 119,519,192</u>	<u>\$ 11,497,970</u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds				Governmental	
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 8,678,706	\$ 11,330,425	\$ 4,377,064	\$ 2,465,741	\$ 26,851,936	\$ -
Cash from interfund services provided	-	-	-	-	-	16,790,813
Cash paid for employee wages and benefits	(1,940,017)	(623,335)	(877,322)	(841,938)	(4,282,612)	(70,334)
Cash paid to suppliers	(3,995,286)	(5,959,986)	(1,478,337)	(1,490,595)	(12,924,204)	(14,924,047)
Net cash provided (used) by operating activities	2,743,403	4,747,104	2,021,405	133,208	9,645,120	1,796,432
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Private lead service replacements	(213,486)	-	-	-	(213,486)	-
General property taxes	-	-	-	18,031	18,031	-
Lease receipts	52,065	-	-	19,365	71,430	-
Nonoperating grants	-	682,676	-	253,600	936,276	-
Collection (Disbursement) of long-term receivable	-	-	-	(112,110)	(112,110)	-
Advance to/from other funds	1,658,572	-	-	(1,658,572)	-	-
Miscellaneous revenues	85,434	3,150	672,081	92,020	852,685	-
Transfer in (out)	(835,232)	(68,875)	(300,000)	(220,000)	(1,424,107)	(59,498)
Net cash provided (used) by noncapital financing activities	985,347	616,951	372,081	(1,607,666)	366,713	(59,498)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(294,313)	(2,426,924)	(1,112,023)	-	(3,833,260)	-
Sale of capital assets	315,236	-	-	-	315,236	-
Principal paid on long-term debt	(3,610,000)	(4,283,091)	(900,000)	-	(8,793,091)	-
Interest paid on long-term debt	(247,451)	(349,002)	(21,437)	-	(617,890)	-
Net cash provided (used) by capital and related financing activities	(3,836,528)	(7,059,017)	(2,033,460)	-	(12,929,005)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	15,421	-	-	151,587	167,008	59,498
Change in cash and cash equivalents	(92,357)	(1,694,962)	360,026	(1,322,871)	(2,750,164)	1,796,432
Cash and cash equivalents - January 1	92,357	4,946,506	5,559,786	6,588,314	17,186,963	7,813,979
Cash and cash equivalents - December 31	\$ -	\$ 3,251,544	\$ 5,919,812	\$ 5,265,443	\$ 14,436,799	\$ 9,610,411

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds				Governmental Activities	
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds	Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 2,044,790	\$ 4,269,989	\$ 1,354,910	\$ (84,403)	\$ 7,585,286	\$ 873,055
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	735,000	594,161	721,178	60,549	2,110,888	-
Change in asset, liability and deferred outflows and inflows of resources:						
Pension	(142,861)	(41,785)	(58,587)	(52,407)	(295,640)	-
Other postemployment benefits	65,859	13,015	24,280	20,757	123,911	-
Change in operating assets and liabilities:						
Accounts receivables	(190,496)	(341,388)	(130,885)	(86,882)	(749,651)	375,234
Inventories and prepaid items	73,682	-	-	-	73,682	-
Accounts payable	103,323	167,721	111,382	117,526	499,952	443,036
Accrued and other current liabilities	3,270	664	(873)	(1,816)	1,245	101,753
Special deposits	19,060	-	-	-	19,060	(8,670)
Unearned revenue	31,776	-	-	159,884	191,660	12,024
Due to other governments	-	84,727	-	-	84,727	-
Net cash provided (used) by operating activities	<u>\$ 2,743,403</u>	<u>\$ 4,747,104</u>	<u>\$ 2,021,405</u>	<u>\$ 133,208</u>	<u>\$ 9,645,120</u>	<u>\$ 1,796,432</u>
Reconciliation of cash and cash equivalents to the statement of net position						
Cash and cash equivalents in current assets	<u>\$ -</u>	<u>\$ 3,251,544</u>	<u>\$ 5,919,812</u>	<u>\$ 5,265,443</u>	<u>\$ 14,436,799</u>	<u>\$ 9,610,411</u>
Noncash capital and related financing activities:						
None						

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022**

	<u>Tax Collection Custodial Fund</u>
ASSETS	
Current assets	
Cash and investments	\$ 33,452,642
Receivables	
Taxes	<u>32,394,270</u>
Total assets	65,846,912
LIABILITIES	
Current liabilities	
Accounts payable	6,424
Due to other governments	<u>33,446,218</u>
Total liabilities	33,452,642
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>32,394,270</u>
NET POSITION	
Restricted for Tax Collections	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Tax Collection Custodial Fund</u>
Additions	
Taxes and special charges collected	\$ 58,228,176
Deductions	
Payments to other taxing districts	<u>58,228,176</u>
Change in net position	-
Net position - January 1	<u>-</u>
Net position - December 31	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of West Allis, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and ten-member Council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements in accordance with standards established by GASB.

B. COMPONENT UNIT

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization, or (b) there is 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.

Included within the reporting entity:

First-Ring Industrial Redevelopment Enterprise (FIRE)

FIRE is a community development entity created by the City of West Allis to spur development within a three-county area in southeastern Wisconsin, partially through the distribution of new market tax credits to qualifying business enterprises. FIRE is managed by an independent board appointed by the City Council. FIRE provides specific financial benefits to the City, such as to provide the Tax Increment Districts with the availability to use new market tax credits and contributions to enhance community infrastructure. FIRE financial information is provided for the year ended December 31, 2022 utilizing the accrual basis of accounting. Separate financial statements are available for FIRE.

C. RELATED ORGANIZATIONS

West Allis Memorial Hospital is a nonprofit entity and its financial statements are not a part of this report. The City has title to certain of the Hospital's capital assets and those capital assets have been included in the basic financial statements of the City. The City has no appointee authority on the Hospital's board nor is the Hospital fiscally dependent on the City.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

General Fund

This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Miscellaneous Grants Fund

This fund accounts for the resources of external grant funding, not otherwise accounted for in another fund of the City, including the funding received from the American Rescue Plan Act (ARPA).

Police Grants

This fund accounts for the resources of external grant funding, not otherwise accounted for in another fund of the City, including the funding received specific to the police department.

Nonmajor 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.

Block Grant	Stimulus Programs
H.O.M.E. Program	Rental Energy Loans
Housing Programs	Tax Incremental District No. 7 Rehab Loans
Tax Incremental District No. 11 Rehab Loans	Tax Incremental District No. 14 Rehab Loans
Library Endowment	Cable Communications
Health Grants	Fire Grants
Information Technology Joint Ventures	Centennial
EPA Revolving Loan	Art Scape
Tourism	Christmas Parade
Fire Miscellaneous	Police Miscellaneous
Library Miscellaneous	Senior Center Miscellaneous
Economic Development	

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Public Works Improvements	Zombie Property Abatement
Tax Incremental District No. 5	Tax Incremental District No. 6
Tax Incremental District No. 7	Tax Incremental District No. 9
Tax Incremental District No. 10	Tax Incremental District No. 11
Tax Incremental District No. 12	Tax Incremental District No. 13
Tax Incremental District No. 14	Tax Incremental District No. 15
Tax Incremental District No. 16	Tax Incremental District No. 17
Tax Incremental District No. 18	Capital Accumulation
Parks and Open Spaces	Buildings and Facilities
Miscellaneous Nonoperating Projects	

The City reports the following major enterprise funds:

Water Utility Fund

This fund accounts for all activities necessary to provide water service to residents and businesses of the City.

Sanitary Sewer Utility Fund

This fund accounts for all activities necessary to provide sewer service to residents and businesses of the City.

Storm Water Utility Fund

This fund accounts for all activities necessary to provide storm water service to residents and businesses of the City.

The City reports the following nonmajor enterprise funds:

Solid Waste Fund

This fund accounts for all activities necessary to provide for the disposal of solid waste and recycled items for residents of the City.

Parking Utility Fund

This fund accounts for the construction, maintenance, and operation of street and off-street parking areas.

Beloit Road Housing Management Fund

This fund accounts for all activities related to the operation and maintenance of the City-owned housing project. The property was sold in December of 2011. This fund now holds the note receivable on the property sale.

Additionally, the City reports the following fund types:

Internal Service Funds

These funds account for insurance services provided to other departments or agencies of the City on a cost reimbursement basis. The services include insurance management through CVMIC and the City's health insurance provided to employees.

The City reports the following fiduciary fund:

Tax Collection Custodial Fund

This fiduciary fund accounts for the taxes held by the City that were collected for other local municipalities, school districts, and other special districts.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, March 31, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also collects taxes levied by the West Allis School District, Milwaukee County, Milwaukee Area Technical College, Milwaukee Metropolitan Sewerage District, and the State of Wisconsin.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2022 tax roll are recognized as revenue in 2023. Special assessments are subject to collection procedures.

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. Loans receivable has been shown net of allowance for uncollectible accounts of \$385,029. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. Leases Receivable

With the exception of short-term leases and certain regulated leases, when the City is a lessor in noncancellable lease arrangements the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements. For short-term leases and excluded regulated leases, lease revenues are recognized as inflows of resources based on the payment provisions of the contract. See note 3.G. for details of the City's leasing arrangements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

7. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” for borrowings expected to be settled in less than one year; and “advances to” and “advances from” for borrowing expected to be settled in more than one year.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

8. Inventories

Governmental activities and governmental funds recognize expenditures/expenses when purchased rather than when consumed.

Business-type activities and proprietary funds report inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

9. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

10. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Capital assets of the City are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	15 - 25	-
Buildings and improvements	30 - 50	25 - 50
Machinery and equipment	5 - 25	3 - 10
Infrastructure	25 - 100	15 - 100

Annual depreciation/amortization expense for the enterprise funds reported on the statement of cash flows may exceed depreciation/amortization expense reported on the statement of revenues, expenses and change in net position. The difference results from depreciation/amortization expense applicable to transportation and certain other operating equipment of the water utility enterprise fund being charged to operating expense accounts other than the depreciation/amortization expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

11. Compensated Absences

The accounting treatment for compensated absences depends on whether the pay is expected to be paid from current resources or if the benefit is considered long-term in nature. The compensated absences consist of accumulated sick and vacation pay earned but not used by City employees as of the end of the year.

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

The City's policies regarding sick leave permit full-time employees to accrue 10 hours per month up to 120 hours per year with total accumulation not to exceed 2080 hours or a maximum of one year. Upon termination or retirement, the unused sick leave is not paid to the employee. As such, the City does not accrue any liability related to the benefit.

12. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Government-wide activities report deferred outflows for pension and OPEB activities, and the loss on refunding. Government-wide activities report deferred inflows for pension and OPEB activities and property taxes levied for the subsequent year, and leases.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loans receivable and delinquent property taxes. These inflows are recognized as revenues in the government-wide financial statements.

13. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Lease Liabilities

The City's policy as a lessee in noncancellable lease arrangements is to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities based on materiality of the aggregate type of leased asset (i.e., vehicles, building) with the exception for short-term leases (12 months or less). Leases not meeting that criteria recognize lease payments as outflows of resources based on the payment provisions of the contract.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prove that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

15. Pensions

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

16. Other Postemployment Benefits Other Than Pensions (OPEB)

Single-employer Defined Postemployment Benefit Plan

For purposes of measuring the total OPEB liability, deferred outflows of resources and inflows of resources related to OPEB, and OPEB expense, information about the net position of the City of West Allis OPEB Plan (the Plan) and additions to/deductions from the Plan's net position have been determined on the same basis as they are reported

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

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

17. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Administrative Officer and the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned fund balance. Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, lease liabilities, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed 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.

Unrestricted net position. Net position that is neither classified as restricted nor as net investment in capital assets.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

H. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to November, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted at the function level by City Council action. This action is completed prior to December each year.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, capital project and debt service funds, with the following exceptions: The Stimulus Programs, Rental Energy Loans, Library Endowment, EPA Revolving Loan, Christmas Parade, Fire Miscellaneous, Police Miscellaneous, Library Miscellaneous, Senior Center Miscellaneous special revenue funds and Public Works Improvements, Zombie Property Abatement, Capital Accumulation, Parks and Open Spaces, Buildings and Facilities, and Miscellaneous Nonoperating Projects capital project funds.
3. During the year, formal budgetary integration is employed as a management control device for the general funds, certain special revenue funds, debt service and public works improvements capital projects funds. Amendments to the budget during the year are initially reviewed by the Administration and Finance Committee and are subsequently authorized by the City Council. Supplemental amendments were necessary during the year but were not material in relation to the original appropriation. Over-expenditure of budget accounts at year-end was approved by the City Council.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is utilized in the general and special revenue funds. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. General Fund encumbrances at year end totaled \$0.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2022, as follows:

Fund/Department	Function	Excess Expenditures
General Fund:		
Mayor	General Government	\$ 664
Municipal Court	General Government	18,478
Promotions, Celebrations, and Awards	General Government	8,059
Fire Department	Public Safety	340,404
Public Works Administration Office	Public Works	53,441

C. DEFICIT FUND EQUITY

The following funds had deficit fund balance as of December 31, 2022:

Funds	Deficit Fund Balance
Major Special Revenue Funds	
Miscellaneous Grants	\$ 1,921
Nonmajor Capital Projects Funds	
Tax Incremental District No. 6	812,139
Tax Incremental District No. 10	171,281
Tax Incremental District No. 11	503,197
Tax Incremental District No. 12	78,601
Tax Incremental District No. 13	266,741
Tax Incremental District No. 16	456,344
Total deficit fund balance	<u>\$ 2,290,224</u>

The deficit in the special revenue fund is expected to be financed through future grant proceeds. The deficits in the capital projects funds are anticipated to be financed through future tax increment revenues and proceeds from long-term debt.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2022 budget was 0.990%. The actual limit for the City for the 2023 budget was 0.657%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$190,870,712 on December 31, 2022, as summarized below:

Component unit:	
Deposits with financial institutions	<u>\$ 13,004,364</u>
Primary government:	
Petty cash and cash on hand	\$ 12,673
Deposits with financial institutions	97,414,482
Investments	93,443,557
Total	<u>\$ 190,870,712</u>
Reconciliation to the basic financial statements:	
Government-wide Statement of Net Position	
Primary government - cash and investments	\$ 157,418,070
Fiduciary Fund Statement of Net Position	
Tax Collection Custodial Fund	33,452,642
Total	<u>\$ 190,870,712</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Corporate bonds and notes	\$ -	\$ 7,058,778	\$ -
State and municipal bonds	-	4,496,147	-
Beneficial interest in investments held by Greater Milwaukee Community Foundation	-	-	1,353,328
Federal Home Loan Bank	-	730,908	-
Federal National Mortgage	-	83,908	-
Freddie Mac	-	497,230	-
Totals	\$ -	\$ 12,866,971	\$ 1,353,328

The valuation methods for recurring fair value measurements are as follows:

Investment Type	Valuation Method
Corporate bonds and notes	Institutional bond quotes - evaluations based on various market and industry inputs
State and municipal bonds	Institutional bond quotes - evaluations based on various market and industry inputs
Beneficial interest in investments held by Greater Milwaukee Community Foundation	Net asset value
Federal Home Loan Bank	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Federal National Mortgage	Mortgage backed securities pricing - evaluations based on various market and industry inputs

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City requires all deposits to be either insured or collateralized.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2022, \$95,972,814 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All uninsured deposits were collateralized with securities held by the pledging financial institution or its trust department or agent in the City's name.

As of December 31, 2022, the carrying amount of the component unit's cash and investments was \$13,004,364 and exceeded the federal depository insurance limits by \$12,504,364. No amounts were collateralized.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	AAA	AA	A	Not Rated
Federal National Mortgage	\$ 83,908	\$ 83,908	\$ -	\$ -	\$ -
Federal Home Loan Bank	730,908	730,908	-	-	-
Freddie Mac	497,230	497,230	-	-	-
Corporate bonds and notes	7,058,778	1,055,305	1,090,004	4,297,381	616,088
State and municipal bonds	4,496,147	300,183	3,399,789	-	796,175
Beneficial interest in investments held by Greater Milwaukee Community Foundation	1,353,328	-	-	-	1,353,328
Wisconsin local government investment pool	79,223,258	-	-	-	79,223,258
Totals	\$ 93,443,557	\$ 2,667,534	\$ 4,489,793	\$ 4,297,381	\$ 81,988,849

Concentration of Credit Risk

The investment policy of the City recommends that no more than 50% of total investments can be invested in any one issuer. As of December 31, 2022, the City had no individual investments that exceeded 5% of the City's total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits investment maturities to no longer than seven years as a means of managing its exposure to fair value losses arising from increasing interest rates.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal National Mortgage	\$ 83,908	\$ 83,908	\$ -	\$ -	\$ -
Federal Home Loan Bank	730,908	138,775	24,554	567,579	-
Freddie Mac	497,230	-	-	-	497,230
Corporate bonds & notes	7,058,778	842,245	235,708	3,206,455	2,774,370
State and municipal bonds	4,496,147	683,350	2,132,089	966,350	714,358
Beneficial interest in investments held by Greater Milwaukee Community Foundation	1,353,328	1,353,328	-	-	-
Wisconsin local government investment pool	79,223,258	79,223,258	-	-	-
Totals	\$ 93,443,557	\$ 82,324,864	\$ 2,392,351	\$ 4,740,384	\$ 3,985,958

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$79,223,258 at year-end. The (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Council. 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, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Beneficial Interest in Assets Held by Greater Milwaukee Community Foundation

Beneficial interest in assets held by Greater Milwaukee Community Foundation represents amounts held at Greater Milwaukee Community Foundation, Inc. (the Foundation). These amounts are legal assets of the Foundation with the restriction that the Foundation makes distributions to the City as needed. The agreement governing the assets includes a variance power allowing the Foundation to modify the restrictions on distributions from the funds.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable\nonamortizable:				
Land	\$ 13,051,777	\$ -	\$ -	\$ 13,051,777
Construction in progress	5,810,142	157,567	2,261,538	3,706,171
Total capital assets, nondepreciable\nonamortizable	<u>18,861,919</u>	<u>157,567</u>	<u>2,261,538</u>	<u>16,757,948</u>
Capital assets, depreciable\amortizable:				
Land improvements	1,015,810	28,234	-	1,044,044
Buildings and improvements	196,777,310	8,512,752	-	205,290,062
Machinery and equipment	100,812,164	5,004,712	20,730	105,796,146
Infrastructure	188,370,193	5,479,210	-	193,849,403
Right-to-use asset	-	14,480,035	-	14,480,035
Subtotals	<u>486,975,477</u>	<u>33,504,943</u>	<u>20,730</u>	<u>520,459,690</u>
Less accumulated depreciation\amortization for:				
Land improvements	366,500	66,855	-	433,355
Buildings and improvements	118,500,341	8,326,148	-	126,826,489
Machinery and equipment	77,466,198	3,622,978	20,730	81,068,446
Infrastructure	120,299,081	6,859,741	-	127,158,822
Right-to-use asset	-	496,458	-	496,458
Subtotals	<u>316,632,120</u>	<u>19,372,180</u>	<u>20,730</u>	<u>335,983,570</u>
Total capital assets, depreciable\amortizable, net	<u>170,343,357</u>	<u>14,132,763</u>	<u>-</u>	<u>184,476,120</u>
Governmental activities capital assets, net	<u>\$ 189,205,276</u>	<u>\$ 14,290,330</u>	<u>\$ 2,261,538</u>	201,234,068
Less: Capital related debt and leases				56,305,104
Less: Debt premium				1,423,032
Less: Capital included in accounts payable				53,699
Add: Deferred charge on refunding				<u>855,981</u>
Net investment in capital assets				<u>\$ 144,308,214</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component unit:				
Capital assets, nondepreciable:				
Land	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 963,716	\$ -	\$ -	\$ 963,716
Construction in progress	438	124,234	438	124,234
Total capital assets, nondepreciable	<u>964,154</u>	<u>124,234</u>	<u>438</u>	<u>1,087,950</u>
Capital assets, depreciable:				
Buildings and improvements	502,189	19,324	-	521,513
Machinery and equipment	6,095,587	7,517	85,502	6,017,602
Infrastructure	155,817,553	5,429,179	279,526	160,967,206
Subtotals	<u>162,415,329</u>	<u>5,456,020</u>	<u>365,028</u>	<u>167,506,321</u>
Less accumulated depreciation for:				
Buildings and improvements	478,736	3,769	-	482,505
Machinery and equipment	4,650,913	219,236	104,352	4,765,797
Infrastructure	39,138,147	2,218,965	263,347	41,093,765
Subtotals	<u>44,267,796</u>	<u>2,441,970</u>	<u>367,699</u>	<u>46,342,067</u>
Total capital assets, depreciable, net	<u>118,147,533</u>	<u>3,014,050</u>	<u>(2,671)</u>	<u>121,164,254</u>
Business-type activities capital assets, net	<u>\$ 119,111,687</u>	<u>\$ 3,138,284</u>	<u>\$ (2,233)</u>	<u>122,252,204</u>
Less: Capital related debt				23,170,674
Less: Debt premium				<u>842,412</u>
Net investment in capital assets				<u>\$ 98,239,118</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities:	
General government	\$ 71,154
Public safety	1,412,665
Public works	7,382,633
Health and human services	10,335,416
Culture and recreation	170,312
Total depreciation/amortization expense - governmental activities	<u>\$ 19,372,180</u>
Business-type activities:	
Water utility	\$ 735,000
Sanitary sewer utility	594,161
Storm water management	721,178
Solid waste	60,549
Depreciation charged to operating accounts	331,082
Total depreciation expense - business-type activities	<u>\$ 2,441,970</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

C. INTERFUND RECEIVABLE, PAYABLES, ADVANCES AND TRANSFERS

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2022, are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds:		
General	\$ 517,116	\$ -
Miscellaneous grants	-	25,170
Nonmajor governmental funds:		
Special revenue funds:		
Economic Development	-	62,192
Health grants	-	126,330
Cable communications	-	65,430
Enterprise fund		
Water utility	-	237,994
Totals	<u>\$ 517,116</u>	<u>\$ 517,116</u>

Interfund advances between individual funds of the City, as reported in the fund financial statements, as of December 31, 2022, are detailed below:

	<u>Advance Receivable</u>	<u>Advance Payable</u>
Long-term cash advances to finance operating cash deficits		
Governmental funds:		
General	\$ 1,061,038	\$ -
Nonmajor governmental funds:		
Capital projects funds:		
Tax Incremental District No. 6	-	712,380
Tax Incremental District No. 10	-	9,750
Tax Incremental District No. 12	-	78,601
Tax Incremental District No. 13	-	260,307
Enterprise fund		
Solid waste - nonmajor	1,658,572	-
Water utility	-	1,658,572
Totals	<u>\$ 2,719,610</u>	<u>\$ 2,719,610</u>

As of December 31, 2022, the City has not established interest rates or repayment schedules for the long-term cash advances to finance operating activities.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Interfund transfers for the year ended December 31, 2022, were as follows:

Fund	Transfer In	Transfer Out
Governmental funds:		
General	\$ 1,494,109	\$ 5,194,695
Debt service	-	26,169
Nonmajor governmental funds	8,411,919	3,201,559
Enterprise funds:		
Water utility	18,875	854,107
Sanitary sewer utility	-	68,875
Storm water utility	-	300,000
Nonmajor enterprise funds	-	220,000
Internal service funds:		
Insurance Management	-	59,498
Totals	<u>\$ 9,924,903</u>	<u>\$ 9,924,903</u>

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water and sanitary sewer utilities to general fund	\$ 854,107
Administrative services payment by proprietary funds to the general fund	50,000
Tax increment district transfers between districts per donor TID agreements	1,448,906
Increment collected in debt service for tax incremental districts	26,169
Capital project carryover transfers	5,030,044
Capital project funding transfers	1,722,149
Transfer annual debt funding payment for Fire Apparatus from General Fund	12,151
Transfer to move revenues collected to the correct funds	590,002
To record budget transfers	172,500
Shared meter reading costs	18,875
Total	<u>\$ 9,924,903</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt:					
Bonds	\$ 42,515,012	\$ -	\$ 9,005,000	\$ 33,510,012	\$ 5,540,000
Notes	4,897,985	4,270,000	424,597	8,743,388	1,379,600
	<u>47,412,997</u>	<u>4,270,000</u>	<u>9,429,597</u>	<u>42,253,400</u>	<u>6,919,600</u>
General Obligation Direct borrowings:					
State trust fund loans	5,332,382	-	5,332,382	-	-
Total general obligation debt	<u>52,745,379</u>	<u>4,270,000</u>	<u>14,761,979</u>	<u>42,253,400</u>	<u>6,919,600</u>
Revenue Notes Direct borrowings:					
TIF notes	10,050,000	-	1,541,171	8,508,829	-
Debt premium	1,264,686	280,365	122,019	1,423,032	125,435
Termination benefits	1,551,661	337,500	206,918	1,682,243	-
Lease liabilities	-	14,480,035	428,331	14,051,704	212,845
Governmental activities Long-term obligations	<u>\$ 65,611,726</u>	<u>\$ 19,367,900</u>	<u>\$ 17,060,418</u>	<u>\$ 67,919,208</u>	<u>\$ 7,257,880</u>
Business-type activities:					
General obligation debt:					
Bonds	\$ 26,588,765	\$ -	\$ 8,793,091	\$ 17,795,674	\$ 2,990,083
Notes	5,375,000	-	-	5,375,000	-
Total general obligation debt	<u>31,963,765</u>	<u>-</u>	<u>8,793,091</u>	<u>23,170,674</u>	<u>2,990,083</u>
Debt premium	1,018,458	-	176,046	842,412	96,254
Business-type activities Long-term obligations	<u>\$ 32,982,223</u>	<u>\$ -</u>	<u>\$ 8,969,137</u>	<u>\$ 24,013,086</u>	<u>\$ 3,086,337</u>

Total interest paid during the year on long-term debt totaled \$1,473,560.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
2006 Land Remediation Note	11/22/06	12/23/26	0.50%	\$ 1,402,118	\$ 298,388
2010 G.O. Bonds	10/27/10	10/27/30	2.40%	1,554,765	740,686
2015A G.O. Corporate Bonds	5/1/15	5/1/30	2.50% - 3.00%	8,355,000	2,705,000
2016B G.O. Refunding Bonds	5/25/16	5/25/29	0.75% - 3.00%	16,445,000	7,220,000
2016A G.O. Corporate Bonds	5/25/16	5/25/31	2.00% - 2.50%	6,250,000	3,165,000
2017A G.O. Corporate Bonds	10/12/17	4/1/32	2.00% - 3.00%	8,825,000	5,240,000
2018A G.O. Corporate Bonds	10/12/17	4/1/33	3.00% - 4.00%	6,830,000	4,780,000
2019A G.O. Corporate Bonds	12/31/19	4/1/34	2.00% - 4.00%	8,570,000	5,685,000
2020A G.O. Corporate Bonds	12/10/20	4/1/35	1.00% - 1.45%	9,665,000	7,960,000
2021A G.O. Refunding Bonds	8/18/21	3/1/38	1.70% - 3.00%	6,005,000	5,730,000
2021B G.O. Promissory Notes	12/30/21	4/1/31	2.00% - 3.00%	9,900,000	9,550,000
2021C G.O. Corporate Bonds	12/30/21	4/1/38	1.20% - 2.50%	8,080,000	8,080,000
2022A G.O. Promissory Notes	7/14/23	4/1/32	3.05% - 5.0%	4,270,000	4,270,000

Total outstanding general obligation debt \$ 65,424,074

Annual principal and interest maturities of the outstanding general obligation debt of \$65,424,074 on December 31, 2022, are detailed below:

General Obligation Debt - Bonded

<u>Year Ended</u> <u>December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 6,919,600	\$ 992,517	\$ 2,990,083	\$ 568,428	\$ 9,909,683	\$ 1,560,945
2024	5,924,600	795,289	2,772,125	475,163	8,696,725	1,270,452
2025	4,449,600	665,709	2,634,216	395,579	7,083,816	1,061,288
2026	4,244,600	557,479	2,671,357	318,743	6,915,957	876,222
2027	3,930,000	456,074	2,423,550	253,137	6,353,550	709,211
2028-2032	11,865,000	1,114,508	8,014,343	567,333	19,879,343	1,681,841
2033-2037	4,325,000	293,243	1,665,000	35,169	5,990,000	328,412
2038	595,000	6,906	-	-	595,000	6,906
Totals	<u>\$ 42,253,400</u>	<u>\$ 4,881,725</u>	<u>\$ 23,170,674</u>	<u>\$ 2,613,552</u>	<u>\$ 65,424,074</u>	<u>\$ 7,495,277</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2022, was \$275,920,565 as follows:

Equalized valuation of the City		\$ 5,518,411,300
Statutory limitation percentage		<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		275,920,565
Total outstanding general obligation debt applicable to debt limitation	\$ 65,424,074	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>307,134</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>65,116,940</u>
Legal margin for new debt		<u><u>\$ 210,803,625</u></u>

Revenue Loan Agreements

On May 1, 2018, the City entered into a loan agreement with the First-Ring Industrial Redevelopment Enterprise, Inc. for the purpose of financing redevelopment activities in the City's Tax Increment Districts in the amount of \$6,700,000. The note bears interest at 2.50% and matures on May 1, 2043. Repayment of principal and interest on this note is as follows:

Revenue Loan Agreements - Direct Borrowings						
Year Ended December 31,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
2024	-	100,000	-	-	-	100,000
2025	-	100,000	-	-	-	100,000
2026	-	100,000	-	-	-	100,000
2027	-	100,000	-	-	-	100,000
2028-2032	1,500,000	562,500	-	-	1,500,000	562,500
2033-2037	-	312,500	-	-	-	312,500
2038-2042	-	309,550	-	-	-	309,550
2043	3,658,829	1,668,350	-	-	3,658,829	1,668,350
Totals	<u>\$ 5,158,829</u>	<u>\$ 3,352,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,158,829</u>	<u>\$ 3,352,900</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

On April 1, 2019, the City entered into a loan agreement with the First-Ring Industrial Redevelopment Enterprise, Inc. for the purpose of financing redevelopment activities in the City's Tax Increment Districts in the amount of \$700,000. The note bears interest at 4.50% and matures on April 1, 2039. On June 1, 2020, the City entered into a loan agreement with the First-Ring Industrial Redevelopment Enterprise, Inc. for the purpose of financing redevelopment activities in the City's tax increment financing districts in the amount of \$3,350,000, which amends the agreement of the \$700,000 noted above. This resulted in additional proceeds of \$2,650,000 received in 2021 to finance redevelopment activities in Tax Increment District No. 16. The note bears interest at 2.50% and matures on May 1, 2040. During 2022, the City received payment of \$2,040,000, which represents \$1,541,171 in principal and \$498,829 in interest. No further repayment on this note is required unless the City's Tax Incremental District No. 16 is financially capable of making payment.

General Obligation Promissory Notes Series 2022A

On July 14, 2022, the City issued taxable general obligation refunding bonds, series 2022A in the amount of \$4,270,000. The bonds pay principal annually on March 1st and interest semiannually on March 1st and September 1st at interest rates ranging from 3.05% to 5.00% and will mature on April 1, 2032. The proceeds will be used for street and street light projects.

E. CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2022, there were five series of Industrial Revenue Bonds outstanding, with the aggregate principal amount payable undetermined.

F. TERMINATION BENEFITS

In 2020, the City established a voluntary termination program which allows eligible employees holding certain positions to terminate their employment with the City. The Program provides for eligible participants to receive an amount up to \$25,000 per year for a maximum of five years (maximum potential benefit of \$125,000) to pay for medical and/or dental insurance premiums on insurance plan's that are not provided by the City. As such, the liability has no impact on the City's Medical OPEB liability. The funds will be placed in a Retiree Health Reimbursement Account by the City for the benefit of the eligible participants. After eligibility expires, the City will be able to recover any remaining funds. As of December 31, 2022, the City had seventeen eligible employees accept the voluntary termination benefits and terminate employment resulting in an outstanding long-term liability for termination benefits of \$1,682,243.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

G. LEASE DISCLOSURES

Leases Receivable

The City, acting as lessor, leases tower space and building facilities, non-cancelable lease agreements. The leases expire at various dates through 2063 and provide for renewal options ranging from 5 to 25 years. The City will receive annual installments ranging from \$10,000 to \$599,031 for such leases. The City used the incremental borrowing rate as the interest rate for lease receivables.

During the year ended December 31, 2022, the City recognized \$497,113 and \$174,525 in lease revenue and interest revenue, respectively, pursuant to these contracts. As of December 31, 2022, the City's receivable for lease payments was \$17,524,461. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflows of resources was \$18,132,930. The future minimum lease receivables for these arrangements are as follows:

Year Ended December 31,	Leases Receivable					
	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 231,464	\$ 154,387	\$ 72,320	\$ 17,402	\$ 303,784	\$ 171,789
2024	239,456	152,005	73,504	16,674	312,960	168,679
2025	247,528	149,543	75,501	15,930	323,029	165,473
2026	255,681	147,000	81,487	15,156	337,168	162,156
2027	263,916	144,375	83,223	14,333	347,139	158,708
2028-2032	1,446,027	679,578	398,553	59,386	1,844,580	738,964
2033-2037	1,664,668	601,187	314,884	40,942	1,979,552	642,129
2038-2042	1,894,515	511,590	228,384	28,885	2,122,899	540,475
2043-2047	2,136,142	410,213	266,366	16,630	2,402,508	426,843
2048-2052	2,390,151	296,454	176,339	3,255	2,566,490	299,709
2053-2057	2,657,178	169,677	-	-	2,657,178	169,677
2058-2061	2,327,174	35,289	-	-	2,327,174	35,289
2062-2063	810,600	12,158	-	-	810,600	12,158
Totals	\$ 16,564,500	\$ 3,463,456	\$ 1,770,561	\$ 228,593	\$ 18,335,061	\$ 3,692,049

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Leases Liability – Right-to-Use Asset Arrangements

The City leases office space under a non-cancelable lease arrangement. Payments are required to be made monthly through May 1, 2036, with options to renew through May 1, 2051. The City used the incremental borrowing rate as the interest rate was not included in the lease agreement. Total principal and interest costs for such leases for governmental funds were \$570,690 for the year ended December 31, 2022. The future minimum lease payments for this arrangement are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2023	\$ 212,845	\$ 139,162
2024	316,843	136,567
2025	328,361	133,339
2026	340,203	129,994
2027	352,378	126,529
2028-2032	1,956,766	576,229
2033-2037	2,316,270	469,547
2038-2042	2,728,263	343,598
2043-2047	3,199,911	195,584
2048-2052	2,299,864	35,998
Totals	<u>\$ 14,051,704</u>	<u>\$ 2,286,547</u>

This lease agreement qualifies as a right-to-use asset for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the date of its inception. The asset acquired through a right-to-use asset lease agreement is as follows:

	Governmental Activities
Asset	
Leased asset	\$ 14,480,035
Less accumulated amortization	(496,458)
Total	<u>\$ 13,983,577</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

H. PENSION PLANS

Plan Description

1. Wisconsin Retirement System (WRS)

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials' category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ended December 31, 2022, the WRS recognized \$4,154,260 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Pension Liabilities (Assets), Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported an asset of \$28,941,872 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.35907211%, which was a decrease of 0.00017522% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension benefit of \$2,522,973.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,754,130	\$ 3,371,477
Net differences between projected and actual earnings on pension plan investments	-	64,745,375
Changes in assumptions	5,399,563	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,445	66,202
Employer contributions subsequent to the measurement date	4,154,260	-
Totals	<u>\$ 56,374,398</u>	<u>\$ 68,183,054</u>

\$4,154,260 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension (benefit) expense as follows:

Year Ended December 31,	(Benefit) Expense
2023	\$ (1,356,846)
2024	(7,837,600)
2025	(3,449,210)
2026	<u>(3,319,260)</u>
Total	<u>\$ (15,962,916)</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2020
Measurement date of net pension liability (asset):	December 31, 2021
Experience study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial cost method:	Entry Age Normal
Asset valuation method:	Fair Value
Long-term expected rate of return:	6.8%
Discount rate:	6.8%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-retirement adjustments*	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021, is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>			
Global equities	52.0%	6.8%	4.2%
Fixed income	25.0%	4.3%	1.8%
Inflation sensitive assets	19.0%	2.7%	0.2%
Real estate	7.0%	5.6%	3.0%
Private equity/debt	12.0%	9.7%	7.0%
Total Core Fund	115.0%	6.6%	4.0%
<u>Variable Fund Asset Class</u>			
U.S. equities	70.0%	6.3%	3.7%
International equities	30.0%	7.2%	4.6%
Total Variable Fund	100.0%	6.8%	4.2%

- (1) New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
- (2) Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

(3) The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.80% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.00% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84%. Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	\$ 20,536,310	\$ (28,941,872)	\$ (64,556,958)

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

Payables to the Pension Plan

At December 31, 2022, the City reported a payable of \$1,204,749 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

I. OTHER POSTEMPLOYMENT BENEFITS

The City reports OPEB related balances at December 31, 2022, as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 3,368,533	\$ 1,154,743	\$ 897,044
Single employer defined OPEB plan	145,448,799	28,113,086	28,793,844
Totals	<u>\$ 148,817,332</u>	<u>\$ 29,267,829</u>	<u>\$ 29,690,888</u>

1. Single Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. City paid medical benefits are paid for as indicated below. All employees of the City are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

The City shall make contributions for retiree premiums.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	434
Active employees	<u>590</u>
Total	<u><u>1,024</u></u>

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. City paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Total OPEB Liability

The City's OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Actuarial Assumptions. The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.00%
Salary increases:	3.00%
Actuarial cost method:	Entry Age Normal
Health care cost trend rates:	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter

Mortality assumptions are based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

Actuarial assumptions are based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

Discount Rate. The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. The discount rate for calculating the Total OPEB Liability is equal to the discount rate is equal to the municipal bond rate as there are no assets placed in an irrevocable trust to make the future benefit payments to satisfy this liability.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2022	\$ 133,535,809
Changes for the year:	
Service cost	4,963,224
Interest	3,018,945
Differences between expected and actual results	4,964,831
Changes in assumptions	2,650,156
Benefit payments	(3,684,166)
Net changes	11,912,990
Balance at December 31, 2022	\$ 145,448,799

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the OPEB liability of the City as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total OPEB liability	\$ 173,290,154	\$ 145,448,799	\$ 123,807,206

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Sensitivity of the total OPEB liability to changes in the health care cost trend rates. The following presents the OPEB liability of the City as well as what the City's OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	Trend Rates		
	1% Decrease (5.5% decreasing to 4.0%)	(6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB liability	\$ 122,101,370	\$ 145,448,799	\$ 176,386,252

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$1,782,708. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,485,531	\$ 7,139,663
Changes in assumptions	20,136,567	21,654,181
City contributions subsequent to the measurement date	3,490,988	-
Total	\$ 28,113,086	\$ 28,793,844

\$3,490,988 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022, and reported in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Expense
2023	\$ (561,939)
2024	2,016,183
2025	2,275,542
2026	992,721
2027	(742,275)
Thereafter	(8,151,978)
Total	\$ (4,171,746)

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2022, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement coverage	40% of employee contribution
25% Postretirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2021, are listed below:

Life Insurance Employee Contribution Rates For the Year Ended December 31, 2021		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

During the reporting period, the LRLIF recognized \$11,728 in contributions from the employer.

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

At December 31, 2022, the City reported a liability of \$3,368,533 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.56993600%, which was a decrease of 0.14660100% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$330,321.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 171,355
Net differences between projected and actual earnings on OPEB plan investments	43,826	-
Changes in assumptions	1,017,750	163,274
Changes in proportion and differences between employer contributions and proportionate share of contributions	81,439	562,415
Employer contributions subsequent to the measurement date	11,728	-
Totals	<u>\$ 1,154,743</u>	<u>\$ 897,044</u>

\$11,728 reported as deferred outflows related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	(Benefit) Expense
2023	\$ 76,720
2024	71,635
2025	60,796
2026	106,276
2027	9,014
Thereafter	(78,470)
Total	<u>\$ 245,971</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Actuarial assumptions. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2021
Measurement date of net OPEB liability (asset):	December 31, 2021
Experience study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial cost method:	Entry Age Normal
20 year tax-exempt municipal bond yield:	2.06%
Long-term expected rate of return:	4.25%
Discount rate:	2.17%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality, and separation rates. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018, is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg U.S. MBS	50%	1.94%
Inflation			2.30%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding the expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Single discount rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the long-term expected rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's proportionate share of the net OPEB liability (asset)	\$ 4,569,884	\$ 3,368,533	\$ 2,464,565

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

J. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

General Fund	
Nonspendable:	
Prepaid items	\$ 207,914
Advances to other funds	1,061,038
Total Nonspendable Fund Balance	<u>\$ 1,268,952</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

Debt Service Fund

Restricted for:

Debt service payments	\$ 307,134
Subtotal	<u>307,134</u>

Special Revenue Funds

Restricted for:

Block grant	1
Stimulus programs	138,596
H.O.M.E. program	648,705
Rental energy loans	182,867
Housing programs	910,659
Library endowment	1,353,328
Health grants	178,914
Police grants	929,648
Fire grants	15,442
EPA revolving loans	439,542
Subtotal	<u>4,797,702</u>

Capital Improvements Fund

Restricted for:

Tax incremental district no. 5	1,217,949
Tax incremental district no. 7	6,909,232
Tax incremental district no. 14	40,479
Tax incremental district no. 15	1,674,317
Tax incremental district no. 17	115,132
Tax incremental district no. 18	11,147
Subtotal	<u>9,968,256</u>

Total Restricted Fund Balance \$ 15,073,092

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2022, fund balance was committed as follows:

Special Revenue Funds

Committed for:

Rehab Loans for:

Tax incremental district no. 7	\$	741,774
Tax incremental district no. 11		406,975
Library endowment		361,493
Cable communications		54,999
Information technology joint ventures		15,106
Art scape		27,175
Tourism		1,011,695
Christmas parade		19,950
Fire miscellaneous		40,119
Police miscellaneous		151,556
Library miscellaneous		94,333
Senior center miscellaneous		168,726
Economic Development		322,238
Subtotal		<u>3,416,139</u>

Capital Projects Funds

Public works improvements		<u>310,193</u>
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Total Committed Fund Balance	\$	<u><u>3,726,332</u></u>
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City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2022, fund balance was assigned as follows:

General Fund

Assigned for:

Subsequent year's budget	\$	16,636
Land/building acquisition		1,000,000
Insurance		1,200,000
Workers' compensation		1,500,000
Dental insurance		50,000
Postretirement benefits		9,500,000
Productivity/operation improvement		600,000
Public access		286,145
Strategic planning		100,392
Capital replacement		1,418,157
Computer/technology improvement		581,399
Tax refunds		400,000
Parks and open spaces plan		100,000
Zombie properties		100,000
Subtotal		<u>16,852,729</u>

Capital Projects Funds

Assigned for subsequent year's expenditures:

Zombie property abatement		88,725
Capital accumulation		1,298,938
Parks and open spaces		225,061
Buildings and facilities		7,197,363
Miscellaneous nonoperating projects		7,023,823
Subtotal		<u>15,833,910</u>

Total	\$	<u><u>32,686,639</u></u>
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City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate capital projects funds for twelve Tax Incremental District (TID) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.11106(6)(am)1, the Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

The intent of the City is to recover any unreimbursed project costs from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 5	2028
TID No. 6	2031
TID No. 7	2031
TID No. 10	2035
TID No. 11	2036
TID No. 12	2038
TID No. 13	2038
TID No. 14	2041
TID No. 15	2043
TID No. 16	2045
TID No. 17	2046
TID No. 18	2040

B. MUTUAL INSURANCE COMPANY

During 1987, the City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC) to provide liability insurance services to its members. The City is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members required to pay the expected claims and loss adjustment expenses.

CVMIC’s ongoing operational expenses, other than loss adjustment expenses, are apportioned prorata to each member. CVMIC provides general liability, police and nurses professional liability, public official’s liability, and vehicle liability coverage for the City. The City’s self-insured retention limit is \$250,000 for each occurrence with a maximum limit of \$1,000,000 annually. A separate financial report is issued annually by CVMIC. Since the City considers it probable that its initial capitalization contribution in CVMIC will be returned upon either dissolution of CVMIC or the approved withdrawal from CVMIC, the initial capitalization has been recorded as another asset in the insurance management internal service fund. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters, and workers' compensation. The City is self-insured for health and dental coverage and for workers' compensation. The City purchases general and automobile liability insurance from CVMIC (see Note 4. B above). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

The City has a self-funded health and dental insurance program with claims processed by Humana on behalf of the City. The dental claims are being paid out of the General Fund, and the health claims are being paid out of the Health Insurance Internal Service Fund.

The City has a self-funded workers' compensation program with claims processed by Martin Boyer Company on behalf of the City. The claims are being paid out of the General Fund. As part of the plan, the City has reinsurance coverage for claims over their self-insured retention level of \$250,000 per occurrence with a \$1 million aggregate stop loss.

Health Insurance Fund

City employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to City departments, employees and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2022, the fund had an unrestricted fund balance of \$8,253,671.

The claims liability of \$689,774 reported in the fund at December 31, 2022, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

<u>Year</u>	<u>Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability December 31</u>
2022	\$ 238,932	\$ 11,325,822	\$ 10,874,980	\$ 689,774
2021	723,959	11,138,941	11,623,968	238,932

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

D. INTERMUNICIPAL AGREEMENT

The City is a member of the Milwaukee Area Domestic Animal Control Commission (Commission) along with 18 other communities within the Milwaukee Area. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission is governed by a 19-member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. The Commission currently has \$1,525,000 of debt of which the City would be responsible for 6.18% or \$94,245 if the Commission would be default on the debt.

E. COMMITMENTS AND CONTINGENCIES

On October 12, 2021, the City executed a Limited Guaranty on a loan provided by Waukesha State Bank, to the developer of a hotel project in TID 16 (70th Street Corridor). The City received a Guaranty Fee of \$160,000 from the developer. The City's liability to Waukesha State Bank is initially limited to \$4.0 million and decreases once the hotel opens, and decreases again once the hotel maintains a 1.35 times debt service coverage ratio for 12 months. Once the hotel maintains a 1.5 times debt service coverage ratio for 12 months, the Guaranty will terminate. At this time, the City does not anticipate making any payments to Waukesha State Bank under this Guaranty.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance and the Wisconsin *State Single Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

City of West Allis, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 WISCONSIN RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS *

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.33958233%	\$ (8,341,072)	\$ 35,558,481	23.46%	102.74%
12/31/15	0.33722461%	5,479,834	36,649,769	14.95%	98.20%
12/31/16	0.34437336%	2,838,459	37,575,344	7.55%	99.12%
12/31/17	0.35124669%	(10,428,931)	37,369,577	27.91%	102.93%
12/31/18	0.35567885%	12,653,939	37,386,730	33.85%	96.45%
12/31/19	0.35504187%	(11,448,169)	38,442,217	-29.78%	102.96%
12/31/20	0.35924733%	(22,428,310)	40,429,413	-55.48%	105.26%
12/31/21	0.35907211%	(28,941,872)	38,994,153	-74.22%	106.02%

SCHEDULE OF CONTRIBUTIONS
 WISCONSIN RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 3,276,911	\$ 3,276,911	\$ -	\$ 36,649,769	8.94%
12/31/16	3,386,637	3,386,637	-	37,575,344	9.01%
12/31/17	3,630,468	3,630,468	-	37,369,577	9.72%
12/31/18	3,634,293	3,634,293	-	37,386,730	9.72%
12/31/19	3,813,516	3,813,516	-	38,442,217	9.92%
12/31/20	4,114,910	4,114,910	-	40,429,413	10.18%
12/31/21	4,112,102	4,112,102	-	38,994,153	10.55%
12/31/22	4,154,260	4,154,260	-	39,187,042	10.60%

*These schedules are presented to illustrate the requirement to show information for 10 years. However, the recalculations of prior years are not required, and if prior years are not reported in accordance with current GASB standards, they should not be reported.

See notes to required supplementary information.

City of West Allis, Wisconsin

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 4,258,286	\$ 4,149,233	\$ 3,469,459	\$ 3,759,787	\$ 4,228,012	\$ 4,963,224
Interest	6,456,327	6,703,395	4,109,577	4,527,018	3,291,127	3,018,945
Changes of benefit terms	-	-	-	(2,959,071)	-	-
Differences between expected and actual experience	521,047	-	-	(14,279,324)	-	4,964,831
Effect of assumptions changes or inputs	-	(33,241,932)	-	-	-	-
Changes of assumptions and other inputs	-	-	(10,234,847)	21,976,277	10,409,948	2,650,156
Benefit payments	(5,244,522)	(5,831,630)	(5,481,800)	(4,079,870)	(3,913,206)	(3,684,166)
Net change in total OPEB liability	5,991,138	(28,220,934)	(8,137,611)	8,944,817	14,015,881	11,912,990
Total OPEB liability - beginning	140,942,518	146,933,656	118,712,722	110,575,111	119,519,928	133,535,809
Total OPEB liability - ending	\$ 146,933,656	\$ 118,712,722	\$ 110,575,111	\$ 119,519,928	\$ 133,535,809	\$ 145,448,799
Covered employee payroll	\$ 38,838,198	\$ 37,369,577	\$ 37,386,730	\$ 34,423,877	\$ 34,423,877	\$ 35,869,073
City's total OPEB liability as a percentage of covered payroll	378%	318%	296%	347%	388%	405%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

City of West Allis, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
 LOCAL RETIREE LIFE INSURANCE FUND
 LAST 10 FISCAL YEARS*

<u>Plan Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.71235400%	\$ 2,143,177	\$ 29,956,523	7.15%	44.81%
12/31/18	0.69997180%	1,805,508	35,961,000	5.02%	48.69%
12/31/19	0.68172700%	2,902,926	37,130,000	7.82%	37.58%
12/31/20	0.71653700%	3,941,472	36,426,000	10.82%	37.58%
12/31/21	0.56993600%	3,368,533	38,158,000	8.83%	29.57%

SCHEDULE OF CONTRIBUTIONS
 LOCAL RETIREE LIFE INSURANCE FUND
 LAST 10 FISCAL YEARS *

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee Payroll</u>	<u>Contributions as a Percentage of Covered-employee Payroll</u>
12/31/17	\$ 13,527	\$ 13,527	\$ -	\$ 29,956,523	0.05%
12/31/18	13,481	13,481	-	35,961,000	0.04%
12/31/19	12,324	12,324	-	37,130,000	0.03%
12/31/20	13,475	13,475	-	36,426,000	0.04%
12/31/21	14,288	14,288	-	38,158,000	0.04%
12/31/22	11,728	11,728	-	39,187,042	0.03%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

City of West Allis, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2022

A. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

For the year ended December 31, 2016, the City early implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for its single employer defined benefit postemployment health plan. For the year ended December 31, 2019, the Local Retiree Life Insurance Fund (LRLIF), a multiple-employer defined benefit OPEB plan, completed an actuarial study under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans*, which identified a net OPEB liability for the Plan. The City maintains the following two OPEB plans:

Single Employer Defined Postemployment Benefit Plan

Changes of Assumptions – There were no changes in assumptions.

No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

Local Retiree Life Insurance Fund (LRLIF)

Changes of Benefit Terms - There were no changes of benefit terms for any participating employer in the local retiree insurance fund.

Changes of Assumptions – In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

City of West Allis, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

B. WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms - There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions – Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

City of West Allis, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

City of West Allis, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2022

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

SUPPLEMENTARY INFORMATION

City of West Allis, Wisconsin

GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes				
General City property taxes	\$ 40,332,559	\$ 40,332,559	\$ 40,345,758	\$ 13,199
Delinquent personal property taxes	25,000	25,000	44,999	19,999
Omitted taxes	-	-	2,093	2,093
Mobile home and trailer taxes	60,000	60,000	68,666	8,666
Hotel and motel taxes	125,000	125,000	213,457	88,457
State sales taxes	-	-	156	156
Tax equivalents				
Medical office	966,500	966,500	424,965	(541,535)
HIOLIE	112,500	112,500	112,239	(261)
Other	257,200	257,200	256,482	(718)
Tax delinquencies and penalties	375,000	375,000	397,126	22,126
Total taxes	42,253,759	42,253,759	41,865,941	(387,818)
Intergovernmental				
State				
State shared revenues	7,739,084	7,739,084	7,742,803	3,719
Fire insurance	175,000	175,000	199,657	24,657
Tax exempt computer aid	182,081	182,081	182,081	-
Expenditure restraint program	1,605,978	1,605,978	1,605,978	-
Law enforcement	-	-	31,126	31,126
Transportation	2,570,775	2,570,775	2,563,849	(6,926)
Municipal services payment	200,000	200,000	198,888	(1,112)
Milwaukee county library	235,000	235,000	238,235	3,235
State fair service contract	175,000	175,000	185,000	10,000
Other grants	-	-	66,086	66,086
Total intergovernmental	12,882,918	12,882,918	13,013,703	130,785
Licenses and permits				
Licenses				
Liquor/tavern licenses	97,600	97,600	29,697	(67,903)
Business operators license	91,800	91,800	184,862	93,062
Permits				
Construction	976,000	976,000	969,980	(6,020)
Parking	425,500	425,500	437,715	12,215
Engineering	86,625	86,625	136,094	49,469
Health	26,200	26,200	256,296	230,096
Other licenses and permits	24,100	24,100	33,169	9,069
Total licenses and permits	1,727,825	1,727,825	2,047,813	319,988
Fines and forfeits				
Court fines and penalties	805,174	805,174	794,010	(11,164)
Parking violations	925,000	925,000	975,836	50,836
Judgments and damages	78,000	78,000	9,430	(68,570)
Total fines and forfeits	1,808,174	1,808,174	1,779,276	(28,898)

City of West Allis, Wisconsin

GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Public charges for services				
General government	\$ 27,200	\$ 27,200	\$ 70,474	\$ 43,274
Building inspection	115,300	115,300	97,034	(18,266)
Police	439,550	439,550	510,873	71,323
Ambulance	1,910,000	1,910,000	2,343,719	433,719
Fire	141,500	141,500	187,449	45,949
Milwaukee County paramedic aid	85,000	85,000	148,703	63,703
Health	488,700	488,700	286,329	(202,371)
Senior Center	7,000	7,000	5,729	(1,271)
Public works	703,500	703,500	715,402	11,902
Library	59,600	59,600	55,118	(4,482)
Total public charges for services	<u>3,977,350</u>	<u>3,977,350</u>	<u>4,420,830</u>	<u>443,480</u>
Miscellaneous				
Interest on investments	2,500	2,500	2,538	38
Insurance recoveries and dividends	300,000	300,000	1,091,445	791,445
Rent of city buildings	173,000	173,000	183,986	10,986
Sales of material and equipment	55,000	55,000	28,897	(26,103)
Contributions	385,000	385,000	562,036	177,036
Miscellaneous	184,500	184,500	252,025	67,525
Total miscellaneous	<u>1,100,000</u>	<u>1,100,000</u>	<u>2,120,927</u>	<u>1,020,927</u>
Total Revenues	<u>\$ 63,750,026</u>	<u>\$ 63,750,026</u>	<u>\$ 65,248,490</u>	<u>\$ 1,498,464</u>

City of West Allis, Wisconsin

GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
Common council	\$ 159,193	\$ 159,193	\$ 147,462	\$ 11,731
Mayor	120,159	120,159	120,823	(664)
City attorney	880,853	904,542	788,291	116,251
Municipal court	322,299	322,299	340,777	(18,478)
City assessor	439,373	442,227	280,006	162,221
Administration	297,283	302,344	266,693	35,651
Information technology	1,679,983	1,694,824	1,473,039	221,785
Purchasing/central services	364	364	-	364
Human resources	614,798	625,359	608,312	17,047
Finance	749,492	770,850	730,209	40,641
City clerk	1,022,241	1,028,657	987,322	41,335
Promotions, celebrations, and awards	139,339	139,339	147,398	(8,059)
Other general government	3,416,490	2,875,904	2,520,687	355,217
Total general government	9,841,867	9,386,061	8,411,019	975,042
Public Safety:				
Police department	22,134,630	22,175,366	21,423,286	752,080
Fire department	14,850,770	15,131,019	15,471,423	(340,404)
Police and fire commission	37,840	37,840	35,972	1,868
Building inspection and zoning	1,124,873	1,143,986	1,020,760	123,226
Planning	495,339	503,089	270,900	232,189
Total public safety	38,643,452	38,991,300	38,222,341	768,959
Public Works:				
Engineering	1,265,440	1,280,799	1,046,939	233,860
Public works administration office	1,027,982	1,043,678	1,097,119	(53,441)
Building and electrical division	3,505,239	3,531,811	2,981,767	550,044
Sanitation and street division	4,104,108	4,109,362	3,044,741	1,064,621
Forestry division	1,478,282	1,480,281	1,375,264	105,017
Fleet services	712,231	722,505	650,933	71,572
Inventory services	203,830	204,009	185,679	18,330
Total public works	12,297,112	12,372,445	10,382,442	1,990,003
Health and Human Services:				
Health	2,012,560	2,028,830	1,893,132	135,698
Culture and Recreation:				
Library	2,175,984	2,178,773	2,045,088	133,685
Senior Center	234,821	235,392	182,078	53,314
Total culture and recreation	2,410,805	2,414,165	2,227,166	186,999
Conservation and Development:				
Economic development	138,728	139,572	129,198	10,374
Total Expenditures	\$ 65,344,524	\$ 65,332,373	\$ 61,265,298	\$ 4,067,075

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue						
	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Tax Incremental District No. 7 Rehab Loans	Tax Incremental District No. 11 Rehab Loans
ASSETS							
Cash and investments	\$ 243,680	\$ 134,669	\$ 649,056	\$ 182,867	\$ 935,040	\$ 369,275	\$ 204,308
Receivables							
Taxes and special charges	-	3,927	-	-	-	-	-
Accounts	475	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Loans	2,357,226	5,515	1,825,931	-	7,584	372,516	202,673
Other	-	-	7,775	-	-	-	-
Due from other governments	212,959	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ 2,814,340	\$ 144,111	\$ 2,482,762	\$ 182,867	\$ 942,624	\$ 741,791	\$ 406,981
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 157,049	\$ -	\$ 32	\$ -	\$ 523	\$ 17	\$ 6
Accrued and other current liabilities	5,866	-	319	-	17,860	-	-
Due to other funds	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Special deposits	-	-	-	-	5,998	-	-
Unearned revenues	294,199	-	7,775	-	-	-	-
Total liabilities	457,114	-	8,126	-	24,381	17	6
Deferred inflows of resources							
Property taxes levied for subsequent year	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Loans receivable	2,357,225	5,515	1,825,931	-	7,584	-	-
Special assessments	-	-	-	-	-	-	-
Total deferred inflows of resources	2,357,225	5,515	1,825,931	-	7,584	-	-
Fund balances							
Restricted	1	138,596	648,705	182,867	910,659	-	-
Committed	-	-	-	-	-	741,774	406,975
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	1	138,596	648,705	182,867	910,659	741,774	406,975
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,814,340	\$ 144,111	\$ 2,482,762	\$ 182,867	\$ 942,624	\$ 741,791	\$ 406,981

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue							
	Library Endowment	Cable Communications	Health Grants	Fire Grants	Information Technology Joint Ventures	Centennial	EPA Revolving Loan	Art Scape
ASSETS								
Cash and investments	\$ 2,224,821	\$ 13,913	\$ 178,605	\$ 67,630	\$ 15,106	\$ -	\$ 439,409	\$ 31,550
Receivables								
Taxes and special charges	-	-	-	-	-	-	-	-
Accounts	-	120,579	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	267,630	-
Other	-	-	-	-	-	-	-	-
Due from other governments	-	-	358,038	120,633	-	-	133	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	\$ 2,224,821	\$ 134,492	\$ 536,643	\$ 188,263	\$ 15,106	\$ -	\$ 707,172	\$ 31,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 510,000	\$ 4,932	\$ 76,142	\$ 67,504	\$ -	\$ -	\$ -	\$ 4,375
Accrued and other current liabilities	-	9,131	20,265	3,132	-	-	-	-
Due to other funds	-	65,430	126,330	62,192	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-	-
Unearned revenues	-	-	134,992	39,993	-	-	-	-
Total liabilities	510,000	79,493	357,729	172,821	-	-	-	4,375
Deferred inflows of resources								
Property taxes levied for subsequent year	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	267,630	-
Special assessments	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	267,630	-
Fund balances								
Restricted	1,353,328	-	178,914	15,442	-	-	439,542	-
Committed	361,493	54,999	-	-	15,106	-	-	27,175
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	1,714,821	54,999	178,914	15,442	15,106	-	439,542	27,175
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,224,821	\$ 134,492	\$ 536,643	\$ 188,263	\$ 15,106	\$ -	\$ 707,172	\$ 31,550

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue						Capital Projects			
	Tourism	Christmas Parade	Fire Miscellaneous	Police Miscellaneous	Library Miscellaneous	Senior Center Miscellaneous	Economic Development	Public Works Improvements	Zombie Property Abatement	Tax Incremental District No. 5
ASSETS										
Cash and investments	\$ 924,896	\$ 21,880	\$ 89,353	\$ 181,331	\$ 94,536	\$ 169,542	\$ 331,804	\$ 1,012,771	\$ 88,725	\$ 1,716,629
Receivables										
Taxes and special charges	-	-	-	-	-	-	-	-	-	482,098
Accounts	96,418	-	-	-	-	-	-	271	-	-
Special assessments	-	-	-	-	-	-	-	2,336,697	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,021,314	\$ 21,880	\$ 89,353	\$ 181,331	\$ 94,536	\$ 169,542	\$ 331,804	\$ 3,349,739	\$ 88,725	\$ 2,198,727
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 8,610	\$ 1,930	\$ 16,871	\$ 6,178	\$ 203	\$ 816	\$ 9,378	\$ 604,206	\$ -	\$ 51
Accrued and other current liabilities	1,009	-	-	-	-	-	188	-	-	8
Due to other funds	-	-	-	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-	-	-	-
Special deposits	-	-	100	23,597	-	-	-	98,643	-	-
Unearned revenues	-	-	32,263	-	-	-	-	-	-	-
Total liabilities	9,619	1,930	49,234	29,775	203	816	9,566	702,849	-	59
Deferred inflows of resources										
Property taxes levied for subsequent year	-	-	-	-	-	-	-	-	-	980,719
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	2,336,697	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	2,336,697	-	980,719
Fund balances										
Restricted	-	-	-	-	-	-	-	-	-	1,217,949
Committed	1,011,695	19,950	40,119	151,556	94,333	168,726	322,238	310,193	-	-
Assigned	-	-	-	-	-	-	-	-	88,725	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	1,011,695	19,950	40,119	151,556	94,333	168,726	322,238	310,193	88,725	1,217,949
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,021,314	\$ 21,880	\$ 89,353	\$ 181,331	\$ 94,536	\$ 169,542	\$ 331,804	\$ 3,349,739	\$ 88,725	\$ 2,198,727

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Capital Projects								
	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15
ASSETS									
Cash and investments	\$ -	\$ 7,908,262	\$ -	\$ -	\$ 34,641	\$ -	\$ -	\$ 353,366	\$ 2,198,224
Receivables									
Taxes and special charges	96,452	965,807	-	156,178	532,050	-	6,221	290,994	505,137
Accounts	-	-	-	-	12,500	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Loans	-	2,369,715	-	-	2,285,000	-	-	245,629	1,000,000
Other	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 96,452	\$ 11,243,784	\$ -	\$ 156,178	\$ 2,864,191	\$ -	\$ 6,221	\$ 889,989	\$ 3,703,361
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,040	\$ 1,418
Accrued and other current liabilities	-	119	-	-	52	-	-	99	39
Due to other funds	-	-	-	-	-	-	-	-	-
Advance from other funds	712,380	-	-	9,750	-	78,601	260,307	-	-
Special deposits	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-
Total liabilities	712,380	119	-	9,750	52	78,601	260,307	14,139	1,457
Deferred inflows of resources									
Property taxes levied for subsequent year	196,211	1,964,718	-	317,709	1,082,336	-	12,655	591,963	1,027,587
Accounts receivable	-	-	-	-	-	-	-	243,408	-
Loans receivable	-	2,369,715	-	-	2,285,000	-	-	-	1,000,000
Special assessments	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	196,211	4,334,433	-	317,709	3,367,336	-	12,655	835,371	2,027,587
Fund balances									
Restricted	-	6,909,232	-	-	-	-	-	40,479	1,674,317
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(812,139)	-	-	(171,281)	(503,197)	(78,601)	(266,741)	-	-
Total fund balances	(812,139)	6,909,232	-	(171,281)	(503,197)	(78,601)	(266,741)	40,479	1,674,317
Total liabilities, deferred inflows of resources, and fund balances	\$ 96,452	\$ 11,243,784	\$ -	\$ 156,178	\$ 2,864,191	\$ -	\$ 6,221	\$ 889,989	\$ 3,703,361

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Capital Projects							
	Tax Incremental District No. 16	Tax Incremental District No. 17	Tax Incremental District No. 18	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Miscellaneous Nonoperating Projects	Nonmajor Governmental Funds
ASSETS								
Cash and investments	\$ 148,040	\$ 341,002	\$ 39,021	\$ 1,298,938	\$ 225,061	\$ 7,326,648	\$ 7,110,651	\$ 37,305,250
Receivables								
Taxes and special charges	189,724	218,384	26,950	-	-	-	-	3,473,922
Accounts	-	-	-	-	-	-	-	230,243
Special assessments	234,925	-	-	-	-	-	-	2,571,622
Loans	-	-	-	-	-	-	-	10,939,419
Other	-	-	-	-	-	-	-	7,775
Due from other governments	-	-	-	-	-	-	-	691,763
Prepaid items	-	-	-	-	-	-	-	-
Total assets	\$ 572,689	\$ 559,386	\$ 65,971	\$ 1,298,938	\$ 225,061	\$ 7,326,648	\$ 7,110,651	\$ 55,219,994
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,285	\$ 86,828	\$ 1,700,394
Accrued and other current liabilities	-	-	-	-	-	-	-	58,087
Due to other funds	-	-	-	-	-	-	-	253,952
Advance from other funds	-	-	-	-	-	-	-	1,061,038
Special deposits	446,452	-	-	-	-	-	-	574,790
Unearned revenues	-	-	-	-	-	-	-	509,222
Total liabilities	446,452	-	-	-	-	129,285	86,828	4,157,483
Deferred inflows of resources								
Property taxes levied for subsequent year	347,656	444,254	54,824	-	-	-	-	7,020,632
Accounts receivable	-	-	-	-	-	-	-	243,408
Loans receivable	-	-	-	-	-	-	-	10,118,600
Special assessments	234,925	-	-	-	-	-	-	2,571,622
Total deferred inflows of resources	582,581	444,254	54,824	-	-	-	-	19,954,262
Fund balances								
Restricted	-	115,132	11,147	-	-	-	-	13,836,310
Committed	-	-	-	-	-	-	-	3,726,332
Assigned	-	-	-	1,298,938	225,061	7,197,363	7,023,823	15,833,910
Unassigned	(456,344)	-	-	-	-	-	-	(2,288,303)
Total fund balances	(456,344)	115,132	11,147	1,298,938	225,061	7,197,363	7,023,823	31,108,249
Total liabilities, deferred inflows of resources, and fund balances	\$ 572,689	\$ 559,386	\$ 65,971	\$ 1,298,938	\$ 225,061	\$ 7,326,648	\$ 7,110,651	\$ 55,219,994

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue						
	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Tax Incremental District No. 7 Rehab Loans	Tax Incremental District No. 11 Rehab Loans
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	975,293	3,927	-	-	3,694,992	-	-
Public charges for services	153,838	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	-	-	134,460	-	17,752	10,074	8,227
Total revenues	1,129,131	3,927	134,460	-	3,712,744	10,074	8,227
EXPENDITURES							
Current							
Public safety	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	1,129,131	-	21,399	-	3,671,975	43,106	30,162
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	1,129,131	-	21,399	-	3,671,975	43,106	30,162
Excess of revenues over (under) expenditures	-	3,927	113,061	-	40,769	(33,032)	(21,935)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Issuance of right-to-use lease	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	-	3,927	113,061	-	40,769	(33,032)	(21,935)
Fund balance - January 1	1	134,669	535,644	182,867	869,890	774,806	428,910
Fund balances - December 31	\$ 1	\$ 138,596	\$ 648,705	\$ 182,867	\$ 910,659	\$ 741,774	\$ 406,975

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue						
	Library Endowment	Cable Communications	Health Grants	Fire Grants	Information Technology Joint Ventures	EPA Revolving Loan	Art Scape
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	127,101	1,617,659	246,210	-	4,177	-
Public charges for services	-	498,002	-	-	-	18,191	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	(172,025)	16,976	178,596	-	16,420	-	-
Total revenues	(172,025)	642,079	1,796,255	246,210	16,420	22,368	-
EXPENDITURES							
Current							
Public safety	-	-	-	217,147	-	-	-
Health and human services	-	-	1,617,351	-	-	-	-
Culture and recreation	77,552	754,916	-	-	-	-	14,003
Conservation and development	-	-	-	-	-	4,849	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	12,195	54,217	-	-
Total expenditures	77,552	754,916	1,617,351	229,342	54,217	4,849	14,003
Excess of revenues over (under) expenditures	(249,577)	(112,837)	178,904	16,868	(37,797)	17,519	(14,003)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	20,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	20,000
Net change in fund balances	(249,577)	(112,837)	178,904	16,868	(37,797)	17,519	5,997
Fund balance - January 1	1,964,398	167,836	10	(1,426)	52,903	422,023	21,178
Fund balances - December 31	\$ 1,714,821	\$ 54,999	\$ 178,914	\$ 15,442	\$ 15,106	\$ 439,542	\$ 27,175

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue						Capital Projects			
	Tourism	Christmas Parade	Fire Miscellaneous	Police Miscellaneous	Library Miscellaneous	Senior Center Miscellaneous	Economic Development	Public Works Improvements	Zombie Property Abatement	Tax Incremental District No. 5
REVENUES										
Taxes	\$ 498,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,173
Special assessments	-	-	-	-	-	-	-	1,220,846	-	-
Intergovernmental	-	-	1,566	-	-	-	-	-	-	8,165
Public charges for services	-	-	-	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	60,056	-	-	-	-	-	-
Miscellaneous	2,767	30,052	106,497	2,586	4,443	16,302	239,700	67,413	-	-
Total revenues	500,834	30,052	108,063	62,642	4,443	16,302	239,700	1,288,259	-	930,338
EXPENDITURES										
Current										
Public safety	-	-	87,449	61,601	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	106,702	26,009	-	-	2,104	13,357	-	-	-	-
Conservation and development	-	-	-	-	-	-	214,907	-	-	331,850
Debt service										
Principal	-	-	-	-	-	-	-	-	-	1,824,597
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	149,921
Capital outlay	-	-	14,722	-	-	-	-	3,859,181	-	-
Total expenditures	106,702	26,009	102,171	61,601	2,104	13,357	214,907	3,859,181	-	2,306,368
Excess of revenues over (under) expenditures	394,132	4,043	5,892	1,041	2,339	2,945	24,793	(2,570,922)	-	(1,376,030)
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	-	-	-	-	-	-	-	2,670,000	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	152,500	-	-	1,448,906
Transfers out	-	-	-	-	-	-	(20,000)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	132,500	2,670,000	-	1,448,906
Net change in fund balances	394,132	4,043	5,892	1,041	2,339	2,945	157,293	99,078	-	72,876
Fund balance - January 1	617,563	15,907	34,227	150,515	91,994	165,781	164,945	211,115	88,725	1,145,073
Fund balances - December 31	\$ 1,011,695	\$ 19,950	\$ 40,119	\$ 151,556	\$ 94,333	\$ 168,726	\$ 322,238	\$ 310,193	\$ 88,725	\$ 1,217,949

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital Projects								
	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15
REVENUES									
Taxes	\$ 119,618	\$ 2,003,295	\$ -	\$ 298,068	\$ 946,643	\$ -	\$ 10,727	\$ 401,675	\$ 985,150
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	18	595,868	-	8,541	4,169	-	-	-	-
Public charges for services	-	188,990	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous	-	24,598	-	-	3,098	-	-	14,727	25,000
Total revenues	119,636	2,812,751	-	306,609	953,910	-	10,727	416,402	1,010,150
EXPENDITURES									
Current									
Public safety	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Conservation and development	4,885	123,913	15,665	185	143,002	150	150	43,258	951,884
Debt service									
Principal	135,000	675,000	-	800,000	5,240,000	-	-	547,387	1,541,171
Interest and fiscal charges	27,026	6,714	-	16,488	232,748	-	-	54,199	498,829
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	166,911	805,627	15,665	816,673	5,615,750	150	150	644,844	2,991,884
Excess of revenues over (under) expenditures	(47,275)	2,007,124	(15,665)	(510,064)	(4,661,840)	(150)	10,577	(228,442)	(1,981,734)
OTHER FINANCING SOURCES (USES)									
Long-term debt issued	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	26,169	-	-	-	-	-	-
Transfers out	-	(1,448,906)	(10,504)	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,448,906)	15,665	-	-	-	-	-	-
Net change in fund balances	(47,275)	558,218	-	(510,064)	(4,661,840)	(150)	10,577	(228,442)	(1,981,734)
Fund balance - January 1	(764,864)	6,351,014	-	338,783	4,158,643	(78,451)	(277,318)	268,921	3,656,051
Fund balances - December 31	\$ (812,139)	\$ 6,909,232	\$ -	\$ (171,281)	\$ (503,197)	\$ (78,601)	\$ (266,741)	\$ 40,479	\$ 1,674,317

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital Projects							Nonmajor Governmental Funds
	Tax Incremental District No. 16	Tax Incremental District No. 17	Tax Incremental District No. 18	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Miscellaneous Nonoperating Projects	
REVENUES								
Taxes	\$ 342,179	\$ 488,778	\$ 30,768	\$ -	\$ -	\$ -	\$ -	\$ 7,047,141
Special assessments	29,366	-	-	-	-	-	-	1,250,212
Intergovernmental	-	-	-	-	-	-	-	7,287,686
Public charges for services	-	-	-	-	-	-	-	859,021
Intergovernmental charges for services	-	-	-	-	-	-	-	60,056
Miscellaneous	326,571	-	-	-	-	37,439	40,001	1,151,674
Total revenues	698,116	488,778	30,768	-	-	37,439	40,001	17,655,790
EXPENDITURES								
Current								
Public safety	-	-	-	-	-	-	-	366,197
Health and human services	-	-	-	-	-	-	-	1,617,351
Culture and recreation	-	-	-	-	-	-	-	994,643
Conservation and development	7,127	203,368	1,269	-	-	-	-	6,942,235
Debt service								
Principal	275,000	-	-	-	-	-	-	11,038,155
Interest and fiscal charges	153,030	-	-	-	-	-	-	1,138,955
Capital outlay	-	-	-	-	-	1,920,451	399,043	6,259,809
Total expenditures	435,157	203,368	1,269	-	-	1,920,451	399,043	28,357,345
Excess of revenues over (under) expenditures	262,959	285,410	29,499	-	-	(1,883,012)	(359,042)	(10,701,555)
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	1,600,000	-	4,270,000
Capital lease proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	2,242,677	4,521,667	8,411,919
Transfers out	-	-	-	-	-	(1,722,149)	-	(3,201,559)
Total other financing sources (uses)	-	-	-	-	-	2,120,528	4,521,667	9,480,360
Net change in fund balances	262,959	285,410	29,499	-	-	237,516	4,162,625	(1,221,195)
Fund balance - January 1	(719,303)	(170,278)	(18,352)	1,298,938	225,061	6,959,847	2,861,198	32,329,444
Fund balances - December 31	<u>\$ (456,344)</u>	<u>\$ 115,132</u>	<u>\$ 11,147</u>	<u>\$ 1,298,938</u>	<u>\$ 225,061</u>	<u>\$ 7,197,363</u>	<u>\$ 7,023,823</u>	<u>\$ 31,108,249</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022

	<u>Solid Waste</u>	<u>Parking Utility</u>	<u>Beloit Road Housing Management</u>	<u>Total Enterprise Funds</u>
ASSETS				
Current assets				
Cash and investments	\$ 2,725,812	\$ 204,665	\$ 2,334,966	\$ 5,265,443
Receivables				
Customer accounts	628,479	5,773	19,079	653,331
Leases receivable	-	20,017	-	20,017
Other	-	-	114,536	114,536
Total current assets	<u>3,354,291</u>	<u>230,455</u>	<u>2,468,581</u>	<u>6,053,327</u>
Noncurrent assets				
Loans receivable	-	-	6,076,206	6,076,206
Leases receivable	-	212,785	-	212,785
Net pension asset	190,126	5,871	13,493	209,490
Capital assets				
Nondepreciable	-	905,726	-	905,726
Depreciable, net	620,472	-	-	620,472
Total noncurrent assets	<u>2,469,170</u>	<u>1,124,382</u>	<u>6,089,699</u>	<u>9,683,251</u>
Total assets	<u>5,823,461</u>	<u>1,354,837</u>	<u>8,558,280</u>	<u>15,736,578</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	380,299	10,838	24,359	415,496
Other postemployment related amounts	18,738	291	16	19,045
Total deferred outflows of resources	<u>399,037</u>	<u>11,129</u>	<u>24,375</u>	<u>434,541</u>
LIABILITIES				
Current liabilities				
Accounts payable	163,408	-	489	163,897
Accrued and other current liabilities	5,544	-	-	5,544
Unearned revenue	-	-	1,203,439	1,203,439
Total current liabilities	<u>168,952</u>	<u>-</u>	<u>1,203,928</u>	<u>1,372,880</u>
Long-term obligations				
Other postemployment benefits	58,809	915	49	59,773
Total long-term liabilities	<u>58,809</u>	<u>915</u>	<u>49</u>	<u>59,773</u>
Total liabilities	<u>227,761</u>	<u>915</u>	<u>1,203,977</u>	<u>1,432,653</u>
DEFERRED INFLOWS OF RESOURCES				
Leases receivable	-	228,161	-	228,161
Pension related amounts	447,911	13,832	31,788	493,531
Other postemployment related amounts	15,661	244	13	15,918
Total deferred inflows of resources	<u>463,572</u>	<u>242,237</u>	<u>31,801</u>	<u>737,610</u>
NET POSITION				
Net investment in capital assets	620,472	905,726	-	1,526,198
Restricted for pension assets	190,126	5,871	13,493	209,490
Unrestricted	4,720,567	211,217	7,333,384	12,265,168
Total net position	<u>\$ 5,531,165</u>	<u>\$ 1,122,814</u>	<u>\$ 7,346,877</u>	<u>\$ 14,000,856</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Solid Waste	Parking Utility	Beloit Road Housing Management	Total Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,361,601	\$ -	\$ 19,079	\$ 2,380,680
Parking fees and permits	-	12,059	-	12,059
Total operating revenues	<u>2,361,601</u>	<u>12,059</u>	<u>19,079</u>	<u>2,392,739</u>
OPERATING EXPENSES				
Operation and maintenance	2,374,914	41,154	525	2,416,593
Depreciation	60,549	-	-	60,549
Total operating expenses	<u>2,435,463</u>	<u>41,154</u>	<u>525</u>	<u>2,477,142</u>
Operating income (loss)	<u>(73,862)</u>	<u>(29,095)</u>	<u>18,554</u>	<u>(84,403)</u>
NONOPERATING REVENUES				
General property taxes	-	43,000	-	43,000
Lease revenue	-	24,006	-	24,006
Interest income	-	2,416	149,171	151,587
Nonoperating grants	253,600	-	-	253,600
Other nonoperating revenues	92,020	-	-	92,020
Total nonoperating revenues	<u>345,620</u>	<u>69,422</u>	<u>149,171</u>	<u>564,213</u>
Income before transfers	271,758	40,327	167,725	479,810
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(120,000)</u>	<u>(220,000)</u>
Change in net position	<u>171,758</u>	<u>40,327</u>	<u>47,725</u>	<u>259,810</u>
Net position - January 1	<u>5,359,407</u>	<u>1,082,487</u>	<u>7,299,152</u>	<u>13,741,046</u>
Net position - December 31	<u>\$ 5,531,165</u>	<u>\$ 1,122,814</u>	<u>\$ 7,346,877</u>	<u>\$ 14,000,856</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Solid Waste	Parking Utility	Beloit Road Housing Management	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,300,255	\$ 10,007	\$ 155,479	\$ 2,465,741
Cash paid for employee wages and benefits	(835,906)	(5,590)	(442)	(841,938)
Cash paid to suppliers	(1,452,786)	(37,809)	-	(1,490,595)
Net cash provided (used) by operating activities	<u>11,563</u>	<u>(33,392)</u>	<u>155,037</u>	<u>133,208</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	-	18,031	-	18,031
Lease receipts	-	19,365	-	19,365
Nonoperating grants	253,600	-	-	253,600
Collection (Disbursement) of long-term receivable	-	-	(112,110)	(112,110)
Advance to/from other funds	(1,658,572)	-	-	(1,658,572)
Miscellaneous revenues	92,020	-	-	92,020
Transfers and advances to other funds	(100,000)	-	(120,000)	(220,000)
Net cash provided (used) by noncapital financing activities	<u>(1,412,952)</u>	<u>37,396</u>	<u>(232,110)</u>	<u>(1,607,666)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	2,416	149,171	151,587
Change in cash and cash equivalents	<u>(1,401,389)</u>	<u>6,420</u>	<u>72,098</u>	<u>(1,322,871)</u>
Cash and cash equivalents - January 1	<u>4,127,201</u>	<u>198,245</u>	<u>2,262,868</u>	<u>6,588,314</u>
Cash and cash equivalents - December 31	<u>\$ 2,725,812</u>	<u>\$ 204,665</u>	<u>\$ 2,334,966</u>	<u>\$ 5,265,443</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Solid Waste</u>	<u>Parking Utility</u>	<u>Beloit Road Housing Management</u>	<u>Totals 2022</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (73,862)	\$ (29,095)	\$ 18,554	\$ (84,403)
Adjustments to reconcile operating income (loss) to net cash provided by (used) by operating activities				
Depreciation	60,549	-	-	60,549
Change in asset, liability and deferred outflows and inflows of resources				
Pension	(52,144)	(904)	641	(52,407)
Other postemployment benefits	21,801	(690)	(354)	20,757
Change in operating assets and liabilities				
Accounts receivables	(61,346)	(2,052)	(23,484)	(86,882)
Accounts payable	118,067	(541)	-	117,526
Accrued and other current liabilities	(1,502)	(110)	(204)	(1,816)
Unearned revenue	-	-	159,884	159,884
Net cash provided (used) by operating activities	<u>\$ 11,563</u>	<u>\$ (33,392)</u>	<u>\$ 155,037</u>	<u>\$ 133,208</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 2,725,812</u>	<u>\$ 204,665</u>	<u>\$ 2,334,966</u>	<u>\$ 5,265,443</u>
Total cash and cash equivalents	<u>\$ 2,725,812</u>	<u>\$ 204,665</u>	<u>\$ 2,334,966</u>	<u>\$ 5,265,443</u>
Noncash capital and related financing activities				
None				

City of West Allis, Wisconsin

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	Insurance Management Fund	Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and investments	\$ -	\$ 9,610,411	\$ 9,610,411
Receivables			
Accounts	-	194,088	194,088
Total current assets	<u>-</u>	<u>9,804,499</u>	<u>9,804,499</u>
Other assets			
Deposit with CVMIC	<u>3,244,299</u>	<u>-</u>	<u>3,244,299</u>
Total assets	<u>3,244,299</u>	<u>9,804,499</u>	<u>13,048,798</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	1,301,415	1,301,415
Accrued and other current liabilities	-	83	83
Special deposits	-	32,368	32,368
Unearned revenue	<u>-</u>	<u>216,962</u>	<u>216,962</u>
Total current liabilities	<u>-</u>	<u>1,550,828</u>	<u>1,550,828</u>
Total liabilities	<u>-</u>	<u>1,550,828</u>	<u>1,550,828</u>
NET POSITION			
Unrestricted	<u>3,244,299</u>	<u>8,253,671</u>	<u>11,497,970</u>
Total net position	<u>\$ 3,244,299</u>	<u>\$ 8,253,671</u>	<u>\$ 11,497,970</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Insurance Management Fund	Health Insurance Fund	Total
OPERATING REVENUES			
Charges to City departments, employees and retirees	\$ -	\$ 16,403,555	\$ 16,403,555
OPERATING EXPENSES			
Insurance claims and estimate changes	-	15,530,500	15,530,500
Operating income	-	873,055	873,055
NONOPERATING REVENUES			
Interest income	59,498	-	59,498
Total nonoperating revenues	59,498	-	59,498
Income before transfers	59,498	873,055	932,553
Transfers out	(59,498)	-	(59,498)
Change in net position	-	873,055	873,055
Net position - January 1	3,244,299	7,380,616	10,624,915
Net position - December 31	\$ 3,244,299	\$ 8,253,671	\$ 11,497,970

City of West Allis, Wisconsin

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Insurance Management Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services provided	\$ -	\$ 16,790,813	\$ 16,790,813
Cash paid for employee wages and benefits	-	(70,334)	(70,334)
Cash paid to suppliers	-	(14,924,047)	(14,924,047)
Net cash provided (used) by operating activities	<u>-</u>	<u>1,796,432</u>	<u>1,796,432</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer in (out)	<u>(59,498)</u>	<u>-</u>	<u>(59,498)</u>
Net cash provided (used) by noncapital financing activities	<u>(59,498)</u>	<u>-</u>	<u>(59,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>59,498</u>	<u>-</u>	<u>59,498</u>
Change in cash and cash equivalents	-	1,796,432	1,796,432
Cash and cash equivalents - January 1	<u>-</u>	<u>7,813,979</u>	<u>7,813,979</u>
Cash and cash equivalents - December 31	<u><u>\$ -</u></u>	<u><u>\$ 9,610,411</u></u>	<u><u>\$ 9,610,411</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED USED BY OPERATING ACTIVITIES			
Operating income	\$ -	\$ 873,055	\$ 873,055
Adjustments to reconcile operating loss to net cash used by operating activities			
Change in operating assets and liabilities			
Accounts receivables	-	375,234	375,234
Accounts payable	-	443,036	443,036
Accrued and other current liabilities	-	101,753	101,753
Special deposits	-	(8,670)	(8,670)
Unearned revenue	-	12,024	12,024
Net cash used by operating activities	<u><u>\$ -</u></u>	<u><u>\$ 1,796,432</u></u>	<u><u>\$ 1,796,432</u></u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents	<u><u>\$ -</u></u>	<u><u>\$ 9,610,411</u></u>	<u><u>\$ 9,610,411</u></u>
Noncash capital and related financing activities			
None			

OTHER INDEPENDENT AUDITORS' REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of West Allis, Wisconsin
West Allis, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Allis, Wisconsin (the City), as and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 25, 2023. Our report includes a reference to other auditors who audited the financial statements of the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters. The financial statements of FIRE, a discretely presented component unit of the City were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 25, 2023



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