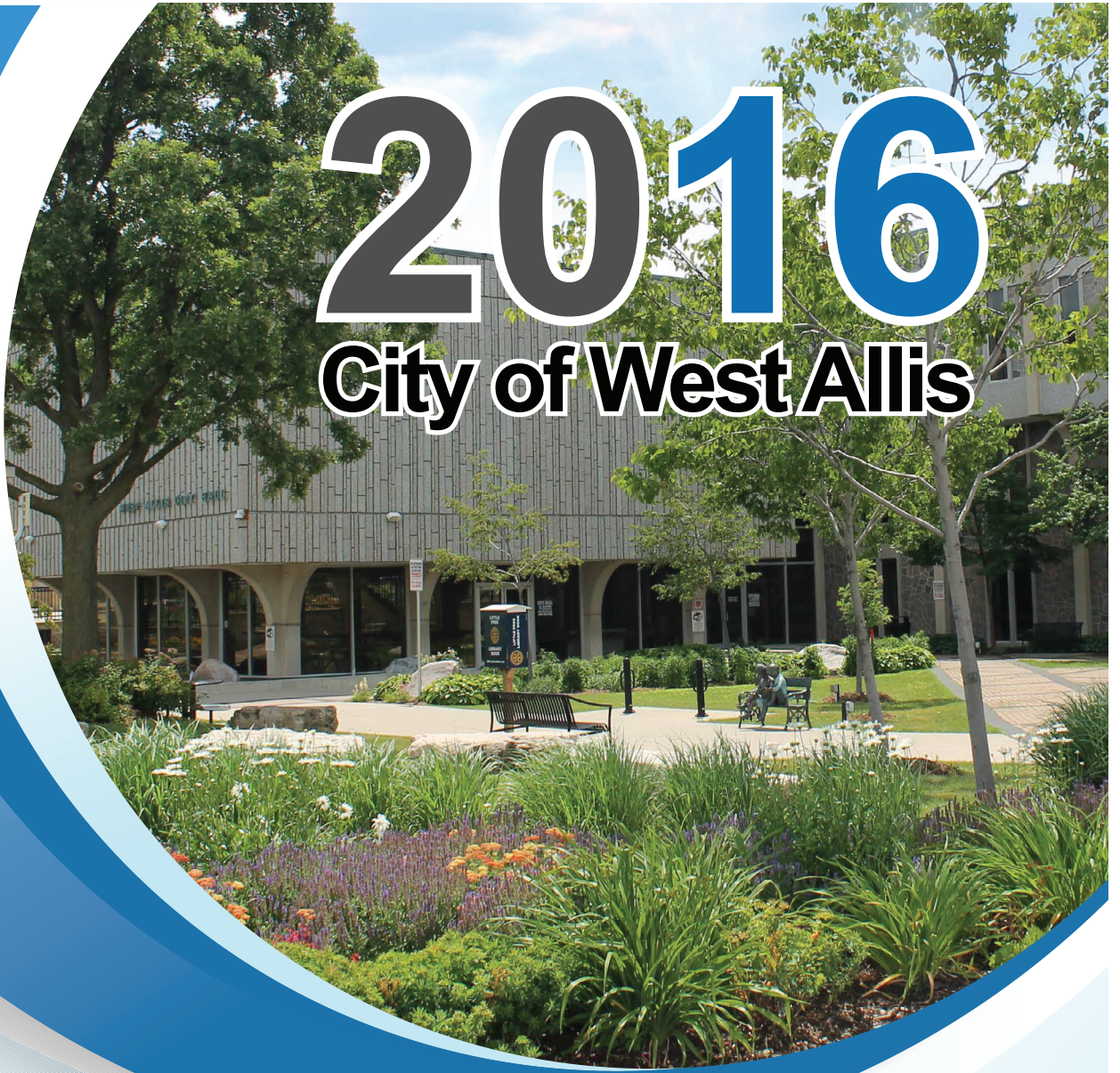


# 2016

## City of West Allis



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2016

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

CITY OF WEST ALLIS, WISCONSIN  
for the year ended December 31, 2016



PREPARED BY THE FINANCE DEPARTMENT

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**CITY OF WEST ALLIS, WISCONSIN**

December 31, 2016

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December 31, 2016

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**Peggy Steeno**  
Finance Director  
Finance Department  
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July 26, 2017

Honorable Mayor Dan Devine  
Members of the Common Council

I am pleased to submit the Comprehensive Annual Financial Report of the City of West Allis, Wisconsin, for the year ended December 31, 2016. This report has been prepared by the City's Finance Department. The Financial Statements contained within the report were examined by the independent auditors Schenck SC, and their opinion is that all financial statements present fairly, in all material respects, the City's position at December 31, 2016, the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all necessary disclosures to enable the reader to gain maximum understanding of the City's financial affairs have been included. This letter of transmittal is designed to complement the Management Discussion and Analysis Section and should be read in conjunction with it.

This financial report is divided into four major sections. The Introductory Section begins with this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2015, the City's organizational chart, and a listing of the elected officials. This is followed by the Financial Section, which includes the independent auditors' report on the basic financial statements and supplementary schedule of expenditures of federal awards and schedule of state financial assistance. Completing the Financial Section is Management's Discussion and Analysis, the basic financial statements, required supplemental information, and other supplemental information.

The Statistical Section, which is unaudited, includes general information and major departments and related activities along with further information on select financial and demographic information, generally presented on a multi-year basis.

Required supplemental information includes the schedule of funding progress and the schedule of employer contributions required by GASB Statement No. 75.

The Supplemental Reports Section includes the auditors' report on internal control, the report on federal and state financial assistance (Single Audit), and reports on compliance.

### **Profile of the Government**

The City of West Allis is located in Milwaukee County immediately west of the City of Milwaukee. Incorporated in 1906, West Allis has grown from an initial population of 2,300 and is the eleventh largest city in the State of Wisconsin, with a population of 60,411 according to the 2010 census. State estimated 2016 population is 60,164.

Located near, and servicing West Allis, are two airports, one for commercial aviation (Timmerman Field) and one for general aviation (Mitchell International Airport), both owned and operated by Milwaukee County. Milwaukee County also runs the Countywide Transit System, which services the City of West Allis. The County also owns and operates an excellent Public Museum, Humphrey IMAX Theater, a well-known zoo, and Miller Park, home of the Milwaukee Brewers. West Allis is the home of the Wisconsin State Fair Grounds, which is the location of several important national, state, regional and local activities.

Companies such as Quad Graphics, Johnson Controls, P&H Mining, Avalon Rail, Children's Hospital of Wisconsin, Brookdale Senior Living, Aurora Home Medical Services, Anthem Blue Cross, Chris Hansen Laboratory Inc., C & H Distributors and many other large, medium and small businesses of a diversified nature are located in West Allis, as well as many financial institutions and places of worship.

West Allis is served by two railways, the Union Pacific Railroad and the Milwaukee Road. Also serving the Metropolitan area, including West Allis, is The Wisconsin Center (formerly the Frontier Airlines Center), the BMO Harris Bradley Center, home of the Milwaukee Bucks, Milwaukee Admirals, and the Marquette Golden Eagles, and the Summerfest Grounds, home of the largest annual outdoor music festival in the Midwest, as well as several ethnic festivals held throughout the summer months.

The City of West Allis operates and maintains ten parks of varying size. In addition, the City also contains several large and small, county owned and operated parks and golf courses within its boundaries. In addition, the City sponsors several parades and celebrations annually, including National Night Out.

The City operates under the Council-Mayor form of government. The Common Council includes ten alderpersons elected from five geographic districts, who are elected to four-year terms. The Chief Executive Officer of the City is the Mayor, who monitors and supervises departmental operations on behalf of the Common Council. The City Administrator assists the Council and Mayor in carrying out their overall and day-to-day direction and operation of the City.

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis retains approximately 580 full-time equivalent employees, on a permanent basis. At different times during the year, West Allis also employs temporary and part-time help to perform seasonal and other time-specific work. The City requires that all emergency-workers reside within a thirty-minute drive radius of the West Allis city limits, within eighteen months of employment. The City operates daily through nineteen departments, headed by fourteen appointed officials and two elected officials in the roles of City Attorney & Municipal Judge.

This report includes all of the funds and account groups of the City. It includes all governmental organizations and activities for which the Common Council is financially accountable.

The City of West Allis maintains budgetary controls; the objective being to ensure compliance with legal provisions embodied in the annual budget adopted by the Common Council each November for the following calendar year. Generally, the majority of all-governmental funds and enterprise funds are included in the annual budget. The statutory level of budgetary control for operating budgets, that is, the level at which expenditures cannot exceed the appropriated amount, is established by purpose within each fund.

Each department is required to submit its budget requests to the Mayor prior to the first week in August. After the Mayor has completed his review, the budget is forwarded to Common Council for their evaluation and consideration. In November of each year, the Common Council adopts a City budget for the ensuing year. Tax Bills are mailed in early December to all property owners.

Management of the City is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurances recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to regular evaluation by management.

## **FACTORS AFFECTING FINANCIAL CONDITIONS**

Realizing the importance of a vibrant local economy, the City of West Allis employs an aggressive strategy, in cooperation with local business, Milwaukee County and the State of Wisconsin, to encourage development. Tax increment financing is the primary tool utilized, but the City also takes advantage of numerous grant programs and other innovative tools, including New Market Tax credits. The City's philosophy is to assist private-sector developers in taking the lead on any redevelopment initiative. However, when no private-sector developers step forward, the City, through its Community Development Authority (CDA) will lead the redevelopment effort as a "developer of last resort". The CDA becomes a change agent and performs the necessary investigation, clean-up, demolition, research, marketing, and analysis that is sufficient to attract a development or a particular use, and create the conditions that are acceptable to secure private sector investment and bank financing.

The City of West Allis has created 15 Tax Incremental Financing Districts that consist of many sizes and solve many different problems. These Districts are in various stages of implementation, from completed to recently adopted. They range from individual parcel (re)developments, such as Quad/Graphics, to larger neighborhood transformations, like the Six Points/Farmers Market District. Some of them focus on job creation, like Summit Place, while others, such as the Pioneer District, provide housing options and neighborhood improvements. More often than not, districts contain multiple aspects.

The City's most successful TIF District is Summit Place (TID #7) which revitalized two vacant, dilapidated, former Allis Chalmers Manufacturing Company properties into 678,000 square feet of built-out office space which is 98% leased and occupied. It is currently valued at approximately \$65 million; has become the second largest office building complex in the metro Milwaukee area; and has brought over 2,700 jobs to the City since 2004. The initial transformation has continued to serve as a catalyst in the area. More recent improvements have included streetscaping and improvements to the adjacent Towne Center shopping center, the addition of two parking structures necessary due to the additional jobs brought to area, and a Neighborhood Residential Improvement program to address blighting influences, and to strengthen investment to ensure the continued success of the surrounding neighborhood. Without the proactive use of TIF, there was little probability that property values would have increased to current levels. As a direct result of this TID, the Summit Place area is now the City's largest taxpayer and the City's largest employment center.

The CDA has loaned Whitnall Summit approximately \$3 million, which is scheduled to be repaid in the upcoming years. To be on the conservative side, none of these funds have been used in the calculations to pay off the TID. This was to ensure the financial integrity of paying off this TID. In addition, there has been an amendment to this TID, approved by the Joint Review Board, authorizing more than \$12 Million to be shared with TID #5, in order to assist TID #5 in meeting its existing obligations.

TID #11 was created in 2010 to undertake the redevelopment of 11.4 acres of land impacted by flooding in 2008. The land is located at 84<sup>th</sup> & Greenfield Avenue, across the street from the Wisconsin State Fairgrounds & Exposition Center. The project involved several creative financial strategies and solutions with the goal of attracting a hotel development (often identified as a top goal in the City's long-range strategic plan). Specifically, EB-5 Financing was utilized, which is an investor program focused on job creation and capital investment by foreign investors. Following the recent recession, hotel financing underwent stricter underwriting criteria, or was simply hard to obtain. In order to raise \$9.5 million in equity, the developer waited two (2) years while Chinese investors were vetted through Homeland Security, a critical requirement of the EB-5 program.



Another financial element in TID #11 was a Tri-City Bank loan of \$2,500,000 secured through a first mortgage loan. The City-affiliated First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) provided a \$1,500,000 leveraged loan, and the TID provided a \$350,000 loan which was personally guaranteed by the property owners, in order to facilitate a \$900,000 state-of-the-art 100-year underground storm water facility, designed to retain storm water on site and not spill out into the neighboring properties.

Redevelopment of the 84th and Greenfield area included a combination of TID, grants and creative financing. Together, these programs contributed to the development of a \$13 million Hampton Inn and Suites Hotel and Conference Center, which opened in October of 2015.

Other recent highlights in the City's TIF Districts included the 2015 completion of a \$14 million industrial building in TID #10 (Yellow Freight) on a former trucking terminal site, the cleanup of neighborhood blight into the completion of a \$1.2 million office space in TID #13 (Home Juice), and the creation of TID #15, in 2016, a blighted area district, with plans for mixed use redevelopment. Planning is well underway for these improvements, with the start of construction expected in late 2017.

The City's steady growth in value and employment combined with current and proposed undertakings make West Allis' prospects for the future very favorable. The City's Aa2 rating from Moody's and AA rating from S&P were recently reconfirmed and both agencies rate the City as "stable".

### **First-Ring Industrial Redevelopment Enterprise (FIRE)**

FIRE is a Community Development Entity formed to provide gap financing to mixed-use developments and business expansions throughout the Southeast Wisconsin industrial corridor. From 2007 through 2016, FIRE was awarded \$238 Million, in six different allocation periods, of New Market Tax Credits. The CDFI Fund, an arm of the U.S. Treasury Department, awards the New Market Tax Credits. The target area for FIRE includes Milwaukee County, Racine County and Kenosha County. Investments in these areas have included eight industrial/manufacturing real estate projects, eight commercial/retail real estate developments, and two community facilities. The projects have helped improve a substantial amount of development, attracted 3,022 jobs, and helped foster 1,521 construction jobs.

FIRE also made three economic development loans by reinvesting proceeds from fees collected from eighteen successful NMTC projects.

### **Downtown West Allis Business Improvement District (BID)**

Downtown West Allis, [www.downtownwestallis.com](http://www.downtownwestallis.com) recognized by [Milwaukee Magazine](#) as one of the most underrated shopping areas of the Metro-Milwaukee area, has been in the midst of revitalization. In 2000, the Governor recognized the Downtown area as a Wisconsin Main Street community. Since then, the area has added a new streetscape with decorative lighting and new pedestrian amenities to enhance the look and feel of the area. The geographic boundaries of the BID are West Greenfield Avenue between 70<sup>th</sup> and 76<sup>th</sup> Streets, extending to the North and South alleys & the West side of South 70<sup>th</sup> Street North to West Madison Street and South to West Orchard Street. Most of the properties are in excess of 60 years old, with many over 80 years old. The BID is home to more than 100 small and diverse retail/service businesses.

The Downtown West Allis Business Improvement District hosts a variety of events including:

1. West Allis Ala-Carte – a variety of crafts, food and entertainment, held in June,
2. The Annual Downtown West Allis Classic Car Show, held in October,
3. Halloween Meet-n-Treat held, in October, and
4. A Holiday Stroll which kicks off the holiday season with a Santa café, coloring contest for the kids and the West Allis Charities Annual Christmas Parade.

## **Wisconsin State Fair Grounds**

West Allis is home of the Wisconsin State Fair Grounds, which is the location of several important national, state, regional and local activities. The State Fair Grounds is also home of the Pettit Olympic Ice Arena, which is the only operating ice rink in North America and the site of Olympic Speed Skating training. Also located on the State Fair Grounds is the Milwaukee Mile, "America's Legendary Oval", a one-mile oval racetrack that hosts several auto races and is the oldest continuously operating motor speedway.

As part of an effort to more effectively utilize the Wisconsin Fair Grounds year round, a 300,000 square foot exposition center was constructed in 2001. Other improvements included a grandstand and upgrades to the track, concession areas, and new gateway grand entrances to the Fair Park. The new construction and upgrades represent the use of \$34 million in Industrial Revenue Bonds (IRB's). In 2009, the State of Wisconsin Fair Park Board bought out the remaining IRB's at a discount of approximately 60%. With the reduced debt load, the exposition center and related facility should have an easier time being able to secure a solid financial future. The Milwaukee Mile Race Track has seen several promoters over the last few years. Although the Milwaukee Mile racetrack is currently being used, there may be future long range plans for development. The City would be willing to work with the State and any developer that sees a potential reuse of the site.

## **Bike & Pedestrian Trails Expanded**

Building on the success of the recently extended Hank Aaron State Trail, which has proven to be a valuable commuter and recreational trail linking jobs, commerce, and neighborhoods, the City is finalizing plans to develop the West Allis Cross Town Connector Trail. This 5-mile long trail will feature 2.5 miles of off-street improvements including a bridge over Hwy 100. When completed, the Cross Town Trail will provide the missing link between Wisconsin's two largest urban centers; connecting West Allis to Milwaukee's lakefront via the Hank Aaron State Trail and connecting West Allis to Madison via the New Berlin Recreational Trail and Glacial Drumlin Trail. The project is estimated to cost \$2.9 million, of which \$2.4 million has been secured in state and federal funding. Final planning took place in 2012 for this trail with construction bid out 2013. The first leg of the trail expansion was completed in the fall of 2013. Continued trail expansion plans are on-going, including the design of a bike bridge over Hwy 100, with construction slated for 2018 and 2019.

## **Park Improvements**

The City kicked off a \$2.9 Million Neighborhood Park Revitalization Initiative in 2016, which was based on a recently completed Comprehensive Park and Outdoor Recreation Plan. Specific parks that were improved in 2016 include: Reservoir Park, Liberty Heights Park, and Veteran's Park. Improvements included: improved facilities, a substantial amount of new playground equipment, rubber surfacing, new basketball hoops, new tennis courts, pickle ball courts, a skateboard area, and other general improvements.

## **Cash Management and Investment Policy**

Cash temporarily idle during the year was invested in repurchase agreements, Wisconsin Local Government Investment Pool, American Deposit Management, and demand deposits. All cash transactions for City operations are run through two accounts. The main account is to accommodate all vendor payments while the second account is used exclusively for payroll purposes. Interest is accumulated on a daily basis and posted to the general account at the end of the month.

The investment of City funds is done in accordance with Secs. 34.01(5) and 66.04 (2), of the Wisconsin State Statutes. The Statutes permit investments in Certificates of Deposit, Government Bonds and Securities, Corporate Bonds, Government Pool and Repurchase Agreements. In 2015, the highest concentrations of the City's cash portfolio were maintained in the American Deposit Corporation, Tri-City Investment account, and corporate and municipal securities through various suppliers. These investment vehicles continued to provide one of the highest rates of return available with low risk for liquid cash holdings.

## **Local Economy**

The City, over the past 10 years, has experienced an overall growth in terms of residential and commercial value. Although the City is land locked and fully developed, West Allis has continually increased its value through redevelopment as was outlined earlier in this letter. The City's equalized value has increased from \$3.5 billion in 2005 to over \$3.7 billion in 2016.

As of the writing of this transmittal, unemployment in West Allis of 3.3% is slightly above the state-wide average of 3.1%, much improved from the 6.5% rate in 2016.

## **Relevant Financial Policies**

The budgetary philosophy of the City has been one of stability in budget, taxes and user charges. The City has a formal policy of maintaining an unassigned fund balance in the General Fund of at least 5% of expenditures, but in practice the City has maintained a much healthier level of reserves. In 2016, unassigned fund balance was 14% of expenditures and, total spendable fund balance was 56% of expenditures. The City maintains such balances to provide a cushion against unforeseen budget events, to save for future capital items, and for cash flow purposes.

The Common Council continues to support mutual agreements between the City and other governmental agencies. Some of the agreements that are in place are as follows: Milwaukee County Federated Library System, Milwaukee Area Paramedic Program, Police and Fire mutual aid agreements, Milwaukee Area Domestic Animal Control Commission, Health Services and Technology Services for the City of West Milwaukee, and Information Technology contracts for maintaining police software for several communities. In most cases these arrangements not only save the community money but contribute additional revenues to help offset other parts of the City's budget.

## **Major initiatives**

1. Pursuing opportunities for visionary development and improving the quality of life within West Allis as outlined in the 2030 Comprehensive Plan.
2. Aggressively trying to recruit new businesses to West Allis by utilizing New Markets Tax Credits, Tax Incremental Financing Districts, State incentives and Block Grant Funds.
3. Working in existing TIDs to market viable options that will increase tax base.
4. Maintaining or improving the city's debt rating (Moody's Aa2, Standard & Poor's AA).
5. Preservation of high quality city services by focusing on productivity improvements, more efficient and streamlined operating methods, and alternative service delivery options.
6. Pursuing opportunities for green initiatives and environmental sustainability.
7. Technology upgrades include GPS tracking of DPW vehicles, more utilization of mobile devices in the field, electronic forms and process management, and expanding the time and attendance system.
8. Implementation of changes in City benefits for employees, specifically health insurance, saving over \$1 Million, while maintaining the current level of coverage.
9. Engaging in Citywide planning efforts include: a new five-year strategic plan, comprehensive capital improvement planning, and a classification and compensation study for all regular employees.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City of West Allis, Wisconsin, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENT**

The preparation of this report was made possible by the dedicated services of the staff of the Finance Department, and the advice and services provided by the independent auditors, Schenck, SC.

We would also like to thank the Common Council for their interest and support in planning and conducting the financial operations of the City of West Allis in a responsible and progressive manner.

Respectfully submitted,

*Peggy Steeno*

Peggy Steeno, CPA, MBA  
Finance Director/Comptroller/City Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of West Allis  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**CITY OF WEST ALLIS, WISCONSIN**  
General Information

ELECTED CITY OFFICIALS

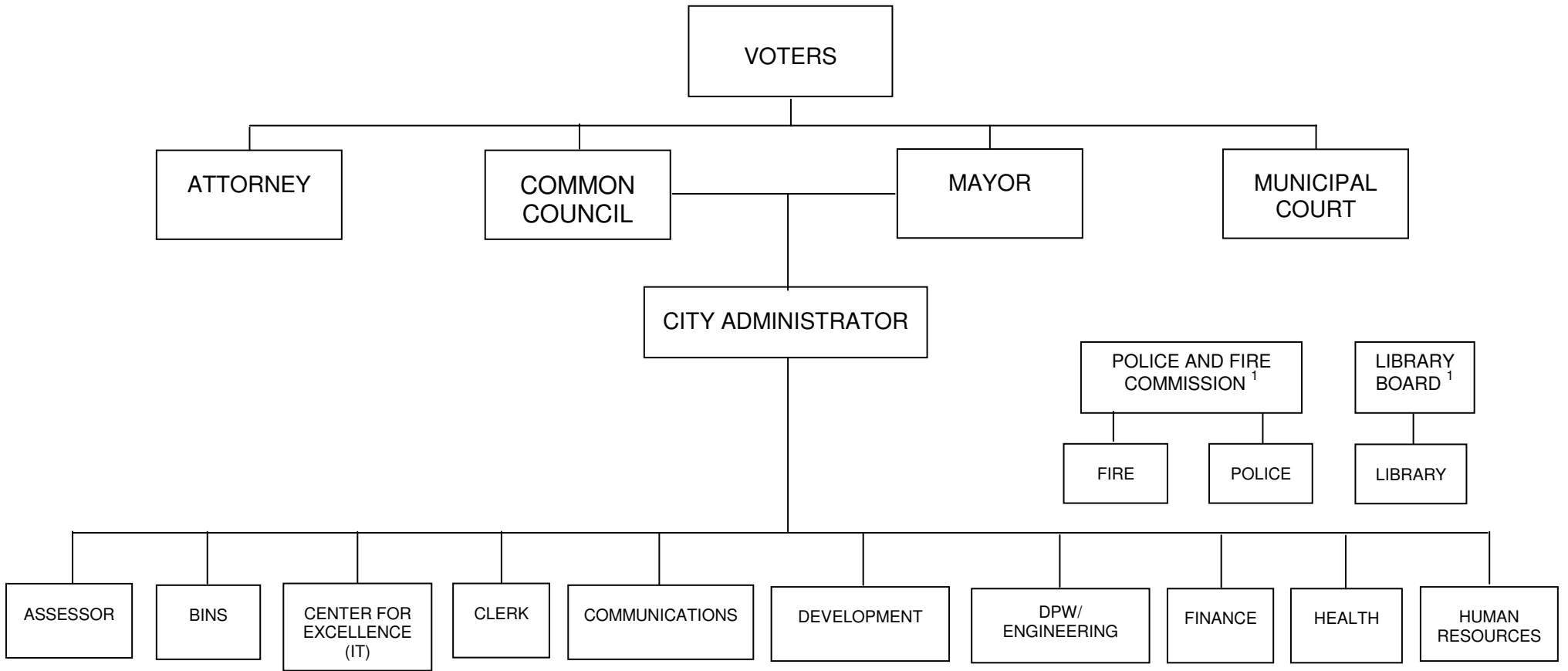
**Mayor and Council**

	<u>Initial Term</u> <u>Commenced</u>	<u>Current Term</u> <u>Expires</u>
Dan Devine, Mayor	4/2008	4/2020
Gary T. Barczak, Alderperson	4/1988	4/2020
Thomas G. Lajsic, Alderperson & Council President	4/1996	4/2020
Marty Wiegel, Alderperson	5/2003	4/2020
Michael May, Alderperson	4/2012	4/2020
Michael Czaplewski, Alderperson	4/1995	4/2020
Rosalie Reinke, Alderperson	4/1992	4/2020
Kevin Haass, Alderperson	4/2014	4/2020
Cathleen M. Probst, Alderperson	4/2012	4/2020
Daniel Roadt, Alderperson	4/2008	4/2020
Vincent Vitale, Alderperson	4/1988	4/2020

**Elected Official**

Scott Post, City Attorney	3/2002	4/2020
Paul Murphy, Judge	5/2003	4/2019

**ORGANIZATIONAL CHART  
CITY OF WEST ALLIS**



<sup>1</sup> Appointed by the Mayor and confirmed by the Common Council, with policy responsibility.

Total Positions for 2016: 580.55 FTE

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Common Council  
City of West Allis  
Milwaukee County, Wisconsin

### **Report on the Financial Statements**

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for FIRE, is based upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note C.1 to the financial statements, in 2016 the City adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. As discussed in Note E.9 to the financial statements, the City also adopted new accounting guidance, GASB Statement No. 75, *Accounting for Postemployment Benefit Plans Other Than Pension Plans*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 32 and the schedules relating to pensions and other post-employment benefits on pages 82 through 84 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the financial information listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2017, 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 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 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.

A handwritten signature in black ink, appearing to read "Schmidt & Co." with a stylized flourish at the end.

Certified Public Accountants  
Green Bay, Wisconsin  
July 26, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF WEST ALLIS, WISCONSIN

## Management's Discussion and Analysis

December 31, 2016

As management of the City of West Allis, Wisconsin, 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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-11 of this report.

### 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 \$163,626,012 (*net position*). This is a decrease of \$105,833,891. This decrease is due to the implementation of GASB Statement #75, *Accounting for Postemployment Benefit Plans Other Than Pensions* which required restatement of the 1/1/16 net position, from \$269,459,903 to \$157,988,988. Operations for 2016 generated an increase in net position of \$5,637,024.
- The City's net position for the governmental activities increased by \$1,550,167, per page 35 of the financial statements. The primary reason for the increase relates to an increase in the amount expended for capital outlay in the current year, offset by the change in other postemployment benefits. In 2016, capital outlay exceeded depreciation expense by \$9,933,711. However, a significant draw down on the City's unrestricted net position is the accrual for post-employment benefits (OPEB) which was \$7,362,571, for 2016, and offset that increase somewhat. The OPEB amount is calculated under GASB Statement #75.
- As of the close of the year, the City's governmental funds reported combined 2016 ending fund balances of \$40,439,820 as compared to \$42,072,069 at the end of 2015. The decrease of \$1,632,249 is much lower than the expected planned usage of Fund Balance as approved by the Common Council through budget adjustments throughout 2016, in the amount of \$4,756,757. Of the total fund balance, approximately 56%, or \$22,640,035, is classified as spendable fund balance.
- At the end of 2016, the unassigned fund balance for the general fund was \$8,029,584 or approximately 14% of total general fund expenditures compared to \$6,653,462 or approximately 12% at the end of 2015. Revenues from Taxes; Fines, Forfeitures, and Penalties; Investment Returns; and Miscellaneous Revenues did not meet budget expectations, causing overall revenues to miss projections by \$520,902, or 0.9%, in 2016. However, 2016 expenditures, combined with transfers, came in below the final budgeted amount by \$2,911,632, which allowed for the overall unassigned fund balance to be more favorable than final budget to actual projections in the amount of \$2,390,730.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

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 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.

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 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 33-35 of this report.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

**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.

The City maintained approximately 36 individual governmental funds during 2016. 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 and the debt service fund, both of which are considered major funds. Data from the other approximately 34 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, special revenue, other than Stimulus Programs, Library Endowment and Miscellaneous Grants, debt service, and public works improvements capital projects funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found starting on page 36 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 Senior Citizen's Housing

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

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 41 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 47-81 of this report.

**Required supplementary information (RSI).** RSI includes the schedule of changes in net OPEB liability and related ratios, schedule of proportionate share of the net pension liability (assets) and schedules of contributions for the other postemployment benefit and pension plans. These schedules can be found starting on page 82 of this report.

**Supplementary information.** The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information – which contains the Other Post-Employment Benefit Plan 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 \$163,626,012 at the close of 2016. This compares to \$269,459,903 at the close of 2015. 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 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



## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>City of West Allis Net Position</b> (amount expressed in \$1,000's)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total 2016</b>	<b>Total 2015</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>		
Current and other assets	\$188,246	\$195,064	\$23,070	\$21,927	\$211,316	\$216,991
Capital assets	<u>204,585</u>	<u>194,651</u>	<u>98,914</u>	<u>95,006</u>	<u>303,499</u>	<u>289,657</u>
<b>Total assets</b>	<b>392,831</b>	<b>389,715</b>	<b>121,984</b>	<b>116,933</b>	<b>514,815</b>	<b>506,648</b>
Deferred outflows						
Loss on debt refunding	1,637	219	125	150	1,761	369
Pension	<u>33,762</u>	<u>8,132</u>	<u>1,924</u>	<u>516</u>	<u>35,686</u>	<u>8,648</u>
<b>Total Deferred Outflows</b>	<b>35,399</b>	<b>8,351</b>	<b>2,049</b>	<b>666</b>	<b>37,447</b>	<b>9,017</b>
Long-term liabilities						
Outstanding	187,168	92,381	32,605	29,906	219,772	122,287
Other Liabilities	<u>80,295</u>	<u>79,252</u>	<u>2,880</u>	<u>2,672</u>	<u>83,175</u>	<u>81,924</u>
<b>Total liabilities</b>	<b>267,463</b>	<b>171,633</b>	<b>35,485</b>	<b>32,578</b>	<b>302,947</b>	<b>204,212</b>
Deferred inflows						
Property taxes	43,280	41,950	43	43	43,323	41,993
Pension	<u>40,868</u>	<u>0</u>	<u>1,498</u>	<u>0</u>	<u>42,366</u>	<u>0</u>
<b>Deferred inflows</b>	<b>84,148</b>	<b>41,950</b>	<b>1,541</b>	<b>43</b>	<b>85,689</b>	<b>41,993</b>
<b>Net position:</b>						
Net investment in						
capital assets	161,610	153,877	70,467	67,387	232,077	221,264
Restricted	2,227	21,512	0	1,018	2,227	22,530
Unrestricted	<u>(87,218)</u>	<u>9,094</u>	<u>16,540</u>	<u>16,572</u>	<u>(70,678)</u>	<u>25,666</u>
<b>Total net position</b>	<b><u>\$76,619</u></b>	<b><u>\$184,483</u></b>	<b><u>\$87,007</u></b>	<b><u>\$84,977</u></b>	<b><u>\$163,626</u></b>	<b><u>\$269,460</u></b>

A portion of the City's overall net position represents resources that are subject to external restrictions on how they may be used. Due to the recognition of the other postemployment benefit liability as of January 1, 2016, there is a deficit in the unrestricted net position, of \$70,677,868.

# CITY OF WEST ALLIS, WISCONSIN

## Management's Discussion and Analysis

December 31, 2016

<b>City of West Allis Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$8,081,682	\$8,942,523	\$21,827,894	\$21,824,456	\$29,909,576	\$30,766,979
Operating grants and contributions	\$11,414,432	11,075,011	287,300	265,463	11,701,732	11,340,474
Capital grants and contributions	22,966,696	5,309,681	9,700	10,820	22,976,396	5,320,501
<b>General Revenues:</b>						
Property taxes	41,766,514	41,761,926	43,000	43,000	41,809,514	41,804,926
Other taxes	1,481,705	1,718,495	0	0	1,481,705	1,718,495
Grants and contributions not restricted to specific programs	9,404,027	9,205,072	0	0	9,404,027	9,205,072
Other	2,264,121	2,653,232	477,744	244,711	2,741,865	2,897,943
<b>Total Revenues</b>	<b>\$97,379,177</b>	<b>\$80,665,940</b>	<b>\$22,645,638</b>	<b>\$22,388,450</b>	<b>\$120,024,815</b>	<b>\$103,054,390</b>
<b>Expenses</b>						
General Government	12,805,585	11,379,723	0	0	12,805,585	11,379,723
Public Safety	39,785,333	37,791,564	0	0	39,785,333	37,791,564
Public Works	20,174,501	19,015,175	0	0	20,174,501	19,015,175
Health and Human Services	12,272,953	11,662,378	0	0	12,272,953	11,662,378
Culture & Recreation	2,769,342	2,778,993	0	0	2,769,342	2,778,993
Development	8,086,314	8,549,672	0	0	8,086,314	8,549,672
Interest on long-term debt	1,436,617	1,605,841	0	0	1,436,617	1,605,841
Water Utility	0	0	6,752,393	6,895,088	6,752,393	6,895,088
Sanitary Sewer Utility	0	0	5,632,642	5,823,936	5,632,642	5,823,936
Storm Sewer Utility	0	0	2,830,547	2,523,771	2,830,547	2,523,771
Solid Waste Utility	0	0	1,601,840	1,714,919	1,601,840	1,714,919
Parking Utility	0	0	70,787	104,526	70,787	104,526
Senior Citizen's Housing	0	0	168,937	150,944	168,937	150,944
<b>Total Expenses</b>	<b>\$97,330,645</b>	<b>\$92,783,346</b>	<b>\$17,057,146</b>	<b>\$17,213,184</b>	<b>\$114,387,791</b>	<b>\$109,996,530</b>
Increase in net position before transfer	48,532	(12,117,406)	5,588,492	5,175,266	5,637,024	(6,942,140)
Transfers	1,501,635	1,451,559	(1,501,635)	(1,451,559)	0	0
Change in net position	1,550,167	(10,665,847)	4,086,857	3,723,707	5,637,024	(6,942,140)
Net position - January 1	184,482,490	178,160,592	84,977,413	80,251,891	269,459,903	258,412,483
Prior Period Adjustment	0	1,154,791	0	0	0	1,154,791
Cumulative Effect of Acctg Chg	(109,413,640)	15,832,954	(2,057,275)	1,001,815	(111,470,915)	16,834,769
Net position - January 1 restated	75,068,850	195,148,337	\$82,920,138	\$81,253,706	157,988,988	276,402,043
Net position - December 31	\$76,619,017	\$184,482,490	\$87,006,995	\$84,977,413	163,626,012	\$269,459,903

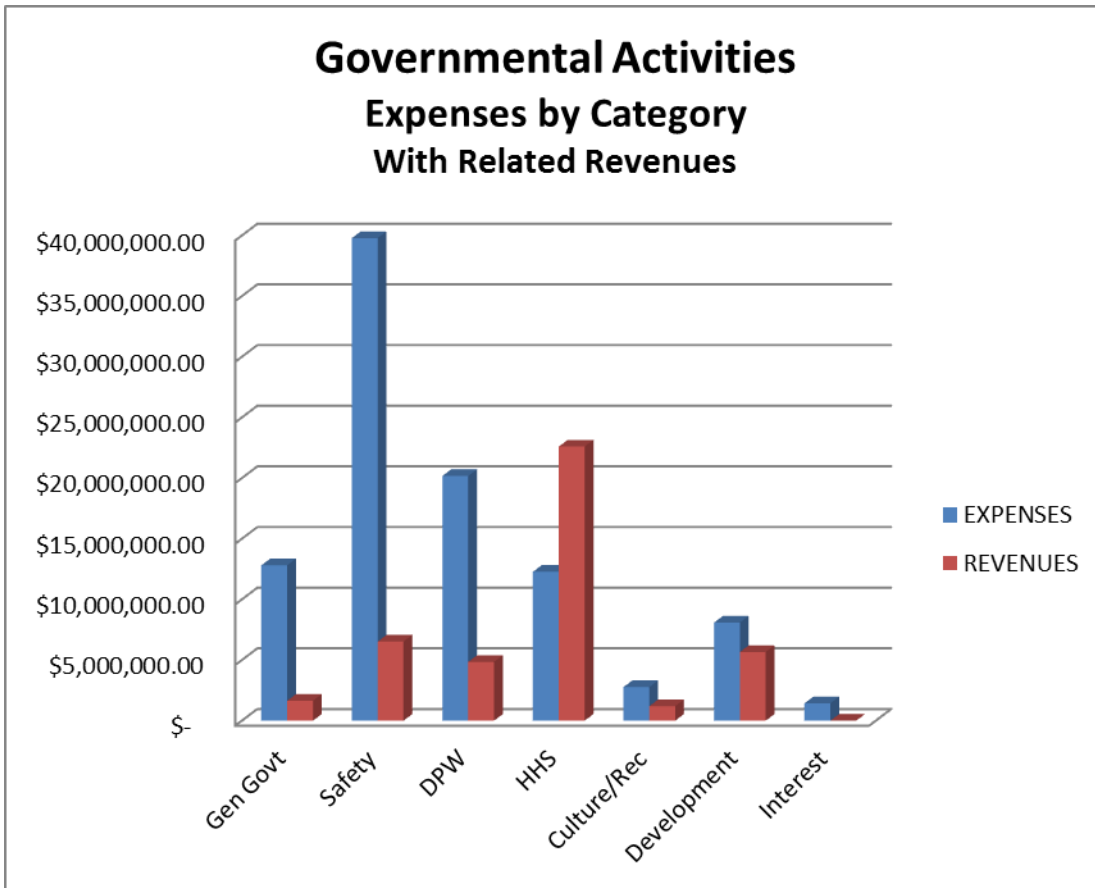
# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

**Governmental activities:** Governmental activities increased the City's net position by \$1,550,167, in 2016, compared to decreasing it by \$10,665,847 in 2015. Key elements of this net increase are as follows:

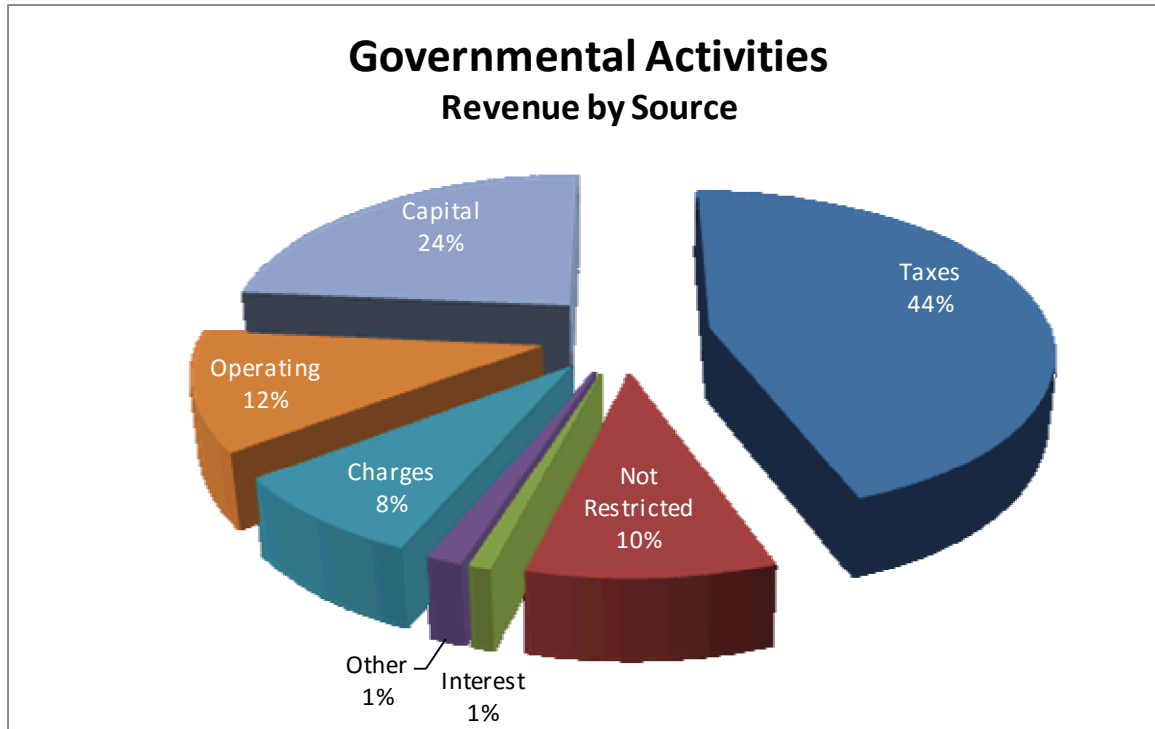
- Depreciation expense for governmental activities reflected in the statement of activities is \$16,078,505. This expense was offset by the \$26,012,216 in capital outlay, for a total net adjustment of \$9,933,711. This increases the net position in the statement of activities.
- The net between general obligation debt issued and paid, created a positive net adjustment of \$1,650,467.



## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016



**Business-type activities.** Business-type activities increased the City's net position by \$4,086,857. Key elements of this net increase in assets are as follows:

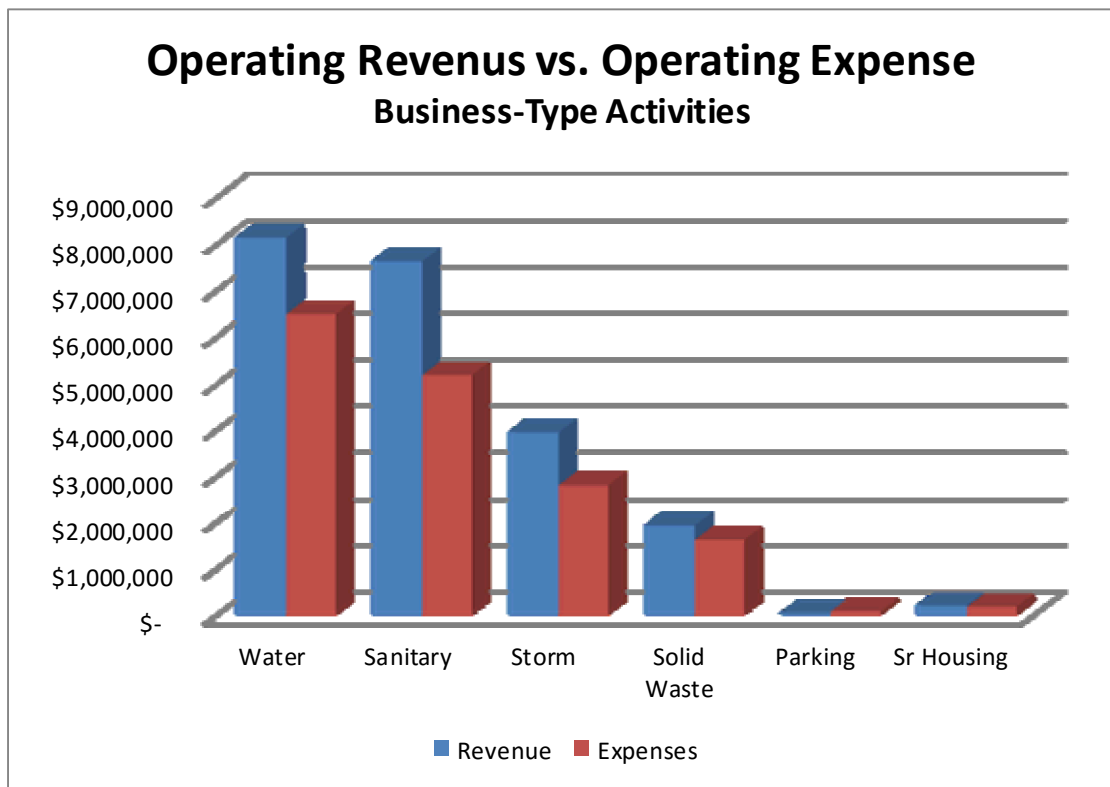
- The Water Utility increased net position by \$539,312 in 2016 as compared to an increase of \$247,968 in 2015. The utility realized a 5.00% rate of return in 2016 as compared to 3.93% in 2015 based on the Public Service Commission of Wisconsin calculation.
- The Sanitary Sewer Utility increased net position by \$1,934,977 in 2016 as compared to an increase of \$1,737,260 in 2015. The rate was maintained at \$1.75 per ccf (750 gallons) during 2016. 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 amount 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.
- The Storm Water Utility increased net position by \$925,441 in 2016 as compared to an increase of \$1,095,297 in 2015. The rate was not increased in 2016. The Storm Water Utility spending on infrastructure continues to increase due to efforts to address the flooding and clear water inflow into the system.

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

- 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 increased net position by \$613,808 in 2016 as compared to an increase of \$353,570 in 2015. The rate was unchanged from 2015.
- The Parking Utility increased its net position by \$966 in 2016 as compared to a decrease of \$38,664 in 2015. The utility continues to face the challenge of maintaining the parking lots despite the drop off in the collection of parking permit revenue, which is related to the loss of some retailers in the area.

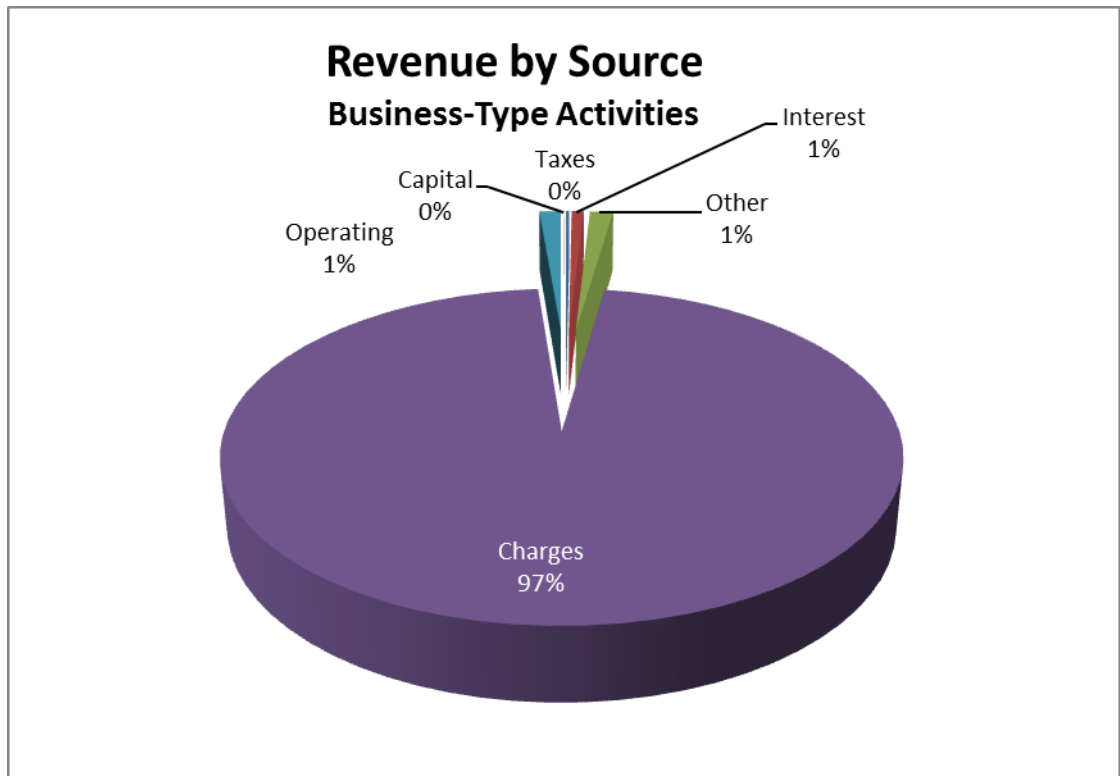


- The Beloit Road Housing Management Fund increased net position by \$72,353 in 2016 as compared to an increase of \$328,276 in 2015; 2015 was higher primarily due to the receipt of a one-time developer payment in 2015. The housing development was sold to an LLC investor group in December 2011. The LLC 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 now 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

December 31, 2016



## 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, 2016 the City's governmental funds reported combined ending fund balances of \$40,439,820; a decrease of \$1,632,249 compared to the balance at the end of 2015. Of the total fund balance, the Non-Spendable portion is \$11,602,221, while the total Spendable Fund Balance is \$28,837,599. The Spendable portion of total fund balance includes \$2,229,128 of Restricted Funds, which are restricted as to their use by granting agencies or for debt service purposes. The remaining \$26,608,471 of Spendable Fund Balance consists of various amounts either committed or assigned for specific purposes by action of the Common Council, or unassigned. Details of these commitments and assignments as they relate to the General Fund may be found on pages 67-69 – Note C-8.

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2016

**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 \$8,029,584 while total fund balance was \$42,191,843. 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. Unassigned fund balance represents 14.2% of total general fund expenditures, while total fund balance represents 74.7% of total general fund expenditures. The fund balance decreased by \$2,366,027 to due lower than expected revenues, a shortage of \$520,902, which were more than offset by under spending of all main expenditure categories, including budget adjustments authorized by the Common Council throughout the course of 2016. Overall, expenditures, combined with transfers, were underspent by \$2,911,632 compared to the final budget. In regard the budget adjustments, accounting for the difference between the original and final expenditure budgets, the Common Council specifically authorized \$4,741,757 for items including: (1) approximately \$2 Million in carryover requests, (2) approximately \$2.3 Million of encumbrances, and (3) approximately \$248,000 in one time expenditures from capital reserves.

**Debt Service Funds.** The debt service fund continues to be reduced to assist in lowering the tax rate of the City and the reduction in tax Incremental collection due to the reduction in values of the TID's.

**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 assets (deficits) for these funds can be seen in the table below.

<b>Unrestricted Assets:</b>	<b>2016</b>	<b>2015</b>
Water Utility	(\$1,213,283)	\$1,228,235
Sanitary Sewer Utility	\$3,387,510	\$2,343,341
Storm Water Utility	\$2,699,416	\$2,245,081
Solid Waste Fund	\$4,414,048	\$3,620,495
Parking Utility	\$162,060	\$152,355
Senior Citizen's Housing	\$7,090,427	\$6,982,944
	<u>\$16,540,178</u>	<u>\$16,572,451</u>

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$4,741,757 with the major items being as follows:

- Carry-over requests from 2015 for budgeted projects and expenditures that were unfinished at the end of the year totaled \$1,999,028.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

- Encumbrances carried over from 2015 for budgeted projects and expenditures that were still open at the end of the year totaled \$2,308,107.
- One-time expenditures, authorized by the Common Council, in the amount of \$247,676.

### **Revenues were less than budgetary estimates – explanation:**

During 2016, revenues were lower than budget by \$520,902. The biggest individual item was an increase in public charges for services, in the amount of almost \$363,000, which is attributed to Ambulance billings being substantially higher than budget, while investment revenues were under budget by more than \$212,000 and miscellaneous revenues were under budget by approximately \$635,000, including a planned spenddown of fund balance in the amount of \$600,000.

### **Expenditures were less than budgetary estimates – explanation:**

Actual operating expenditures and transfers were less than the final budget by \$2,911,632. Approximately \$816,000 of encumbrances at the end of the year and another \$1.2 million in carry-over requests for initiatives that were not completed in 2016 account for the underspent amounts when compared to budget. Also, the planned use of fund balance, as noted above, was not needed to balance the 2016 budget.

### **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, 2016, net of accumulated depreciation amounts to \$303,499,029. Total investment in capital assets prior to accumulated depreciation was \$584,836,584. This investment in capital assets includes land, buildings, machinery and equipment, vehicles, and infrastructure including roads, sewers, bridges, parking lot improvements, and lighting. The total net increase in the government wide activities investment in capital assets for the current fiscal year was \$13,841,525 or a 4.78% increase (a 5.10% increase for governmental activities and a 4.11% increase for business-type activities).

Major capital asset events during the year included the following:

#### **Governmental Activities:**

- Construction in progress increased by \$16,009,408.
- An increase in Machinery and Equipment increased capital assets by \$5,039,880.



## CITY OF WEST ALLIS, WISCONSIN

### Management's Discussion and Analysis

December 31, 2016

- Infrastructure improvements added \$2,843,570 to capital assets.
- Building improvements added \$1,635,017 to capital assets.

#### Business Type Activities:

- The Water Utility increased capital assets by \$1,382,765 for water distribution mains, services, hydrants, and meters.
- The Storm Water Utility increased assets by \$613,568. The majority was for infrastructure replacement.
- The Sanitary Sewer Utility increased assets by \$1,944,247 for main replacement.

#### City of West Allis Capital Assets

	Governmental Activities 2016	Governmental Activities 2015	Business- Type Activities 2016	Business- Type Activities 2015	Total 2016	Total 2015
Land	\$13,051,777	\$13,051,777	\$963,716	\$963,716	\$14,015,493	\$14,015,493
Construction in Progress	\$17,234,040	\$1,224,632	\$32,970	\$26,002	\$17,267,010	\$1,250,634
Buildings	\$162,118,967	\$160,483,950	\$496,728	\$496,728	\$162,615,695	\$160,980,678
Improvements other than Buildings	\$415,882	\$415,882	\$0	\$0	\$415,882	\$415,882
Machinery and Equipment	\$93,239,416	\$88,199,536	\$5,350,335	\$5,502,798	\$98,589,751	\$93,702,334
Infrastructure	\$163,484,210	\$160,640,640	\$128,448,543	\$122,886,277	\$291,932,753	\$283,526,917
<b>Total Assets</b>	<b>\$449,544,292</b>	<b>\$424,016,417</b>	<b>\$135,292,292</b>	<b>\$129,875,521</b>	<b>\$584,836,584</b>	<b>\$553,891,938</b>
Less Accumulated Depreciation	(\$244,959,258)	(\$229,365,094)	(\$36,378,297)	(\$34,869,340)	(\$281,337,555)	(\$264,234,434)
<b>Net Fixed Assets</b>	<b>\$204,585,034</b>	<b>\$194,651,323</b>	<b>\$98,913,995</b>	<b>\$95,006,181</b>	<b>\$303,499,029</b>	<b>\$289,657,504</b>
Percentage Change	5.10%		4.11%		4.78%	

Additional information on the City's capital assets can be found in the footnote A-6f (page 51) and footnote C-3 (pages 60-61).

**Long-term debt.** At the end of fiscal year 2016, the City had total bonded debt outstanding of \$72,209,026 backed by city's general obligation unlimited tax pledge. Moody's rating on the general obligation debt is Aa2 and Standard & Poor's is AA.

**CITY OF WEST ALLIS, WISCONSIN**

Management's Discussion and Analysis

December 31, 2016

The City's total net general-obligation debt outstanding decreased by \$896,357 or 1.2% during the current year. The City issued \$22,695,000 in debt while paying down \$23,591,357. New debt issued in 2016 was for the following purposes: the Water Utility issued \$1,000,000, the Sewer Utility issued \$2,500,000, and the General Fund issued \$2,750,000 for new projects. An additional \$16,445,000 was issued to advance refund TID 5, TID 6, and pension related bonds from 2009 and 2010 solely for the purpose of saving on future interest costs.

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 38.66% of its limitation of \$186,779,180 compared to 39.05% in 2015. The City's net total indebtedness for business-type activities increased by \$754,110.

**City of West Allis Outstanding Debt  
General Obligation Notes and Bonds**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2016	2015	2016	2015	2016	2015
General Obligation Notes	\$1,439,423	\$2,274,890	\$83,675	\$102,495	\$1,523,098	\$2,377,385
General Obligation Bonds	42,755,000	43,570,000	27,930,928	27,157,998	70,685,928	70,727,998
Anticipation Notes	0	0	0	0	0	0
	<u>\$44,194,423</u>	<u>\$45,849,890</u>	<u>\$28,014,603</u>	<u>\$27,260,493</u>	<u>\$72,209,026</u>	<u>\$73,110,383</u>

Additional information on the City's long-term debt can be found in footnote C-5 on pages 64-66 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The City, like others, experienced several years of decreasing market values of property within the city, with newer TIF Districts being the exception because of new construction. However, as of the past few two years, property values have begun to stabilize and even increase. These modest increases are expected to continue.
- The general fund finished the year with an unassigned fund balance of \$8,029,584, an increase of \$1,376,122 from the previous year.
- The pension contribution rates for 2016 decreased from 13.6% for general city employees to 13.2%, however WI Acts 10 & 32 require employees to contribute

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

half of this (6.6%). Subject to contract negotiations, City Police Officers began paying the full employee contribution rate at the end of 2015; however, Firefighters contributed at least 6% toward their pension contribution in 2016, with new hires contributing the full 6.6%. Firefighters will be paying the entire employee contribution as of the end of 2017.

- While interest rates remain low, staff has been able to ladder out investment instruments in an effort to reduce the impact of lower rates on overall earnings. Investment earnings have been on the upswing since 2012. The City has also generated interest income by making two loans to its component unit, First-Ring Industrial Redevelopment Enterprise (FIRE), obtaining an interest rate of 4.5% on those loans.
- 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, there are still significant budget pressures due to levy restrictions and a stagnant local economy.
- On July 1, 2015, the State of Wisconsin adopted its biennial budget for 2015 - 2017. 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. The state budget retained funding for Shared Revenues and Transportation Aid.

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.

### **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: Peggy Steeno, Finance Director, 7525 West Greenfield Ave, West Allis, WI 53214, or (414) 302-8252, or [psteeno@westalliswi.gov](mailto:psteeno@westalliswi.gov).

General information relating to the City of West Allis, Wisconsin can be found at the City's website [www.westalliswi.gov](http://www.westalliswi.gov).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Net Position  
For the Year Ended December 31, 2016

	Governmental Activities	Business-type Activities	Total	Component Unit
<b>ASSETS</b>				
Cash and investments	\$ 106,314,443	\$ 9,947,453	\$ 116,261,896	\$ 9,687,617
Receivables				
Taxes	51,872,863	43,000	51,915,863	-
Accounts	750,862	8,041,486	8,792,348	29,840
Notes and loans	15,346,154	5,454,633	20,800,787	5,606,856
Special assessments	2,105,377	-	2,105,377	-
Interest	290,157	132,065	422,222	39,139
Internal balances	1,624,468	(1,624,468)	-	-
Due from other governments	4,531,052	-	4,531,052	-
Inventories and prepaid items	2,165,916	1,076,094	3,242,010	-
Deposit with CVMIC	3,244,299	-	3,244,299	-
Capital assets				
Land	13,051,777	963,716	14,015,493	133,167
Construction in progress	17,234,040	32,970	17,267,010	-
Buildings	162,118,967	496,728	162,615,695	-
Improvements other than buildings	415,882	-	415,882	-
Machinery and equipment	93,239,416	5,350,335	98,589,751	-
Infrastructure	163,484,210	128,448,543	291,932,753	-
Less: Accumulated depreciation	(244,959,258)	(36,378,297)	(281,337,555)	-
<b>TOTAL ASSETS</b>	<b>392,830,625</b>	<b>121,984,258</b>	<b>514,814,883</b>	<b>15,496,619</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on advance refunding of debt	1,636,476	124,558	1,761,034	-
Deferred outflows related to OPEB	4,613,100	108,486	4,721,586	-
Deferred outflows related to pension	29,149,256	1,815,401	30,964,657	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>35,398,832</b>	<b>2,048,445</b>	<b>37,447,277</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	3,060,075	555,621	3,615,696	33,679
Accrued liabilities	4,878,885	152,190	5,031,075	30,472
Due to other governments	65,705,664	1,424,388	67,130,052	-
Accrued interest payable	277,217	193,317	470,534	995
Deposits	2,825,765	157,524	2,983,289	-
Unearned revenues	3,547,215	396,860	3,944,075	282,437
Long-term obligations				
Due within one year	6,219,964	3,098,368	9,318,332	218,162
Due in more than one year	38,558,594	25,473,368	64,031,962	3,554,225
Other post-employment benefits	137,235,730	3,706,788	140,942,518	-
Net pension liability	5,153,414	326,420	5,479,834	-
<b>TOTAL LIABILITIES</b>	<b>267,462,523</b>	<b>35,484,844</b>	<b>302,947,367</b>	<b>4,119,970</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent year	43,280,156	43,000	43,323,156	-
Deferred inflows related to OPEB	30,022,488	810,919	30,833,407	-
Deferred inflows related to pension	10,845,273	686,945	11,532,218	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>84,147,917</b>	<b>1,540,864</b>	<b>85,688,781</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	161,610,403	70,466,817	232,077,220	-
Restricted				
Grantors	2,226,660	-	2,226,660	-
Unrestricted	(87,218,046)	16,540,178	(70,677,868)	11,376,649
<b>TOTAL NET POSITION</b>	<b>\$ 76,619,017</b>	<b>\$ 87,006,995</b>	<b>\$ 163,626,012</b>	<b>\$ 11,376,649</b>

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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 12,805,585	\$ 1,637,261	\$ -	\$ -
Public safety	39,785,333	4,438,304	2,083,467	-
Public works	20,174,501	619,490	2,591,225	1,635,685
Health and human services	12,272,953	302,752	962,956	21,331,011
Culture and recreation	2,769,342	874,777	322,927	-
Conservation and development	8,086,314	209,098	5,453,857	-
Interest on debt	1,436,617	-	-	-
<b>Total Governmental Activities</b>	<b>97,330,645</b>	<b>8,081,682</b>	<b>11,414,432</b>	<b>22,966,696</b>
<b>Business-type Activities</b>				
Water utility	6,752,393	8,158,977	-	9,700
Sanitary sewer utility	5,632,642	7,616,874	45,765	-
Storm water utility	2,830,547	3,921,096	-	-
Solid waste utility	1,601,840	1,905,380	241,535	-
Parking utility	70,787	28,753	-	-
Senior citizen housing	168,937	196,814	-	-
<b>Total Business-type Activities</b>	<b>17,057,146</b>	<b>21,827,894</b>	<b>287,300</b>	<b>9,700</b>
<b>Total</b>	<b>\$ 114,387,791</b>	<b>\$ 29,909,576</b>	<b>\$ 11,701,732</b>	<b>\$ 22,976,396</b>
<b>Component Unit</b>				
<b>FIRE</b>	<b>\$ 827,077</b>	<b>\$ 4,125,132</b>	<b>\$ -</b>	<b>\$ -</b>

General revenues  
Property taxes, levied for general purposes  
Property taxes, levied for debt service  
Other taxes  
State and federal aids not restricted to specific functions  
Interest and investment earnings  
Gain on sale of assets  
Miscellaneous  
Transfers  
Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, restated

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			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (11,168,324)	\$ -	\$ (11,168,324)	\$ -
(33,263,562)	-	(33,263,562)	-
(15,328,101)	-	(15,328,101)	-
10,323,766	-	10,323,766	-
(1,571,638)	-	(1,571,638)	-
(2,423,359)	-	(2,423,359)	-
(1,436,617)	-	(1,436,617)	-
<u>(54,867,835)</u>	<u>-</u>	<u>(54,867,835)</u>	<u>-</u>
-	1,416,284	1,416,284	-
-	2,029,997	2,029,997	-
-	1,090,549	1,090,549	-
-	545,075	545,075	-
-	(42,034)	(42,034)	-
-	27,877	27,877	-
<u>-</u>	<u>5,067,748</u>	<u>5,067,748</u>	<u>-</u>
<u>(54,867,835)</u>	<u>5,067,748</u>	<u>(49,800,087)</u>	<u>-</u>
-	-	-	3,298,055
35,627,680	43,000	35,670,680	-
6,138,834	-	6,138,834	-
1,481,705	-	1,481,705	-
9,404,027	-	9,404,027	-
874,136	164,471	1,038,607	352,174
65,464	-	65,464	-
1,324,521	313,273	1,637,794	15
1,501,635	(1,501,635)	-	-
<u>56,418,002</u>	<u>(980,891)</u>	<u>55,437,111</u>	<u>352,189</u>
<u>1,550,167</u>	<u>4,086,857</u>	<u>5,637,024</u>	<u>3,650,244</u>
184,482,490	84,977,413	269,459,903	7,726,405
<u>(109,413,640)</u>	<u>(2,057,275)</u>	<u>(111,470,915)</u>	<u>-</u>
<u>75,068,850</u>	<u>82,920,138</u>	<u>157,988,988</u>	<u>7,726,405</u>
<u>\$ 76,619,017</u>	<u>\$ 87,006,995</u>	<u>\$ 163,626,012</u>	<u>\$ 11,376,649</u>

**CITY OF WEST ALLIS, WISCONSIN**  
 Balance Sheet  
 Governmental Funds  
 For the Year Ended December 31, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 88,278,347	\$ 6,222	\$ 8,671,853	\$ 96,956,422
Receivables				
Taxes	42,290,892	6,770,540	502,885	49,564,317
Delinquent personal property taxes	308,546	-	-	308,546
Accounts	408,957	-	302,329	711,286
Notes and loans	3,963,137	-	11,383,017	15,346,154
Special assessments	-	-	2,105,377	2,105,377
Interest	282,832	-	7,325	290,157
Due from other funds	14,076,200	-	-	14,076,200
Due from other governmental units	6,061	-	1,490,448	1,496,509
Inventories and prepaid items	1,644,432	-	-	1,644,432
<b>TOTAL ASSETS</b>	<b>\$ 151,259,404</b>	<b>\$ 6,776,762</b>	<b>\$ 24,463,234</b>	<b>\$ 182,499,400</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 805,764	\$ 3,754	\$ 359,097	\$ 1,168,615
Accrued liabilities	4,783,682	-	95,158	4,878,840
Due to other funds	-	-	12,451,732	12,451,732
Due to other governmental units	65,705,664	-	-	65,705,664
Deposits	2,743,539	-	38,097	2,781,636
Unearned revenue	20,000	-	326,925	346,925
<b>Total Liabilities</b>	<b>74,058,649</b>	<b>3,754</b>	<b>13,271,009</b>	<b>87,333,412</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenue - Property taxes levied for subsequent year	34,509,616	6,770,540	-	41,280,156
Unavailable revenue				
Delinquent property taxes	308,546	-	-	308,546
Special assessments	-	-	2,105,377	2,105,377
Notes and loans receivable	190,750	-	10,841,339	11,032,089
<b>Total Deferred Inflows of Resources</b>	<b>35,008,912</b>	<b>6,770,540</b>	<b>12,946,716</b>	<b>54,726,168</b>
<b>Fund Balances (Deficit)</b>				
<b>Nonspendable</b>				
Inventories and prepaid items	1,644,432	-	-	1,644,432
Long-term receivables	9,957,789	-	-	9,957,789
<b>Restricted</b>				
Bondholders	-	2,468	-	2,468
Grantors	-	-	2,226,660	2,226,660
Committed	1,524,306	-	2,444,130	3,968,436
Assigned	21,035,732	-	4,208,592	25,244,324
<b>Unassigned, reported in</b>				
General fund	8,029,584	-	-	8,029,584
Special revenue funds	-	-	(8,269)	(8,269)
Capital projects funds	-	-	(10,625,604)	(10,625,604)
<b>Total Fund Balances (Deficit)</b>	<b>42,191,843</b>	<b>2,468</b>	<b>(1,754,491)</b>	<b>40,439,820</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 151,259,404</b>	<b>\$ 6,776,762</b>	<b>\$ 24,463,234</b>	<b>\$ 182,499,400</b>

(Continued)



**CITY OF WEST ALLIS, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2016

Reconciliation to the Statement of Net Position

Total Fund Balances from previous page		\$ 40,439,820
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		204,585,034
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. The details of this difference are as follows:		
Special assessments	\$ 2,105,377	
Delinquent taxes	308,546	
Loans receivable	11,032,089	
Net adjustment		13,446,012
Internal service funds are used by management to charge the cost of insurance programs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		11,075,308
The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Deferred outflows of resources	29,117,568	
Net pension liability	(5,147,494)	
Deferred inflows of resources	(10,832,814)	
Net adjustment		13,137,260
Deferred outflow of resources is reported in statement of net position for the loss on advance refunding of debt.		1,636,476
The City's other postemployee benefits are not due and payable in the current period, and, therefore, are not reported in the funds.		
Other post-employment benefits	(137,235,730)	
Deferred outflows of resources	4,613,100	
Deferred inflows of resources	(30,022,488)	
Net adjustment		(162,645,118)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:		
Bonds and notes payable	(44,194,423)	
Premium on long-term debt	(306,747)	
Unfunded pension liability	(180,427)	
Workers compensation	(96,961)	
Accrued interest on long-term obligations	(277,217)	
Net adjustment		(45,055,775)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 33)		<u>\$ 76,619,017</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, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 34,953,946	\$ 6,138,834	\$ 189,466	\$ 41,282,246
Special assessments	-	-	1,401,376	1,401,376
Intergovernmental	11,855,686	252,056	8,830,847	20,938,589
Licenses and permits	1,624,947	-	-	1,624,947
Fines, forfeitures and penalties	2,121,543	-	-	2,121,543
Public charges for services	3,308,616	-	1,227,268	4,535,884
Loan repayments	-	-	115,090	115,090
Investment return	570,107	-	77,612	647,719
Miscellaneous	816,037	75,885	346,688	1,238,610
<b>Total Revenues</b>	<b>55,250,882</b>	<b>6,466,775</b>	<b>12,188,347</b>	<b>73,906,004</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	8,150,174	-	5	8,150,179
Public safety	32,133,329	-	1,985,206	34,118,535
Public works	11,837,057	-	-	11,837,057
Health	2,005,038	-	962,956	2,967,994
Culture and recreation	2,344,297	-	420,724	2,765,021
Conservation and development	38	-	8,508,732	8,508,770
<b>Debt service</b>				
Principal retirement	-	5,845,467	-	5,845,467
Interest and fiscal charges	-	1,501,322	-	1,501,322
Capital outlay	-	-	4,177,946	4,177,946
<b>Total Expenditures</b>	<b>56,469,933</b>	<b>7,346,789</b>	<b>16,055,569</b>	<b>79,872,291</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(1,219,051)</b>	<b>(880,014)</b>	<b>(3,867,222)</b>	<b>(5,966,287)</b>
<b>Other Financing Sources (Uses)</b>				
General obligation debt issued	-	-	2,750,000	2,750,000
General obligation refunding debt issued	-	16,445,000	-	16,445,000
Premium on debt issued	-	96,353	-	96,353
Payment to refunding debt escrow agent	-	(16,548,869)	-	(16,548,869)
Transfers in	1,941,554	1,283,995	4,533,422	7,758,971
Transfers out	(3,088,530)	(444,890)	(2,633,997)	(6,167,417)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,146,976)</b>	<b>831,589</b>	<b>4,649,425</b>	<b>4,334,038</b>
<b>Net Change in Fund Balances</b>	<b>(2,366,027)</b>	<b>(48,425)</b>	<b>782,203</b>	<b>(1,632,249)</b>
<b>Fund Balances (Deficit) - January 1</b>	<b>44,557,870</b>	<b>50,893</b>	<b>(2,536,694)</b>	<b>42,072,069</b>
<b>Fund Balances (Deficit) - December 31</b>	<b>\$ 42,191,843</b>	<b>\$ 2,468</b>	<b>\$ (1,754,491)</b>	<b>\$ 40,439,820</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2016

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page \$ (1,632,249)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, detailed as follows:

Capital outlay	\$ 26,012,216	
Depreciation expense	<u>(16,078,505)</u>	
Net adjustment		9,933,711

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 418,923

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term and related items, detailed as follows:

Issuance of general obligation debt	(19,195,000)	
Principal paid on long-term debt	20,845,467	
Amortization of loss on debt refunding	(126,308)	
Premium issued on long-term debt, net of amortization	(72,807)	
Unfunded pension liability payment	86,820	
Workers compensation	<u>63,771</u>	
Net adjustment		1,601,943

The loss on advance refunding is reported in the governmental funds as an expenditure when paid. In the statement of activities, this cost is deferred and amortized over the life of the bonds. 1,543,870

Changes in the other postemployment benefits and related deferred outflows/inflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the OPEB plan (7,362,571)

Changes in the net pension liability (asset) and related deferred outflows/inflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan (2,817,841)

Accrued interest expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. 159,406

Internal service funds are used by management to charge the costs of insurance programs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (295,025)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 34 - 35) \$ 1,550,167

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 35,024,839	\$ 35,024,839	\$ 34,953,946	\$ (70,893)
Intergovernmental	11,849,930	11,849,930	11,855,686	5,756
Licenses and permits	1,533,660	1,533,660	1,624,947	91,287
Fines, forfeitures and penalties	2,183,500	2,183,500	2,121,543	(61,957)
Public charges for services	2,945,965	2,945,965	3,308,616	362,651
Investment return	782,490	782,490	570,107	(212,383)
Miscellaneous	1,451,400	1,451,400	816,037	(635,363)
<b>Total Revenues</b>	<b>55,771,784</b>	<b>55,771,784</b>	<b>55,250,882</b>	<b>(520,902)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	9,614,248	10,921,895	8,150,174	2,771,721
Public safety	31,708,828	33,465,011	32,133,329	1,331,682
Public works	11,626,476	13,107,345	11,837,057	1,270,288
Health	2,047,201	2,130,612	2,005,038	125,574
Culture and recreation	2,625,031	2,710,628	2,344,297	366,331
Conservation and development	-	28,050	38	28,012
<b>Total Expenditures</b>	<b>57,621,784</b>	<b>62,363,541</b>	<b>56,469,933</b>	<b>5,893,608</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(1,850,000)</b>	<b>(6,591,757)</b>	<b>(1,219,051)</b>	<b>5,372,706</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,835,000	1,835,000	1,941,554	106,554
Transfers out	-	-	(3,088,530)	(3,088,530)
<b>Total Other Financing Sources (Uses)</b>	<b>1,835,000</b>	<b>1,835,000</b>	<b>(1,146,976)</b>	<b>(2,981,976)</b>
<b>Net Change in Fund Balance</b>	<b>(15,000)</b>	<b>(4,756,757)</b>	<b>(2,366,027)</b>	<b>2,390,730</b>
<b>Fund Balance - January 1</b>	<b>44,557,870</b>	<b>44,557,870</b>	<b>44,557,870</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 44,542,870</b>	<b>\$ 39,801,113</b>	<b>\$ 42,191,843</b>	<b>\$ 2,390,730</b>

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, 2016

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ -	\$ 2,949,578	\$ 1,465,309	\$ 3,738,589
Receivables				
Taxes	-	-	-	-
Accounts	3,984,807	2,097,556	1,207,210	578,402
Interest	-	-	-	-
Inventories and prepaid items	1,076,094	-	-	-
Total Current Assets	<u>5,060,901</u>	<u>5,047,134</u>	<u>2,672,519</u>	<u>4,316,991</u>
Noncurrent Assets				
Capital Assets				
Land	57,990	-	-	-
Construction in progress	23,094	6,080	3,796	-
Buildings	496,728	-	-	-
Infrastructure	40,047,502	41,791,298	46,609,743	-
Machinery and equipment	2,531,872	740,017	1,465,314	504,072
Accumulated depreciation	(15,811,608)	(7,902,537)	(12,311,392)	(243,700)
Total Capital Assets	<u>27,345,578</u>	<u>34,634,858</u>	<u>35,767,461</u>	<u>260,372</u>
Notes receivable	-	-	-	-
Deposit with CVMIC	-	-	-	-
Total Noncurrent Assets	<u>27,345,578</u>	<u>34,634,858</u>	<u>35,767,461</u>	<u>260,372</u>
<b>TOTAL ASSETS</b>	<u>32,406,479</u>	<u>39,681,992</u>	<u>38,439,980</u>	<u>4,577,363</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	908,703	194,861	369,324	261,649
Deferred outflows related to OPEB	108,486	-	-	-
Loss on advance refunding of debt	38,113	76,227	10,218	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,055,302</u>	<u>271,088</u>	<u>379,542</u>	<u>261,649</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	319,255	97,372	122,575	13,950
Accrued liabilities	128,796	8,227	8,915	3,955
Accrued interest payable	71,553	112,531	9,233	-
Deposits	51,805	105,719	-	-
Due to other funds	1,624,468	-	-	-
Due to other governmental units	-	1,424,388	-	-
Long-term obligations due within one year	1,161,259	1,860,643	76,466	-
Unearned revenue	64,449	-	-	-
Total Current Liabilities	<u>3,421,585</u>	<u>3,608,880</u>	<u>217,189</u>	<u>17,905</u>
Long-term Obligations				
General obligation debt	9,588,191	14,646,125	1,239,052	-
Other post employment benefits	3,706,788	-	-	-
Net pension liability	165,354	34,224	64,972	47,250
Total Long-term Obligations	<u>13,460,333</u>	<u>14,680,349</u>	<u>1,304,024</u>	<u>47,250</u>
<b>TOTAL LIABILITIES</b>	<u>16,881,918</u>	<u>18,289,229</u>	<u>1,521,213</u>	<u>65,155</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent year	-	-	-	-
Deferred inflows related to OPEB	810,919	-	-	-
Deferred inflows related to pension	347,986	72,024	136,732	99,437
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,158,905</u>	<u>72,024</u>	<u>136,732</u>	<u>99,437</u>
<b>NET POSITION</b>				
Net investment in capital assets	16,634,241	18,204,317	34,462,161	260,372
Unrestricted (deficit)	(1,213,283)	3,387,510	2,699,416	4,414,048
<b>TOTAL NET POSITION</b>	<u>\$ 15,420,958</u>	<u>\$ 21,591,827</u>	<u>\$ 37,161,577</u>	<u>\$ 4,674,420</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Utility	Beloit Road Housing Management	Total	
\$ 156,390	\$ 1,637,587	\$ 9,947,453	\$ 9,358,021
43,000	-	43,000	2,000,000
1,425	172,086	8,041,486	39,576
-	132,065	132,065	-
-	-	1,076,094	521,484
<u>200,815</u>	<u>1,941,738</u>	<u>19,240,098</u>	<u>11,919,081</u>
905,726	-	963,716	-
-	-	32,970	-
-	-	496,728	-
-	-	128,448,543	-
109,060	-	5,350,335	-
<u>(109,060)</u>	<u>-</u>	<u>(36,378,297)</u>	<u>-</u>
905,726	-	98,913,995	-
-	5,454,633	5,454,633	-
-	-	-	3,244,299
<u>905,726</u>	<u>5,454,633</u>	<u>104,368,628</u>	<u>3,244,299</u>
<u>1,106,541</u>	<u>7,396,371</u>	<u>123,608,726</u>	<u>15,163,380</u>
14,371	66,493	1,815,401	31,688
-	-	108,486	-
-	-	124,558	-
<u>14,371</u>	<u>66,493</u>	<u>2,048,445</u>	<u>31,688</u>
1,603	866	555,621	1,891,460
291	2,006	152,190	45
-	-	193,317	-
-	-	157,524	44,129
-	-	1,624,468	-
-	-	1,424,388	-
-	-	3,098,368	-
-	332,411	396,860	165,747
<u>1,894</u>	<u>335,283</u>	<u>7,602,736</u>	<u>2,101,381</u>
-	-	25,473,368	-
-	-	3,706,788	-
2,652	11,968	326,420	5,920
<u>2,652</u>	<u>11,968</u>	<u>29,506,576</u>	<u>5,920</u>
<u>4,546</u>	<u>347,251</u>	<u>37,109,312</u>	<u>2,107,301</u>
43,000	-	43,000	2,000,000
-	-	810,919	-
5,580	25,186	686,945	12,459
<u>48,580</u>	<u>25,186</u>	<u>1,540,864</u>	<u>2,012,459</u>
905,726	-	70,466,817	-
<u>162,060</u>	<u>7,090,427</u>	<u>16,540,178</u>	<u>11,075,308</u>
<u>\$ 1,067,786</u>	<u>\$ 7,090,427</u>	<u>\$ 87,006,995</u>	<u>\$ 11,075,308</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
Operating Revenues				
Charges for services	\$ 8,013,909	\$ 7,616,874	\$ 3,921,096	\$ 1,905,380
Rents	107,306	-	-	-
Parking fees and permits	-	-	-	-
Total Operating Revenues	<u>8,121,215</u>	<u>7,616,874</u>	<u>3,921,096</u>	<u>1,905,380</u>
Operating Expenses				
Operation and maintenance	5,706,230	4,727,654	2,140,756	1,569,075
Insurance claims and estimate changes	-	-	-	-
Depreciation	760,351	444,348	653,069	32,765
Total Operating Expenses	<u>6,466,581</u>	<u>5,172,002</u>	<u>2,793,825</u>	<u>1,601,840</u>
Operating Income (Loss)	<u>1,654,634</u>	<u>2,444,872</u>	<u>1,127,271</u>	<u>303,540</u>
Nonoperating Revenues (Expenses)				
Interest income	-	-	-	-
Interest and amortization expense	(285,812)	(450,106)	(36,722)	-
Interest rate subsidy	-	1,924	-	-
State and local grants	-	45,765	-	241,535
Property taxes	-	-	-	-
Loss on sale of capital assets	-	(10,534)	-	-
Income from merchandising and jobbing	37,762	-	-	-
Miscellaneous	7,719	-	134,892	168,733
Total Nonoperating Revenues (Expenses)	<u>(240,331)</u>	<u>(412,951)</u>	<u>98,170</u>	<u>410,268</u>
Income (Loss) Before Contributions and Transfers	1,414,303	2,031,921	1,225,441	713,808
Customer contributions	9,700	-	-	-
Transfers out	<u>(884,691)</u>	<u>(96,944)</u>	<u>(300,000)</u>	<u>(100,000)</u>
Change in Net Position	<u>539,312</u>	<u>1,934,977</u>	<u>925,441</u>	<u>613,808</u>
Net position - January 1, as originally reported	16,938,921	19,656,850	36,236,136	4,060,612
Cumulative effect of change in accounting principle	<u>(2,057,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - January 1, restated	<u>14,881,646</u>	<u>19,656,850</u>	<u>36,236,136</u>	<u>4,060,612</u>
Net Position - December 31	<u>\$ 15,420,958</u>	<u>\$ 21,591,827</u>	<u>\$ 37,161,577</u>	<u>\$ 4,674,420</u>

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

Business-type Activities - Enterprise Funds			Governmental
Parking Utility	Beloit Road Housing Management	Total	Activities - Internal Service Funds
\$ -	\$ 196,814	\$ 21,654,073	\$ 11,645,843
-	-	107,306	-
28,753	-	28,753	-
<u>28,753</u>	<u>196,814</u>	<u>21,790,132</u>	<u>11,645,843</u>
70,787	168,937	14,383,439	-
-	-	-	13,940,868
-	-	1,890,533	-
<u>70,787</u>	<u>168,937</u>	<u>16,273,972</u>	<u>13,940,868</u>
<u>(42,034)</u>	<u>27,877</u>	<u>5,516,160</u>	<u>(2,295,025)</u>
-	164,471	164,471	89,919
-	-	(772,640)	-
-	-	1,924	-
-	-	287,300	-
43,000	-	43,000	2,000,000
-	-	(10,534)	-
-	-	37,762	-
-	5	311,349	-
<u>43,000</u>	<u>164,476</u>	<u>62,632</u>	<u>2,089,919</u>
966	192,353	5,578,792	(205,106)
-	-	9,700	-
-	(120,000)	(1,501,635)	(89,919)
<u>966</u>	<u>72,353</u>	<u>4,086,857</u>	<u>(295,025)</u>
1,066,820	7,018,074	84,977,413	11,370,333
-	-	(2,057,275)	-
<u>1,066,820</u>	<u>7,018,074</u>	<u>82,920,138</u>	<u>11,370,333</u>
<u>\$ 1,067,786</u>	<u>\$ 7,090,427</u>	<u>\$ 87,006,995</u>	<u>\$ 11,075,308</u>



**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 8,145,605	\$ 7,727,049	\$ 4,081,268
Cash from interfund services provided	-	-	-
Cash paid to suppliers	(3,759,201)	(4,545,237)	(1,362,236)
Cash paid to employees	(1,032,912)	(266,133)	(694,688)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,353,492</b>	<b>2,915,679</b>	<b>2,024,344</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to other funds	(884,691)	(96,944)	(300,000)
State and local grants	-	45,765	-
Property taxes	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(884,691)</b>	<b>(51,179)</b>	<b>(300,000)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(2,151,052)	(2,397,529)	(1,266,637)
Customer contributions	9,700	-	-
Proceeds from debt issued	1,000,000	2,500,000	-
Premium on debt issued	29,348	73,576	-
Principal paid on long-term debt	(1,055,000)	(1,620,890)	(70,000)
Interest paid on long-term debt	(288,296)	(433,074)	(37,983)
Debt issuance costs paid	(13,501)	(33,227)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,468,801)</b>	<b>(1,911,144)</b>	<b>(1,374,620)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received	-	1,924	-
<b>Change in Cash and Cash Equivalents</b>	<b>-</b>	<b>955,280</b>	<b>349,724</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>-</b>	<b>1,994,298</b>	<b>1,115,585</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ -</b>	<b>\$ 2,949,578</b>	<b>\$ 1,465,309</b>
<b>Cash Flows from Operating Activities</b>			
Operating income (loss)	\$ 1,654,634	\$ 2,444,872	\$ 1,127,271
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	760,351	444,348	653,069
Depreciation charged to operating accounts	77,401	-	-
Merchandising and jobbing non-operating expense	37,762	-	-
Miscellaneous nonoperating income (expense)	7,719	-	134,892
Change in pension related assets, deferred outflows, liabilities, and deferred inflows	33,438	27,241	45,578
Changes in assets and liabilities			
Accounts receivable	16,671	5,456	25,280
Inventories and prepaid items	60,673	-	-
Accounts payable	143,835	(96,726)	36,681
Accrued liabilities	8,717	(2,176)	1,573
Deposits	(23,713)	104,719	-
Unearned revenue	(10,828)	-	-
Due to other funds	371,850	-	-
OPEB liability	214,982	-	-
Due to other governmental units	-	(12,055)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,353,492</b>	<b>\$ 2,915,679</b>	<b>\$ 2,024,344</b>

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

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste Fund	Parking Utility	Beloit Road Housing Management	Total	
\$ 1,903,312	\$ 28,719	\$ 68,963	\$ 21,954,916	\$ -
-	-	-	-	11,598,095
(1,184,589)	(49,329)	(32,679)	(10,933,271)	(15,482,479)
(421,180)	(17,679)	(104,235)	(2,536,827)	-
<u>297,543</u>	<u>(38,289)</u>	<u>(67,951)</u>	<u>8,484,818</u>	<u>(3,884,384)</u>
(100,000)	-	(120,000)	(1,501,635)	(89,919)
241,535	-	-	287,300	-
-	43,000	-	43,000	2,000,000
<u>141,535</u>	<u>43,000</u>	<u>(120,000)</u>	<u>(1,171,335)</u>	<u>1,910,081</u>
168,733	-	-	(5,646,485)	-
-	-	-	9,700	-
-	-	-	3,500,000	-
-	-	-	102,924	-
-	-	-	(2,745,890)	-
-	-	-	(759,353)	-
-	-	-	(46,728)	-
<u>168,733</u>	<u>-</u>	<u>-</u>	<u>(5,585,832)</u>	<u>-</u>
-	-	119,444	121,368	89,919
607,811	4,711	(68,507)	1,849,019	(1,884,384)
3,130,778	151,679	1,706,094	8,098,434	11,242,405
<u>\$ 3,738,589</u>	<u>\$ 156,390</u>	<u>\$ 1,637,587</u>	<u>\$ 9,947,453</u>	<u>\$ 9,358,021</u>
\$ 303,540	\$ (42,034)	\$ 27,877	\$ 5,516,160	\$ (2,295,025)
32,765	-	-	1,890,533	-
-	-	-	77,401	-
-	-	-	37,762	-
-	-	5	142,616	-
32,018	2,600	5,791	146,666	2,182
(2,068)	(34)	(127,856)	(82,551)	149
-	-	-	60,673	(143,484)
(67,471)	1,027	359	17,705	(1,416,047)
(1,241)	152	912	7,937	(1,547)
-	-	(101,987)	(20,981)	17,285
-	-	126,948	116,120	(47,897)
-	-	-	371,850	-
-	-	-	214,982	-
-	-	-	(12,055)	-
<u>\$ 297,543</u>	<u>\$ (38,289)</u>	<u>\$ (67,951)</u>	<u>\$ 8,484,818</u>	<u>\$ (3,884,384)</u>

## CITY OF WEST ALLIS, WISCONSIN

Notes to Basic Financial Statements

December 31, 2016

### NOTE A - 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:

1. Reporting Entity

The City of West Allis 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 (the primary government) and any separate component units that have a significant operational or financial relationship with the City.

2. Individual Component Unit Disclosures

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, 2016 utilizing the accrual basis of accounting. Separate financial statements are available for FIRE.

3. Related Organization

West Allis Memorial Hospital is a not-for-profit 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.

4. 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 activities of the City and its component unit. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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*.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

The City reports the following major governmental funds:

**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 governmental funds.

The City reports the following major enterprise funds:

**WATER UTILITY**

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

**SANITARY SEWER UTILITY**

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

**STORM WATER UTILITY**

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

**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**

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

**BELOIT ROAD HOUSING MANAGEMENT**

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 government reports the following fund type:

*Internal service funds* account for insurance services provided to other departments or agencies of the City on a cost reimbursement basis.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

5. 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 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.

Property taxes are recorded as revenues in the year for which they are levied. Only the portion of special assessments receivable collected during the current year are recorded as revenue. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met and they are collected within 60 days of the end of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, city ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other 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 function 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 enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost 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, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. 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.

b. Accounts Receivable

Accounts receivable are recorded at gross amount 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.

c. 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" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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

d. Inventories

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.

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

e. Prepaid Items

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

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

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets

Capital assets, which include property, plant, equipment, 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 one 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.

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

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	Years	
Buildings	50	25 - 50
Improvements other than buildings	10	-
Machinery and equipment	5 - 20	3 - 10
Infrastructure	30 - 50	15 - 100

Annual depreciation expense for the enterprise fund reported on the statement of cash flows may exceed depreciation expense reported on the statement of revenues, expenses and changes in net position. The difference results from depreciation 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 expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

g. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Sick leave does not vest to the employee. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements, or if they represent additional amounts the City has funded.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category in the government-wide statement of net position. The first is the deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The third is related to City contributions made for the other post-employment benefits subsequent to the measurement date and changes between expected and actual experience as determined by the actuary for the measurement of the net other post-employment benefits liability. The contributions will be expensed in the subsequent fiscal year and the differences calculated by the actuary will be amortized over the remaining service lives.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The third is related to changes in assumptions for the other post-employment benefit plan. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources, delinquent property taxes, special assessments and notes and loans receivable which are not expected to be currently repaid. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. 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 in the current period.

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.



**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. 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 ordinance of the City Council. The 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, through the adoption of a fund balance policy, the City Administrative Officer and the Finance Manager 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, 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, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Other Post-employment Benefits Other Than Pensions (OPEB)

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

l. 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 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.

m. 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.

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. 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.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and public works improvements capital projects funds with the following exceptions. The Stimulus Programs, HUD Development, Rental Energy Loans, TID No. 7 Rehab Loans, TID No. 11 Rehab Loans, TID No. 14 Rehab Loans, Centennial, Miscellaneous Grants, Library Endowment and EPA Revolving Loan special revenue funds and Tax Increment District capital project funds are not budgeted. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund, 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. Management does not have authority to amend the legally adopted budget. 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.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

- d. The budget as enacted includes total expenditures at the activity level. An activity can be a department, division or fund. For example, most departments of the General Fund are budgeted at the department level with the exception of Public Works which is budgeted at the division level. Other budgeted funds tend to be budgeted at the total fund level. Expenditures cannot legally exceed appropriations at this level. The general fund, certain special revenue funds, debt service and certain capital projects fund have legally adopted budgets.
- e. 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 \$815,902.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2016.

2. Excess of Expenditures over Budget Appropriations

The following expenditure accounts of the general, special revenue, debt service and capital projects funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2016 as follows:

Fund	Function	Excess Expenditures
General Fund		
Municipal court	General government	\$ 72,829
Administration	General government	6,448
Information technology	General government	84,190
Finance	General government	74,098
Planning	Public safety	21,559
Inventory services	Public works	6,454
State fair service contract	Culture and recreation	60,000
Special Revenue Funds		
Block grant	Conservation and development	165,766
H.O.M.E. program	Conservation and development	236,268
Housing programs	Conservation and development	120,690
Police grants	Public safety	238,162
Fire grants	Public safety	8,390
Debt Service Fund	Debt issuance costs	104,511

The above excess expenditure variances were funded using favorable revenue variances, issuance of long-term debt and available fund balance in the various funds.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

3. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2016:

Fund	Deficit Fund Equity
Special Revenue Funds	
Health Grants	\$ 8,269
Capital Projects Funds	
Public Works Improvements	1,429,610
Tax Increment District No. 5	3,302,569
Tax Increment District No. 6	696,967
Tax Increment District No. 10	1,017,619
Tax Increment District No. 11	1,292,521
Tax Increment District No. 12	39,133
Tax Increment District No. 13	287,209
Tax Increment District No. 14	2,468,501
Tax Increment District No. 15	41,402
Buildings and Facilities	50,073

The deficit in the special revenue funds are 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.

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. 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 \$116,261,896 on December 31, 2016 as summarized below:

Petty cash and cash on hand	\$ 12,548
Deposits with financial institutions	62,250,659
Investments	53,998,689
	<u>\$ 116,261,896</u>

Additional information on the above deposits and investments follows:

Government-wide Statement of Net Position	
Primary government	<u>\$ 116,261,896</u>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Fair Value Measurements

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. 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, 2016:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Corporate Bonds & Notes	\$ -	\$ 23,301,361	\$ -
State and Municipal Bonds	-	13,662,515	-
Negotiable Certificates of Deposit	-	4,115,494	-
Greater Milwaukee Community Foundation	-	-	1,117,452
Federal Home loan Mortgage	-	664,962	-
Federal Home Loan Bank	-	746,970	-
Federal National Mortgage	-	252,984	-
Total investments by fair value level	<u>\$ -</u>	<u>\$ 42,744,286</u>	<u>\$ 1,117,452</u>

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

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 non-interest bearing demand deposits per official custodian per insured depository institution. Deposits with financial institution 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. 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.

As of December 31, 2016, \$410,352 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City has no additional credit risk policy. Presented below is the actual rating as of yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	AA	A	Not Rated
Federal Home Loan Mortgage	\$ 664,962	\$ -	\$ 664,962	\$ -	\$ -	\$ -
Federal National Mortgage	252,984	-	252,984	-	-	-
Federal Home Loan Bank	746,970	-	746,970	-	-	-
Corporate bonds	23,301,361	-	477,355	11,607,764	9,031,761	2,184,481
Municipal bonds	13,662,515	-	484,725	7,030,439	837,769	5,309,582
Greater Milwaukee Community Foundation	1,117,452	-	-	-	-	1,117,452
Wisconsin local government investment pool	14,252,445	-	-	-	-	14,252,068
<b>Totals</b>	<b>\$ 53,998,689</b>	<b>\$ -</b>	<b>\$ 2,626,996</b>	<b>\$ 18,638,203</b>	<b>\$ 9,869,530</b>	<b>\$ 22,863,583</b>

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. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total
General Electric Capital Corp.	Bond	\$ 4,304,197	8%
Royal Bank of Canada	Bond	4,684,313	9%

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, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

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 Home Loan Mortgage	\$ 664,962	\$ 99,912	\$ 250,050	\$ 315,000	\$ -
Federal National Mortgage	252,984	-	-	252,984	-
Federal Home Loan Bank	746,970	-	-	502,880	244,090
Corporate bonds	23,301,361	5,845,703	3,045,350	10,224,025	4,186,283
Municipal bonds	13,662,515	1,680,950	1,899,653	8,688,827	1,393,085
Negotiable certificates of deposit	4,115,494	1,638,681	1,684,552	792,261	-
Greater Milwaukee					
Community Foundation	1,117,452	1,117,452	-	-	-
Wisconsin local government investment pool	14,252,445	14,252,445	-	-	-
<b>Totals</b>	<b>\$ 58,114,183</b>	<b>\$ 24,635,143</b>	<b>\$ 6,879,605</b>	<b>\$ 20,775,977</b>	<b>\$ 5,823,458</b>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Federal National Mortgage Association	\$ 252,984
Federal Home Loan Mortgage Corporation	664,962
Federal Home Loan Bank	746,970

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$14,252,445 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. 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 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 May 31. Real estate taxes not paid by May 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. All tax collections and remittances are accounted for in the general fund.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

3. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 13,051,777	\$ -	\$ -	\$ 13,051,777
Construction in progress	1,224,632	17,234,040	1,224,632	17,234,040
	<u>14,276,409</u>	<u>17,234,040</u>	<u>1,224,632</u>	<u>30,285,817</u>
Capital assets, being depreciated:				
Improvements other than buildings	415,882	-	-	415,882
Buildings	160,483,950	1,635,017	-	162,118,967
Machinery and equipment	88,199,536	5,216,708	176,828	93,239,416
Infrastructure	160,640,640	3,151,083	307,513	163,484,210
Subtotals	<u>409,740,008</u>	<u>10,002,808</u>	<u>484,341</u>	<u>419,258,475</u>
Less accumulated depreciation for:				
Land improvements	206,434	21,158	-	227,592
Buildings	86,816,757	3,923,029	-	90,739,786
Machinery and equipment	58,743,042	6,310,856	176,828	64,877,070
Infrastructure	83,598,861	5,823,462	307,513	89,114,810
Subtotals	<u>229,365,094</u>	<u>16,078,505</u>	<u>484,341</u>	<u>244,959,258</u>
Total capital assets, being depreciated, net	<u>180,374,914</u>	<u>(6,075,697)</u>	<u>-</u>	<u>174,299,217</u>
Governmental activities capital assets, net	<u>\$194,651,323</u>	<u>\$ 11,158,343</u>	<u>\$ 1,224,632</u>	<u>204,585,034</u>
Less related long-term debt outstanding and related deferred inflows and outflows				<u>42,974,631</u>
Net investment in capital assets				<u>\$161,610,403</u>



**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 963,716	\$ -	\$ -	\$ 963,716
Construction in progress	26,002	32,970	26,002	32,970
	<u>989,718</u>	<u>32,970</u>	<u>26,002</u>	<u>996,686</u>
Capital assets, being depreciated:				
Buildings	496,728	-	-	496,728
Machinery and equipment	5,502,798	23,200	175,663	5,350,335
Infrastructure	122,886,277	5,856,113	293,847	128,448,543
Subtotals	<u>128,885,803</u>	<u>5,879,313</u>	<u>469,510</u>	<u>134,295,606</u>
Less accumulated depreciation for:				
Buildings	445,325	12,269	-	457,594
Machinery and equipment	4,127,845	222,103	175,663	4,174,285
Infrastructure	30,296,170	1,733,562	283,314	31,746,418
Subtotals	<u>34,869,340</u>	<u>1,967,934</u>	<u>458,977</u>	<u>36,378,297</u>
Total capital assets, being depreciated, net	<u>94,016,463</u>	<u>3,911,379</u>	<u>10,533</u>	<u>97,917,309</u>
Business-type activities capital assets, net	<u>\$ 95,006,181</u>	<u>\$ 3,944,349</u>	<u>\$ 36,535</u>	<u>98,913,995</u>
Less related long-term debt outstanding and related deferred inflows and outflows				<u>28,447,178</u>
Net investment in capital assets				<u>\$ 70,466,817</u>
Depreciation expense was charged to functions of the City as follows:				
Governmental activities				
General government				\$ 60,103
Public safety				519,046
Public works				6,424,581
Health and human services				9,005,217
Culture and recreation				69,558
Total depreciation expense - governmental activities				<u>\$ 16,078,505</u>
Business-type activities				
Water utility				\$ 760,351
Sanitary sewer utility				444,348
Storm water utility				653,069
Solid waste fund				32,765
Depreciation charged to operating accounts				77,401
Total depreciation expense - business-type activities				<u>\$ 1,967,934</u>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2016 are detailed below:

	Interfund Receivables	Interfund Payables
Governmental Funds		
Operating Accounts and Cash Deficits Between Funds		
General Fund	\$ 14,076,200	\$ -
Nonmajor Governmental Funds		
Special Revenue Funds		
Block Grant	-	7,017
H.O.M.E. Program	-	558,909
HUD Development Grant	-	46,870
Police Grants	-	259,828
Capital Projects Funds		
Public works improvements	-	2,045,708
Tax Increment Districts		
No. 5	-	3,302,554
No. 6	-	696,789
No. 10	-	1,017,619
No. 11	-	1,652,419
No. 12	-	38,898
No. 13	-	287,209
No. 14	-	2,464,322
No. 15	-	41,343
Buildings and Facilities	-	32,247
Total Nonmajor Governmental Funds	-	12,451,732
Enterprise Funds		
Water utility	-	1,624,468
Total	\$ 14,076,200	\$ 14,076,200

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Interfund transfers for the year ended December 31, 2016 were as follows:

	Transfer to:			
	General Fund	Debt Service	Nonmajor Governmental	Totals
Transfers from:				
General Fund	\$ -	\$ -	\$ 3,088,530	\$ 3,088,530
Debt Service Fund	-	-	444,890	444,890
Nonmajor Governmental Funds	350,000	1,283,995	1,000,002	2,633,997
Proprietary Funds				
Water utility	884,691	-	-	884,691
Sanitary sewer utility	96,944	-	-	96,944
Beloit Road Housing mgmt.	120,000	-	-	120,000
Storm water utility	300,000	-	-	300,000
Solid waste fund	100,000	-	-	100,000
Internal Service Funds				
Insurance Management Fund	89,919	-	-	89,919
Totals	<u>\$ 1,941,554</u>	<u>\$ 1,283,995</u>	<u>\$ 4,533,422</u>	<u>\$ 7,758,971</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

5. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2016:

	Outstanding 1/1/16	Issued	Retired	Outstanding 12/31/16	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
General City					
Bonds	\$ 20,615,000	\$ 6,565,000	\$ 6,495,000	\$ 20,685,000	\$ 3,520,000
Notes	425,000	-	425,000	-	-
Tax Incremental Districts					
Bonds	22,955,000	12,630,000	13,515,000	22,070,000	2,165,000
Notes	1,849,890	-	410,467	1,439,423	411,418
Total General Obligation Debt	45,844,890	19,195,000	20,845,467	44,194,423	6,096,418
Premium on long-term debt	233,940	96,353	23,546	306,747	23,546
Prior service pension liability					
Municipal police and firefighters	267,247	-	86,820	180,427	50,000
Workers compensation	160,732	-	63,771	96,961	50,000
Governmental activities					
Long-term obligations	\$ 46,506,809	\$ 19,291,353	\$ 21,019,604	\$ 44,778,558	\$ 6,219,964
<b>Business-type activities:</b>					
General Obligation Debt					
Bonds	\$ 27,157,998	\$ 3,500,000	\$ 2,727,070	\$ 27,930,928	\$ 3,023,799
Notes	102,495	-	18,820	83,675	19,632
Premium on debt issued	509,147	102,924	54,938	557,133	54,937
Business-type activities					
Long-term obligations	\$ 27,769,640	\$ 3,602,924	\$ 2,800,828	\$ 28,571,736	\$ 3,098,368

Interest paid during the year on long-term debt totaled \$2,103,776.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds	
\$4,940,000 issued 5/1/06; \$150,000 due in 2017; interest 5.0%	\$ 150,000
\$3,695,000 issued 10/1/06; \$130,000 to \$340,000 due annually through 2021; interest 4.0%	1,295,000
\$4,955,000 issued 4/1/07; \$410,000 due in 2017; interest 4.0%	410,000
\$6,600,000 issued 6/1/08; \$235,000 to \$540,000 due annually through 2023; interest 3.5% to 4.25%	2,255,000
\$2,945,000 issued 3/27/09; \$185,000 to \$210,000 due annually through 2024; interest 3.75% to 4.35%	1,625,000
\$7,105,000 issued 3/27/09; \$525,000 to \$590,000 due annually through 2019; interest 5.0% to 5.375%	1,785,000
\$17,605,000 issued 3/29/10; \$1,235,000 to \$1,310,000 due annually through 2018; interest 3.70% to 5.75%	2,545,000
\$2,445,000 issued 3/29/10; \$65,000 to \$115,000 due annually through 2028; interest 2.70% to 4.20%	920,000
\$1,554,765 issued 10/27/10; \$73,799 to \$100,451 due annually through 2030; interest 2.4%	1,210,928
\$5,635,000 issued 5/19/11; \$190,000 to \$470,000 due annually through 2026; interest 3.0% to 3.5%	3,285,000
\$6,015,000 issued 4/5/12; \$110,000 to \$420,000 due annually through 2029; interest 1.60% to 4.1%	4,215,000
\$6,205,000 issued 4/5/12; \$235,000 to \$505,000 due annually through 2027; interest 2.0% to 3.0%	4,180,000
\$8,140,000 issued 6/13/13; \$200,000 to \$1,065,000 due annually through 2028; interest 1.25% to 2.5%	6,420,000
\$5,560,000 issued 6/25/13; \$115,000 to \$500,000 due annually through 2030; interest 2.0% to 3.5%	4,155,000
\$6,800,000 issued 6/12/14; \$235,000 to \$565,000 due annually through 2030; interest 2.0% to 3.0%	5,665,000
\$8,355,000 issued 5/1/15; \$235,000 to \$1,135,000 due annually through 2030, interest 2.5% to 3.0%	7,875,000
\$6,250,000 issued 5/25/16; \$230,000 to \$595,000 due annually through 2031; interest 2.0% to 2.5%	6,250,000
\$16,445,000 issued 5/25/16; \$150,000 to \$2,640,000 due annually through 2029, interest 0.75% to 3.0%	16,445,000
Total Bonds	<u>70,685,928</u>
Notes	
\$1,402,118 issued 11/22/06 through 12/23/08; \$74,597 due annually through 2026; interest 0.5%.	745,972
\$6,885,000 issued 4/1/09; \$310,000 to \$315,000 due annually through 2018; interest 3.5%.	625,000
\$177,372 issued 9/24/09; \$21,820 to \$23,828 due annually through 2019; interest 4.5%	68,451
\$188,018 issued 7/2/10; \$19,632 to \$22,240 due annually through 2020; interest 4.25%	83,675
Total Notes	<u>1,523,098</u>
Total General Obligation Debt	<u>\$ 72,209,026</u>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$72,209,026 on December 31, 2016 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,096,418	\$ 998,875	\$ 3,043,431	\$ 724,206	\$ 9,139,849	\$ 1,723,081
2018	6,042,399	812,799	2,896,037	644,916	8,938,436	1,457,715
2019	5,313,425	658,656	2,833,721	568,443	8,147,146	1,227,099
2020	4,849,597	552,465	2,816,482	491,491	7,666,079	1,043,956
2021	4,664,599	457,085	2,476,143	417,901	7,140,742	874,986
2022-2026	15,262,985	1,002,706	9,570,881	1,216,800	24,833,866	2,219,506
2027-2031	1,965,000	73,382	4,377,908	218,840	6,342,908	292,222
	<u>\$ 44,194,423</u>	<u>\$ 4,555,968</u>	<u>\$ 28,014,603</u>	<u>\$ 4,282,597</u>	<u>\$ 72,209,026</u>	<u>\$ 8,838,565</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2016 as \$114,572,622 as follows:

Equalized valuation of the City	\$ 3,735,583,600
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>186,779,180</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 72,209,026
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>2,468</u>
Net outstanding general obligation debt applicable to debt limitation	<u>72,206,558</u>
Legal Margin for New Debt	<u><u>\$ 114,572,622</u></u>

Unfunded Pension Liability

The City's unfunded pension liability on December 31, 2016 consists of an unfunded liability of \$180,427 for former employees covered under the Municipal Police and Firefighter's Pension Funds (MPFP). The MPFP liability is the City's best estimate of the unfunded liability. Monthly payments are made to employees covered under the plan until they are deceased.

Additional information on the MPFP is provided in Note E.1.

6. 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, 2016 there were five series of Industrial Revenue Bonds outstanding, with the aggregate principal amount payable undetermined.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

7. Advance Refunding

In prior years, the City advance refunded \$2,420,000 of general obligation corporate purpose bonds. As a result, the refunded bonds are also considered to be defeased and the liability has been removed from the financial statements.

During fiscal year 2016, the City advance refunded portions of a 2009 general obligation corporate purpose bond and a 2010 general obligation refunding bond. The City issued \$16,445,000 of general obligation corporate purpose refunding bonds to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. The advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$1,467,974 and to obtain an economic benefit (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,310,074.

At December 31, 2016, \$16,625,000 of outstanding general obligation bonds and notes are considered defeased.

8. Fund Equity

Government-wide and Proprietary Fund Statements

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

- a. Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and capital related deferred outflows of resources and deferred inflows of resources.
- b. 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.
- c. 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, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2016 include the following:

Net investment in capital assets	
Land	\$ 13,051,777
Construction in progress	17,234,040
Improvements other than buildings	415,882
Buildings	162,118,967
Machinery and equipment	93,239,416
Infrastructure	163,484,210
Less: Accumulated depreciation	(244,959,258)
Less: Related long-term debt outstanding and related deferred inflows and outflows	(42,974,631)
Total Net Investment in Capital Assets	161,610,403
Restricted	
Grantors	2,226,660
Unrestricted (deficit)	(87,218,046)
Total Governmental Activities Net Position	\$ 76,619,017

Fund Statements

In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2016, fund balance was committed as follows:

General Fund	
Committed for subsequent year's budget	\$ 1,524,306
Special Revenue Funds	
Committed for TID No. 7 Rehab Loans	\$ 501,376
Committed for TID No. 11 Rehab Loans	500,000
Committed for TID No. 14 Rehab Loans	500,000
Committed for Cable Communications Fund	839,067
Committed for Information Technology Joint Ventures Fund	84,318
Committed for EPA Revolving Loan Fund	19,369
	\$ 2,444,130



**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Also in the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2016, fund balance assigned was as follows:

General Fund	
Subsequent years payroll expenditures	\$ 2,211,357
Land/building acquisition	1,000,000
Insurance	1,200,000
Workers compensation	1,500,000
Dental insurance	50,000
Unfunded pension liability	8,850,000
Productivity/operation improvement	642,000
Public access	511,720
Tax levy reduction	1,590,000
Strategic planning	100,392
Capital replacement	1,588,864
Computer/Technology improvement	736,399
Community and economic development investment	405,000
Tax refunds	200,000
Parks and open spaces	350,000
Zombie properties	100,000
	<u>\$ 21,035,732</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER POST-EMPLOYMENT BENEFITS**

1. Other Postemployment Benefits Other Than Pension Benefits (OPEB)

a. 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 District'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.

b. Benefits Provided

The City shall make contributions for retiree premiums.

c. Employees Covered by Benefit Terms

At December 31, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	516
Active employees	480
	996

d. Contributions

Local 80 Public Works & Clerical Union, Non-Represented, Department Heads & Mayor	If hired prior to April 1, 2008, eligible under WRS with a minimum of 10 years of continuous service with the City as a benefited employee. If hired on or after April 1, 2008, eligible under WRS with a minimum of 15 years of continuous service with the City as a benefited employee.
Aldermen & Municipal Judge	If elected prior to April 1, 2008, eligible under WRS and completed a minimum of 2 four-year terms. If elected on or after April 1, 2008, eligible under WRS with a minimum of 15 years of continuous service with the City.
Federation of Nurses	If hired prior to July 1, 2008, eligible under WRS with a minimum of 10 years of continuous service with the City as a benefited employee. If hired on or after July 1, 2008, eligible under WRS with a minimum of 15 years of continuous service with the City as a benefited employee.
Engineering Technicians & Aides Association	If hired prior to July 1, 2008, eligible under WRS with a minimum of 10 years of continuous service with the City as a benefited employee. If hired on or after July 1, 2008, eligible under WRS with a minimum of 15 years of continuous service with the City as a benefited employee.
Engineering Technicians & Aides Association	If hired prior to July 1, 2008, eligible under WRS with a minimum of 10 years of continuous service with the City as a benefited employee. If hired on or after July 1, 2008, eligible under WRS with a minimum of 15 years of continuous service with the City as a benefited employee.
Fire Fighter's Association	If hired prior to February 1, 2009, eligible under WRS with a minimum of 10 years of continuous service with the City as a benefited employee. If hired on or after February 1, 2009, eligible under WRS with a minimum of 15 years of continuous service with the City as a benefited employee.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE D - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

e. Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2015, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total OPEB liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
	9.0 percent decreasing by 0.50 percent per year down to 6.50 percent, then by 0.10 percent per year down to 5.0 percent, and level thereafter
Healthcare cost trend rates:	

Mortality rates are the same as those used in the December 31, 2015 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2015.

Municipal bond rate as of the measurement date was used for all years of benefit payments.

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.52 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

f. Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at 12/31/2015	\$ 164,412,666
Changes for the year:	
Service cost	4,763,909
Interest	7,535,230
Changes of assumptions or other inputs	(30,833,407)
Benefit payments	(4,935,880)
Net changes	(23,470,148)
Balance at 12/31/2016	\$ 140,942,518

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.* The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.52 percent) or 1-percentage-point higher (5.52 percent) than the current rate:

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

	1% Decrease to Discount Rate (3.52%)	Current Discount Rate (4.52%)	1% Increase to Discount Rate (5.52%)
Net OPEB liability	\$ 160,412,402	\$ 140,942,518	\$ 124,905,046

**NOTE D - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (8% decreasing to 4.0%)	Healthcare Cost Trend Rates (9% decreasing to 5.0%)	1% Increase (10% decreasing to 6.0%)
Net OPEB liability	\$ 129,306,601	\$ 140,942,518	\$ 156,123,689

- g. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2016, the City recognized OPEB expense of \$12,299,139. At December 31, 2016, 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
Changes in assumptions	\$ -	\$ 30,833,407
City contributions subsequent to the measurement date	4,721,586	-
Total	<u>\$ 4,721,586</u>	<u>\$ 30,833,407</u>

\$4,721,586 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, 2017. Other amounts reported as deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	Deferred Inflows of Resources
2016	\$ 2,046,012
2017	2,046,012
2018	2,046,012
2019	2,046,012
2020	2,046,012
Thereafter	20,603,347
	<u>\$ 30,833,407</u>

- h. Payable to the OPEB Plan

At December, 2016, the City reported a payable of \$-0- for the outstanding amount of contributions to the Plan required for the year ended December 31, 2016.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION**

1. Pension Plan

a. Plan Description

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.

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 State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

b. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%
2015	2.9%	2%

c. 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, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,276,911 in contributions from the City.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

- d. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the City reported a liability of \$5,479,834 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the City's proportion was 0.33722461%, which was a decrease of 0.00235772% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$6,691,456.

At December 31, 2016, the City reported deferred outflows of resources and inflows from resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 927,032	\$ 11,532,218
Changes in assumptions	3,833,931	-
Net differences between projected and actual earnings on pension plan investments	22,436,011	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	302,557	-
Employer contributions subsequent to the measurement date	3,465,126	-
<b>Total</b>	<b>\$ 30,964,657</b>	<b>\$ 11,532,218</b>

\$3,465,126 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 7,146,118	\$ 2,790,818
2017	7,146,118	2,790,818
2018	7,146,118	2,790,818
2019	5,935,742	2,790,818
2020	125,435	368,946
	<b>\$ 27,499,531</b>	<b>\$ 11,532,218</b>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

e. Actuarial Assumption

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability:	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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:

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>				
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5%	22%	8.5%	5.6%
Fixed Income	27.5%	37%	4.4%	1.6%
Inflation Sensitive Assets	10%	20%	4.2%	1.4%
Real Estate	7%	7%	6.5%	3.6%
Private Equity/Debt	7%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.7%	3.8%
Total Core Fund	107%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%



**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

*Single Discount Rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Proportionate share of the net pension liability (asset)	\$ 38,435,664	\$ 5,479,834	\$ (20,259,256)

*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>.

f. Payable to the WRS

At December 31, 2016 the City reported a payable of \$703,217 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

g. Police-Fire Pension Fund

Protective employees of the City hired prior to 1948 are covered under the Municipal Police and Firefighter's Pension Funds (MPFPF), a multiple employer defined benefit plan, established under Chapter 62 of the Wisconsin Statutes. The MPFPF was closed to new members effective January 1, 1948. The administration of the plan was subsequently assumed by the Wisconsin Department of Employee Trust Funds. Upon retirement from the City, the monthly benefit payment was determined for beneficiaries of the plan. The City funds the monthly benefit obligation on a "pay-as-you-go" basis until the covered employees are deceased. The City's best estimate of the unfunded liability for this pension plan is \$180,427 and is included in the Statement of Net Position. The total City contribution to the Fund during 2016 was \$86,820.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

2. 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 pro rata 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 a deposit in the liability self-insurance 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 conditions of CVMIC.

3. 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 the Cities and Villages Mutual Insurance Company (See Note E.2). 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.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

All funds of the City participate in the plans. At December 31, 2016 the City maintained reserves of \$50,000 and \$1,500,000 for the coverage of catastrophe losses related to the dental and the workers' compensation plan, respectively. The claims liabilities of \$7,038 and \$419,048 for the dental and the workers' compensation plan, respectively are reported as accrued liabilities in the General Fund, and the health claims liability of \$1,891,460 is reported as accounts payable in the Health Insurance Internal Service Fund at December 31, 2016. These liabilities are based on the requirements of the Governmental Accounting Standards Board 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 loss can be reasonably estimated. Changes in the claims liability amount for the years ended December 31, 2016 and 2015 are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Payments	Liability December 31
2016	\$ 1,847,900	\$ 13,910,997	\$ 13,867,437	\$ 1,891,460
2015	2,046,573	14,525,804	14,724,477	1,847,900

4. Tax Incremental Districts

The City has established separate capital projects funds for ten Tax Incremental Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each 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 66.1105(6)(am)1, the Statutes allow five years from the termination date for a tax incremental district to incur project costs eligible for financing from tax increments. Pertinent information for each of the City's TID's follows:

	TID No. 3	TID No. 5	TID No. 6	TID No. 7	TID No. 9	TID No. 10
Creation date	8/17/1994	1/1/2001	1/1/2004	1/1/2004	1/1/2006	1/1/2008
Date construction period ends	8/16/2004	1/1/2008	1/1/2025	1/1/2025	1/1/2027	1/1/2030
Date District terminates	12/31/2020	12/31/2023	12/31/2030	12/31/2030	12/31/2032	12/31/2034
Unreimbursed project costs	\$ -	\$ 18,707,290	\$ 2,311,966	\$ 847,715	\$ 903,224	\$ 2,202,618
Outstanding debt	\$ -	\$ 16,495,970	\$ 1,730,000	\$ 2,318,451	\$ 975,000	\$ 1,210,000

	TID No. 11	TID No. 12	TID No. 13	TID No. 14	TID No. 15
Creation date	1/1/2010	1/1/2011	1/1/2011	5/6/2014	5/6/2014
Date construction period ends	1/1/2032	1/1/2033	1/1/2033	5/6/2033	5/6/2033
Date District terminates	12/31/2036	12/31/2037	12/31/2037	5/6/2041	5/6/2041
Unreimbursed project costs	\$ 2,067,523	\$ 39,133	\$ 285,408	\$ 2,468,500	\$ 41,402
Outstanding debt	\$ 780,000	\$ -	\$ -	\$ -	\$ -

It is the intention of the City to recover all project costs and debt service payments due prior to termination of the respective districts.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

5. Intermunicipal Agreement

The City is a member of the Milwaukee Area Domestic Animal Control Commission (Commission) along with eighteen other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for dogs and cats. The Commission is governed by a nineteen 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 \$2,500,000 of which the City would be responsible for 7.0368% if the Commission would default on the debt.

6. Lease Disclosures

In 1963, West Allis Memorial Hospital entered into a fifty-year lease agreement with the City of West Allis for the right to operate the Hospital. In 1997, the lease was amended to extend the life an additional 25 years. Under the terms of this lease, the City has title to all assets and any subsequent additions, and the Hospital has exclusive right to the use of the assets and the obligation to maintain and replace them. The agreement does not provide for lease payments; however, a determination is made annually as to the amount of Hospital funds which can, consistent with sound financial management, be turned over to the City. The City recognized miscellaneous general fund revenue of \$310,000 from the Hospital in 2016.

7. 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 2016 and 2017 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2016 budget was 0.71%. The actual limit for the City for the 2017 budget was 0.66%. 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.

8. Contingencies

a. 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 Federal Uniform Grant Guidance and the *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.

b. 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 Attorney 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.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE E - OTHER INFORMATION (Continued)**

9. Cumulative Effect of Change in Accounting Principle

The City has adopted GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended December 31, 2016 have not been restated.

The cumulative effect of this change was to decrease the December 31, 2015 net position by \$111,470,915 as follows:

Other post-employment liability		
Balance previously reported	\$	48,005,871
Actuarially determined balance		164,412,666
Change in other post-employment liability		\$ (116,406,795)
Deferred outflows of resources		
Employer contributions subsequent to the measurement date		4,935,880
		\$ (111,470,915)

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WEST ALLIS, WISCONSIN**  
 West Allis, Wisconsin  
 Schedule of Changes in Net OPEB Liability and Related Ratios  
 Last 10 Fiscal Years

	2016
Total OPEB Liability	
Service cost	\$ 4,763,909
Interest	7,535,230
Changes of assumptions	(30,833,407)
Benefit payments	(4,935,880)
Net change in total OPEB liability	(23,470,148)
Total OPEB liability - beginning	164,412,666
Total OPEB liability - ending	<u>\$ 140,942,518</u>
Covered-employee payroll	\$ 38,838,197
District's total OPEB liability as a percentage of covered-employee payroll	363%

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

See Notes to Required Supplementary Information.

**CITY OF WEST ALLIS, WISCONSIN**  
 West Allis, Wisconsin  
 Schedule of Employer Contributions  
 Other Postemployment Benefits  
 Last 10 Fiscal Years

	2016
Actuarially determined contribution (ADC)	\$ 8,668,600
Contributions in relation to the ADC	4,935,880
Contribution deficiency (excess)	\$ 3,732,720
Covered-employee payroll	\$ 38,838,197
Contributions as a percentage of covered-employee payroll	12.71%
Key Methods and Assumption Used to Calculate ADC	
Actuarial cost method	Entry Age
Asset valuation method	Market Value
Amortization method	10 year Level Dollar
Discount rate	4.52%

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

See Notes to Required Supplementary Information.



**CITY OF WEST ALLIS, WISCONSIN**  
 West Allis, Wisconsin  
 Schedule of Proportionate Share of the Net Pension Liability (Asset)  
 Wisconsin Retirement System  
 Last 10 Fiscal Years

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.33958233%	\$ (8,341,072)	\$ 35,558,481	23.46%	102.74%
12/31/16	0.33722461%	5,479,834	36,649,769	14.95%	98.20%

Schedule of Contributions  
 Wisconsin Retirement System  
 Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 3,322,941	\$ 3,322,941	\$ -	\$ 35,558,481	9.35%
12/31/16	3,276,911	\$ 3,276,911	-	36,649,769	8.94%

See Notes to Required Supplementary Information.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2016

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75**

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended December 31, 2016. Information for prior years is not available.

**NOTE B - Other Postemployment Benefits Other Than Pension Benefits**

The following changes were made since the prior valuation:

- The accounting has been updated to comply with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- Post-65 benefit has been eliminated for police and fire personnel hired on or after 3/1/2016.
- The discount rate being used is now 4.52%, compared to 4.0%.

**NOTE C - WISCONSIN RETIREMENT SYSTEM**

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

There were no changes of benefit terms or assumptions for any participating employer in WRS.

## **SUPPLEMENTARY INFORMATION**

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Budgeted and Actual Revenues  
General Fund  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Taxes</b>			
General City property taxes	\$ 33,631,139	\$ 33,595,775	\$ (35,364)
Delinquent personal property taxes	40,000	5,932	(34,068)
Omitted taxes	2,500	-	(2,500)
Mobile home and trailer taxes	90,000	101,798	11,798
Hotel and motel taxes	55,000	63,929	8,929
State sales taxes	-	306	306
Tax equivalents			
Medical office	700,000	647,938	(52,062)
HOLIE	83,000	79,115	(3,885)
Other	88,200	86,928	(1,272)
Tax delinquencies and penalties	335,000	372,225	37,225
<b>Total Taxes</b>	<b>35,024,839</b>	<b>34,953,946</b>	<b>(70,893)</b>
<b>Intergovernmental</b>			
State shared revenues	7,287,347	7,184,998	(102,349)
Expenditure restraint program	1,470,598	1,574,913	104,315
Transportation aid	2,260,785	2,259,021	(1,764)
Exempt computer aid	206,200	189,550	(16,650)
Fire insurance	152,000	162,269	10,269
Municipal services payment	203,000	202,510	(490)
Milwaukee County Library	240,000	282,425	42,425
State fair service contract	30,000	-	(30,000)
<b>Total Intergovernmental</b>	<b>11,849,930</b>	<b>11,855,686</b>	<b>5,756</b>
<b>Licenses and Permits</b>			
Liquor/tavern licenses	99,950	92,470	(7,480)
Business operators license	170,850	107,313	(63,537)
Permits			
Construction	782,000	869,553	87,553
Parking	375,000	425,364	50,364
Engineering	66,450	81,955	15,505
Health	16,660	18,341	1,681
Other licenses and permits	22,750	29,951	7,201
<b>Total Licenses and Permits</b>	<b>1,533,660</b>	<b>1,624,947</b>	<b>91,287</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Budgeted and Actual Revenues (Continued)  
General Fund  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Charges for Services			
General government	22,465	27,206	4,741
Building inspection	39,900	100,451	60,551
Police	326,800	212,469	(114,331)
Ambulance	1,350,000	1,808,585	458,585
Fire	48,500	93,279	44,779
Milwaukee County paramedic aid	150,000	77,907	(72,093)
Health	302,600	284,408	(18,192)
Senior center	6,700	8,430	1,730
Public works	609,000	619,490	10,490
Library	90,000	76,391	(13,609)
Total Public Charges for Services	<u>2,945,965</u>	<u>3,308,616</u>	<u>362,651</u>
Fines, Forfeitures and Penalties			
Court fines, costs and fees	1,103,500	1,150,002	46,502
Parking violations	1,050,000	926,608	(123,392)
Judgments and damages	30,000	44,933	14,933
Total Fines, Forfeitures and Penalties	<u>2,183,500</u>	<u>2,121,543</u>	<u>(61,957)</u>
Interest			
Interest on investments	780,000	565,975	(214,025)
Interest on special assessments	2,490	4,132	1,642
Total Interest	<u>782,490</u>	<u>570,107</u>	<u>(212,383)</u>
Miscellaneous			
Rental of City buildings	185,000	213,181	28,181
Sale of material and equipment	100,000	65,464	(34,536)
Contributions	900,000	313,250	(586,750)
Miscellaneous	266,400	224,142	(42,258)
Total Miscellaneous	<u>1,451,400</u>	<u>816,037</u>	<u>(635,363)</u>
<b>TOTAL GENERAL FUND REVENUES</b>	<u><u>\$ 55,771,784</u></u>	<u><u>\$ 55,250,882</u></u>	<u><u>\$ (520,902)</u></u>

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Budgeted and Actual Expenditures  
General Fund  
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>General Government</b>				
Common council	\$ 249,888	\$ 251,271	\$ 248,519	\$ 2,752
Mayor	325,042	362,707	344,554	18,153
City attorney	693,164	701,696	696,032	5,664
Municipal court	409,376	412,668	485,497	(72,829)
City assessor	1,085,188	1,281,820	889,101	392,719
Administration	209,561	256,458	262,906	(6,448)
Information technology	1,079,579	1,257,810	1,342,000	(84,190)
Purchasing/central services	204,885	208,028	194,062	13,966
Human resources	463,639	550,256	463,454	86,802
Finance	428,800	430,769	504,867	(74,098)
City clerk/treasurer	754,005	840,562	644,892	195,670
Promotions, celebrations and awards	121,575	127,375	98,132	29,243
Other general government	3,589,546	4,240,475	1,976,158	2,264,317
<b>Total General Government</b>	<b>9,614,248</b>	<b>10,921,895</b>	<b>8,150,174</b>	<b>2,771,721</b>
<b>Public Safety</b>				
Police department	17,586,272	17,814,512	17,204,542	609,970
Fire department	12,647,736	14,093,071	13,367,810	725,261
Police and fire commission	29,300	32,217	22,161	10,056
Building inspections and zoning	1,145,658	1,160,049	1,152,095	7,954
Planning	299,862	365,162	386,721	(21,559)
<b>Total Public Safety</b>	<b>31,708,828</b>	<b>33,465,011</b>	<b>32,133,329</b>	<b>1,331,682</b>
<b>Health</b>	<b>2,047,201</b>	<b>2,130,612</b>	<b>2,005,038</b>	<b>125,574</b>
<b>Public Works</b>				
Engineering	1,301,786	1,323,528	1,191,350	132,178
Public works administration office	385,804	391,255	370,987	20,268
Building and electrical division	3,244,868	3,327,242	2,827,364	499,878
Sanitation and street division	3,564,875	3,597,127	3,527,636	69,491
Forestry division	1,429,205	1,444,245	1,391,836	52,409
Fleet services	1,471,891	2,793,399	2,290,881	502,518
Inventory services	228,047	230,549	237,003	(6,454)
<b>Total Public Works</b>	<b>11,626,476</b>	<b>13,107,345</b>	<b>11,837,057</b>	<b>1,270,288</b>
<b>Culture and Recreation</b>				
Senior center	238,383	241,783	217,199	24,584
Library	2,386,648	2,468,845	2,067,098	401,747
State fair service contract	-	-	60,000	(60,000)
<b>Total Culture and Recreation</b>	<b>2,625,031</b>	<b>2,710,628</b>	<b>2,344,297</b>	<b>366,331</b>
<b>Conservation and development</b>				
Neighborhood grants	-	28,050	38	28,012
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 57,621,784</b>	<b>\$ 62,363,541</b>	<b>\$ 56,469,933</b>	<b>\$ 5,893,608</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016

	Block Grant	Stimulus Programs	H.O.M.E. Program	HUD Development Grant	Rental Energy Loans	Housing Programs	Tax Incremental District No. 7 Rehab Loans
<b>ASSETS</b>							
Cash and investments	\$ -	\$ 50,757	\$ -	\$ -	\$ 331,257	\$ 492,038	\$ 302,550
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	475	-	-	-	-	276	-
Notes and loans	2,187,349	91,641	2,414,092	-	-	7,584	199,054
Special assessments	-	-	-	-	-	-	-
Interest	-	-	7,325	-	-	-	-
Due from other governmental units	100,560	-	615,067	46,870	-	32,600	-
<b>TOTAL ASSETS</b>	<b>\$ 2,288,384</b>	<b>\$ 142,398</b>	<b>\$ 3,036,484</b>	<b>\$ 46,870</b>	<b>\$ 331,257</b>	<b>\$ 532,498</b>	<b>\$ 501,604</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
Liabilities							
Accounts payable	\$ 63,316	\$ -	\$ 28,523	\$ -	\$ -	\$ 27,321	\$ 228
Accrued liabilities	20,595	-	962	-	-	22,851	-
Due to other funds	7,017	-	558,909	46,870	-	-	-
Customer deposits	-	-	-	-	-	-	-
Unearned revenues	-	-	7,324	-	-	-	-
Total Liabilities	90,928	-	595,718	46,870	-	50,172	228
Deferred Inflows of Resources							
Unavailable revenue							
Special assessments	-	-	-	-	-	-	-
Notes and loans receivable	2,187,349	91,641	2,414,092	-	-	7,584	-
Total Deferred Inflows of Resources	2,187,349	91,641	2,414,092	-	-	7,584	-
Fund Balance (Deficit)							
Restricted							
Grantors	10,107	50,757	26,674	-	331,257	474,742	-
Committed	-	-	-	-	-	-	501,376
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	10,107	50,757	26,674	-	331,257	474,742	501,376
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,288,384</b>	<b>\$ 142,398</b>	<b>\$ 3,036,484</b>	<b>\$ 46,870</b>	<b>\$ 331,257</b>	<b>\$ 532,498</b>	<b>\$ 501,604</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016

	Tax Incremental District No. 11 Rehab Loans	Tax Incremental District No. 14 Rehab Loans	Library Endowment	Cable Communications	Health Grants	Police Grants
<b>ASSETS</b>						
Cash and investments	\$ 486,603	\$ 500,000	1,271,595	\$ 728,686	\$ 105,846	\$ -
Receivables						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	119,676	-	-
Notes and loans	13,397	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	67,312	378,603
<b>TOTAL ASSETS</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,271,595</b>	<b>\$ 848,362</b>	<b>\$ 173,158</b>	<b>\$ 378,603</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 14,425	\$ 111,612
Accrued liabilities	-	-	-	9,295	31,218	7,163
Due to other funds	-	-	-	-	-	259,828
Customer deposits	-	-	-	-	-	-
Unearned revenues	-	-	-	-	135,784	-
Total Liabilities	-	-	-	9,295	181,427	378,603
Deferred Inflows of Resources						
Unavailable revenue						
Special assessments	-	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balance (Deficit)						
Restricted						
Grantors	-	-	1,271,595	-	-	-
Committed	500,000	500,000	-	839,067	-	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(8,269)	-
Total Fund Balance (Deficit)	500,000	500,000	1,271,595	839,067	(8,269)	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,271,595</b>	<b>\$ 848,362</b>	<b>\$ 173,158</b>	<b>\$ 378,603</b>

(Continued)



**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	Centennial	EPA Revolving Loan	Total Special Revenue Funds
<b>ASSETS</b>						
Cash and investments	\$ 62,553	\$ 83,784	\$ 25,761	\$ -	\$ 19,303	\$ 4,460,733
Receivables						
Taxes	-	-	-	-	-	-
Accounts	-	534	-	-	-	120,961
Notes and loans	-	-	-	-	106,669	5,019,786
Special assessments	-	-	-	-	-	-
Interest	-	-	-	-	-	7,325
Due from other governmental units	-	-	8,056	-	66	1,249,134
<b>TOTAL ASSETS</b>	<b>\$ 62,553</b>	<b>\$ 84,318</b>	<b>\$ 33,817</b>	<b>\$ -</b>	<b>\$ 126,038</b>	<b>\$ 10,857,939</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ 1,025	\$ -	\$ -	\$ -	\$ -	\$ 246,450
Accrued liabilities	-	-	-	-	-	92,084
Due to other funds	-	-	-	-	-	872,624
Customer deposits	-	-	-	-	-	-
Unearned revenues	-	-	33,817	-	-	176,925
Total Liabilities	1,025	-	33,817	-	-	1,388,083
Deferred Inflows of Resources						
Unavailable revenue						
Special assessments	-	-	-	-	-	-
Notes and loans receivable	-	-	-	-	106,669	4,807,335
Total Deferred Inflows of Resources	-	-	-	-	106,669	4,807,335
Fund Balance (Deficit)						
Restricted						
Grantors	61,528	-	-	-	-	2,226,660
Committed	-	84,318	-	-	19,369	2,444,130
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	(8,269)
Total Fund Balance (Deficit)	61,528	84,318	-	-	19,369	4,662,521
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 62,553</b>	<b>\$ 84,318</b>	<b>\$ 33,817</b>	<b>\$ -</b>	<b>\$ 126,038</b>	<b>\$ 10,857,939</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Public Works Improvements	Zombie Property Abatement	Tax Increment Districts			
			No. 3	No. 5	No. 6	No. 7
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 94,773	\$ -	\$ -	\$ -	\$ 1,653,245
Receivables						
Taxes	502,885	-	-	-	-	-
Accounts	150,271	-	-	-	-	-
Notes and loans	-	-	-	555,000	-	5,479,004
Special assessments	2,105,377	-	-	-	-	-
Interest	-	-	-	-	-	-
Due from other governmental units	241,314	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,999,847</b>	<b>\$ 94,773</b>	<b>\$ -</b>	<b>\$ 555,000</b>	<b>\$ -</b>	<b>\$ 7,132,249</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	\$ 88,774	\$ -	\$ -	\$ -	\$ -	\$ 2,070
Accrued liabilities	1,501	-	-	15	178	275
Due to other funds	2,045,708	-	-	3,302,554	696,789	-
Customer deposits	38,097	-	-	-	-	-
Unearned revenue	150,000	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,324,080</b>	<b>-</b>	<b>-</b>	<b>3,302,569</b>	<b>696,967</b>	<b>2,345</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue						
Special assessments	2,105,377	-	-	-	-	-
Notes and loans receivable	-	-	-	555,000	-	5,479,004
<b>Total Deferred Inflows of Resources</b>	<b>2,105,377</b>	<b>-</b>	<b>-</b>	<b>555,000</b>	<b>-</b>	<b>5,479,004</b>
<b>Fund Balance (Deficit)</b>						
Restricted						
Grantors	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	94,773	-	-	-	1,650,900
Unassigned (Deficit)	(1,429,610)	-	-	(3,302,569)	(696,967)	-
<b>Total Fund Balance (Deficit)</b>	<b>(1,429,610)</b>	<b>94,773</b>	<b>-</b>	<b>(3,302,569)</b>	<b>(696,967)</b>	<b>1,650,900</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,999,847</b>	<b>\$ 94,773</b>	<b>\$ -</b>	<b>\$ 555,000</b>	<b>\$ -</b>	<b>\$ 7,132,249</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Tax Increment Districts (Continued)						
	No. 9	No. 10	No. 11	No. 12	No. 13	No. 14	No. 15
<b>ASSETS</b>							
Cash and investments	\$ 57,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	31,097	-	-	-	-
Notes and loans	-	-	329,227	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 57,393</b>	<b>\$ -</b>	<b>\$ 360,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794	\$ -
Accrued liabilities	-	-	426	235	-	385	59
Due to other funds	-	1,017,619	1,652,419	38,898	287,209	2,464,322	41,343
Customer deposits	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,017,619</b>	<b>1,652,845</b>	<b>39,133</b>	<b>287,209</b>	<b>2,468,501</b>	<b>41,402</b>
Deferred Inflows of Resources							
Unavailable revenue							
Special assessments	-	-	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance (Deficit)							
Restricted							
Grantors	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	57,393	-	-	-	-	-	-
Unassigned (Deficit)	-	(1,017,619)	(1,292,521)	(39,133)	(287,209)	(2,468,501)	(41,402)
<b>Total Fund Balance (Deficit)</b>	<b>57,393</b>	<b>(1,017,619)</b>	<b>(1,292,521)</b>	<b>(39,133)</b>	<b>(287,209)</b>	<b>(2,468,501)</b>	<b>(41,402)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 57,393</b>	<b>\$ -</b>	<b>\$ 360,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 2,215,091	\$ 190,618	\$ -	\$ 4,211,120	\$ 8,671,853
Receivables					
Taxes	-	-	-	502,885	502,885
Accounts	-	-	-	181,368	302,329
Notes and loans	-	-	-	6,363,231	11,383,017
Special assessments	-	-	-	2,105,377	2,105,377
Interest	-	-	-	-	7,325
Due from other governmental units	-	-	-	241,314	1,490,448
<b>TOTAL ASSETS</b>	<b>\$ 2,215,091</b>	<b>\$ 190,618</b>	<b>\$ -</b>	<b>\$ 13,605,295</b>	<b>\$ 24,463,234</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable	\$ 183	\$ -	\$ 17,826	\$ 112,647	\$ 359,097
Accrued liabilities	-	-	-	3,074	95,158
Due to other funds	-	-	32,247	11,579,108	12,451,732
Customer deposits	-	-	-	38,097	38,097
Unearned revenue	-	-	-	150,000	326,925
<b>Total Liabilities</b>	<b>183</b>	<b>-</b>	<b>50,073</b>	<b>11,882,926</b>	<b>13,271,009</b>
<b>Deferred Inflows of Resources</b>					
<b>Unavailable revenue</b>					
Special assessments	-	-	-	2,105,377	2,105,377
Notes and loans receivable	-	-	-	6,034,004	10,841,339
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,139,381</b>	<b>12,946,716</b>
<b>Fund Balance (Deficit)</b>					
<b>Restricted</b>					
Grantors	-	-	-	-	2,226,660
Committed	-	-	-	-	2,444,130
Assigned	2,214,908	190,618	-	4,208,592	4,208,592
Unassigned (Deficit)	-	-	(50,073)	(10,625,604)	(10,633,873)
<b>Total Fund Balance (Deficit)</b>	<b>2,214,908</b>	<b>190,618</b>	<b>(50,073)</b>	<b>(6,417,012)</b>	<b>(1,754,491)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,215,091</b>	<b>\$ 190,618</b>	<b>\$ -</b>	<b>\$ 13,605,295</b>	<b>\$ 24,463,234</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016

	Block Grant	Stimulus Programs	H.O.M.E. Program	HUD Development Grant	Rental Energy Loans	Housing Programs	Tax Incremental District No. 7 Rehab Loans
<b>Revenues</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	1,255,063	10,432	757,355	46,870	-	3,237,512	-
Public charges for services	308,996	-	-	-	-	-	-
Loan repayments	-	-	115,090	-	-	-	-
Investment return	-	-	43	-	-	544	-
Miscellaneous	-	-	-	-	-	-	2,929
<b>Total Revenues</b>	<b>1,564,059</b>	<b>10,432</b>	<b>872,488</b>	<b>46,870</b>	<b>-</b>	<b>3,238,056</b>	<b>2,929</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	1,553,952	-	874,598	46,870	11,240	3,216,819	(9,014)
Capital outlay	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,553,952</b>	<b>-</b>	<b>874,598</b>	<b>46,870</b>	<b>11,240</b>	<b>3,216,819</b>	<b>(9,014)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>10,107</b>	<b>10,432</b>	<b>(2,110)</b>	<b>-</b>	<b>(11,240)</b>	<b>21,237</b>	<b>11,943</b>
<b>Other Financing Sources (Uses)</b>							
General obligation debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>10,107</b>	<b>10,432</b>	<b>(2,110)</b>	<b>-</b>	<b>(11,240)</b>	<b>21,237</b>	<b>11,943</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>-</b>	<b>40,325</b>	<b>28,784</b>	<b>-</b>	<b>342,497</b>	<b>453,505</b>	<b>489,433</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 10,107</b>	<b>\$ 50,757</b>	<b>\$ 26,674</b>	<b>\$ -</b>	<b>\$ 331,257</b>	<b>\$ 474,742</b>	<b>\$ 501,376</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Tax Incremental District No. 11 Rehab Loans	Tax Incremental District No. 14 Rehab Loans	Library Endowment	Cable Communi- cations	Health Grants	Police Grants
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	962,956	1,909,596
Public charges for services	-	-	-	683,927	-	-
Loan repayments	-	-	-	-	-	-
Investment return	-	-	77,025	-	-	-
Miscellaneous	-	-	40,502	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>117,527</b>	<b>683,927</b>	<b>962,956</b>	<b>1,909,596</b>
					-	
<b>Expenditures</b>						
<b>Current</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,909,596
Public works	-	-	-	-	-	-
Health	-	-	-	-	962,956	-
Culture and recreation	-	-	61,778	300,241	-	-
Conservation and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>61,778</b>	<b>300,241</b>	<b>962,956</b>	<b>1,909,596</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>55,749</b>	<b>383,686</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>						
General obligation debt issued	-	-	-	-	-	-
Transfers in	500,000	500,000	-	119,141	-	-
Transfers out	-	-	-	(350,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>(230,859)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>500,000</b>	<b>500,000</b>	<b>55,749</b>	<b>152,827</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>-</b>	<b>-</b>	<b>1,215,846</b>	<b>686,240</b>	<b>(8,269)</b>	<b>-</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,271,595</b>	<b>\$ 839,067</b>	<b>\$ (8,269)</b>	<b>\$ -</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	Centennial	EPA Revolving Loan	Total Special Revenue Funds
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	17,081	-	73,554	-	228,224	8,498,643
Public charges for services	-	-	-	-	17,369	1,010,292
Loan repayments	-	-	-	-	-	115,090
Investment return	-	-	-	-	-	77,612
Miscellaneous	-	15,920	-	-	-	59,351
<b>Total Revenues</b>	<b>17,081</b>	<b>15,920</b>	<b>73,554</b>	<b>-</b>	<b>245,593</b>	<b>9,760,988</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	-	-	-	5	-	5
Public safety	22,390	-	-	-	-	1,931,986
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	962,956
Culture and recreation	-	-	-	-	-	362,019
Conservation and development	-	-	59,328	-	228,224	5,982,017
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>22,390</b>	<b>-</b>	<b>59,328</b>	<b>5</b>	<b>228,224</b>	<b>9,238,983</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,309)</b>	<b>15,920</b>	<b>14,226</b>	<b>(5)</b>	<b>17,369</b>	<b>522,005</b>
<b>Other Financing Sources (Uses)</b>						
General obligation debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,119,141
Transfers out	-	-	-	-	-	(350,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>769,141</b>
<b>Net Change in Fund Balances</b>	<b>(5,309)</b>	<b>15,920</b>	<b>14,226</b>	<b>(5)</b>	<b>17,369</b>	<b>1,291,146</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>66,837</b>	<b>68,398</b>	<b>(14,226)</b>	<b>5</b>	<b>2,000</b>	<b>3,371,375</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 61,528</b>	<b>\$ 84,318</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,369</b>	<b>\$ 4,662,521</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Public Works Improvements	Zombie Property Abatement	Tax Increment Districts				
			No. 3	No. 5	No. 6	No. 7	No. 9
<b>Revenues</b>							
Property taxes	\$ 138,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	1,401,376	-	-	-	-	-	-
Intergovernmental	332,204	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	216,976	-
Loan repayments	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-
Miscellaneous	76,945	-	89	-	-	-	-
<b>Total Revenues</b>	<b>1,949,461</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>216,976</b>	<b>-</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	1,180	-	184,068	68,280	368,239	1,095
Capital outlay	4,177,946	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,177,946</b>	<b>1,180</b>	<b>-</b>	<b>184,068</b>	<b>68,280</b>	<b>368,239</b>	<b>1,095</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,228,485)</b>	<b>(1,180)</b>	<b>89</b>	<b>(184,068)</b>	<b>(68,280)</b>	<b>(151,263)</b>	<b>(1,095)</b>
<b>Other Financing Sources (Uses)</b>							
General obligation debt issued	2,750,000	-	-	-	-	-	-
Transfers in	751,336	-	-	-	-	444,890	-
Transfers out	-	-	-	(943,863)	(130,905)	-	(11,072)
<b>Total Other Financing Sources (Uses)</b>	<b>3,501,336</b>	<b>-</b>	<b>-</b>	<b>(943,863)</b>	<b>(130,905)</b>	<b>444,890</b>	<b>(11,072)</b>
<b>Net Change in Fund Balances</b>	<b>1,272,851</b>	<b>(1,180)</b>	<b>89</b>	<b>(1,127,931)</b>	<b>(199,185)</b>	<b>293,627</b>	<b>(12,167)</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>(2,702,461)</b>	<b>95,953</b>	<b>(89)</b>	<b>(2,174,638)</b>	<b>(497,782)</b>	<b>1,357,273</b>	<b>69,560</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ (1,429,610)</b>	<b>\$ 94,773</b>	<b>\$ -</b>	<b>\$ (3,302,569)</b>	<b>\$ (696,967)</b>	<b>\$ 1,650,900</b>	<b>\$ 57,393</b>

(Continued)



**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Tax Increment Districts (Continued)					
	No. 10	No. 11	No. 12	No. 13	No. 14	No. 15
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-
Investment return	-	-	-	-	-	-
Miscellaneous	-	11,510	-	-	-	-
Total Revenues	<u>-</u>	<u>11,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	5,607	580,085	4,285	36,429	1,236,045	41,402
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>5,607</u>	<u>580,085</u>	<u>4,285</u>	<u>36,429</u>	<u>1,236,045</u>	<u>41,402</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,607)</u>	<u>(568,575)</u>	<u>(4,285)</u>	<u>(36,429)</u>	<u>(1,236,045)</u>	<u>(41,402)</u>
Other Financing Sources (Uses)						
General obligation debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(114,548)	(583,609)	-	-	(500,000)	-
Total Other Financing Sources (Uses)	<u>(114,548)</u>	<u>(583,609)</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balances	(120,155)	(1,152,184)	(4,285)	(36,429)	(1,736,045)	(41,402)
Fund Balances (Deficits) - January 1	<u>(897,464)</u>	<u>(140,337)</u>	<u>(34,848)</u>	<u>(250,780)</u>	<u>(732,456)</u>	<u>-</u>
Fund Balances (Deficits) - December 31	<u>\$ (1,017,619)</u>	<u>\$ (1,292,521)</u>	<u>\$ (39,133)</u>	<u>\$ (287,209)</u>	<u>\$ (2,468,501)</u>	<u>\$ (41,402)</u>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ 50,530	\$ -	\$ 189,466	\$ 189,466
Special assessments	-	-	-	1,401,376	1,401,376
Intergovernmental	-	-	-	332,204	8,830,847
Public charges for services	-	-	-	216,976	1,227,268
Loan repayments	-	-	-	-	115,090
Investment return	-	-	-	-	77,612
Miscellaneous	-	198,793	-	287,337	346,688
<b>Total Revenues</b>	<b>-</b>	<b>249,323</b>	<b>-</b>	<b>2,427,359</b>	<b>12,188,347</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	-	-	5
Public safety	3,147	-	50,073	53,220	1,985,206
Health	-	-	-	-	962,956
Culture and recreation	-	58,705	-	58,705	420,724
Conservation and development	-	-	-	2,526,715	8,508,732
Capital outlay	-	-	-	4,177,946	4,177,946
<b>Total Expenditures</b>	<b>3,147</b>	<b>58,705</b>	<b>50,073</b>	<b>6,816,586</b>	<b>16,055,569</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,147)</b>	<b>190,618</b>	<b>(50,073)</b>	<b>(4,389,227)</b>	<b>(3,867,222)</b>
<b>Other Financing Sources (Uses)</b>					
General obligation debt issued	-	-	-	2,750,000	2,750,000
Transfers in	2,218,055	-	-	3,414,281	4,533,422
Transfers out	-	-	-	(2,283,997)	(2,633,997)
<b>Total Other Financing Sources (Uses)</b>	<b>2,218,055</b>	<b>-</b>	<b>-</b>	<b>3,880,284</b>	<b>4,649,425</b>
<b>Net Change in Fund Balances</b>	<b>2,214,908</b>	<b>190,618</b>	<b>(50,073)</b>	<b>(508,943)</b>	<b>782,203</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,908,069)</b>	<b>(2,536,694)</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 2,214,908</b>	<b>\$ 190,618</b>	<b>\$ (50,073)</b>	<b>\$ (6,417,012)</b>	<b>\$ (1,754,491)</b>

**CITY OF WEST ALLIS, WISCONSIN**  
 Block Grant Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,188,186	\$ 1,255,063	\$ 66,877
Public charges for services	200,000	308,996	108,996
Total Revenues	<u>1,388,186</u>	<u>1,564,059</u>	<u>175,873</u>
Expenditures			
Conservation and development	<u>1,388,186</u>	<u>1,553,952</u>	<u>(165,766)</u>
Net Change in Fund Balance	-	10,107	10,107
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 10,107</u>	<u>\$ 10,107</u>

**CITY OF WEST ALLIS, WISCONSIN**  
H.O.M.E. Program Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 300,000	\$ 757,355	\$ 457,355
Loan repayments	461,635	115,090	(346,545)
Interest	-	43	43
Total Revenues	<u>761,635</u>	<u>872,488</u>	<u>110,853</u>
Expenditures			
Conservation and development	<u>638,330</u>	<u>874,598</u>	<u>(236,268)</u>
Net Change in Fund Balance	123,305	(2,110)	(125,415)
Fund Balance - January 1	<u>28,784</u>	<u>28,784</u>	-
Fund Balance - December 31	<u>\$ 152,089</u>	<u>\$ 26,674</u>	<u>\$ (125,415)</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Housing Programs Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 3,076,129	\$ 3,237,512	\$ 161,383
Interest	20,000	544	(19,456)
Total Revenues	<u>3,096,129</u>	<u>3,238,056</u>	<u>141,927</u>
Expenditures			
Conservation and development	<u>3,096,129</u>	<u>3,216,819</u>	<u>(120,690)</u>
Net Change in Fund Balance	-	21,237	21,237
Fund Balance - January 1	<u>453,505</u>	<u>453,505</u>	-
Fund Balance - December 31	<u>\$ 453,505</u>	<u>\$ 474,742</u>	<u>\$ 21,237</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Cable Communications Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services	\$ 720,000	\$ 683,927	\$ (36,073)
Expenditures			
Culture and recreation	383,745	300,241	83,504
Excess of Revenues Over Expenditures	336,255	383,686	47,431
Other Financing Sources (Uses)			
Transfers in	-	119,141	119,141
Transfers out	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	(350,000)	(230,859)	119,141
Net Change in Fund Balance	(13,745)	152,827	166,572
Fund Balance - January 1	686,240	686,240	-
Fund Balance - December 31	\$ 672,495	\$ 839,067	\$ 166,572

**CITY OF WEST ALLIS, WISCONSIN**  
 Health Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2016

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 970,623	\$ 962,956	\$ (7,667)
Expenditures			
Health	970,623	962,956	7,667
Net Change in Fund Balance	-	-	-
Fund Balance (deficit) - January 1	(8,269)	(8,269)	-
Fund Balance (deficit) - December 31	<u>\$ (8,269)</u>	<u>\$ (8,269)</u>	<u>-</u>

**CITY OF WEST ALLIS, WISCONSIN**  
 Police Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,671,434	\$ 1,909,596	\$ 238,162
Expenditures			
Public safety	1,671,434	1,909,596	(238,162)
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -



**CITY OF WEST ALLIS, WISCONSIN**  
 Fire Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 10,500	\$ 17,081	\$ 6,581
Expenditures			
Public safety	14,000	22,390	(8,390)
Net Change in Fund Balance	(3,500)	(5,309)	(1,809)
Fund Balance - January 1	66,837	66,837	-
Fund Balance - December 31	<u>\$ 63,337</u>	<u>\$ 61,528</u>	<u>\$ (1,809)</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Information Technology Joint Ventures  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous	\$ 19,000	\$ 15,920	\$ (3,080)
Expenditures			
General government	19,000	-	19,000
Net Change in Fund Balance	-	15,920	15,920
Fund Balance - January 1	68,398	68,398	-
Fund Balance - December 31	<u>\$ 68,398</u>	<u>\$ 84,318</u>	<u>\$ 15,920</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 6,142,118	\$ 6,138,834	\$ (3,284)
Intergovernmental	187,722	252,056	64,334
Miscellaneous	-	75,885	75,885
<b>Total Revenues</b>	<b>6,329,840</b>	<b>6,466,775</b>	<b>136,935</b>
<b>Expenditures</b>			
Debt service			
Principal	5,845,467	5,845,467	-
Interest	1,519,392	1,336,811	182,581
Debt issuance costs	60,000	164,511	(104,511)
<b>Total Expenditures</b>	<b>7,424,859</b>	<b>7,346,789</b>	<b>78,070</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(1,095,019)</b>	<b>(880,014)</b>	<b>215,005</b>
<b>Other Financing Sources (Uses)</b>			
General obligation refunding debt issued	-	16,445,000	16,445,000
Premium on debt issued	-	96,353	96,353
Payment to refunding debt escrow agent	-	(16,548,869)	(16,548,869)
Transfers in	1,315,263	1,283,995	(31,268)
Transfers out	(340,244)	(444,890)	(104,646)
<b>Total Other Financing Sources (Uses)</b>	<b>975,019</b>	<b>831,589</b>	<b>(143,430)</b>
<b>Net Change in Fund Balance</b>	<b>(120,000)</b>	<b>(48,425)</b>	<b>71,575</b>
<b>Fund Balance - January 1</b>	<b>50,893</b>	<b>50,893</b>	<b>-</b>
<b>Fund Balance (deficit) - December 31</b>	<b>\$ (69,107)</b>	<b>\$ 2,468</b>	<b>\$ 71,575</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Public Works Improvements Capital Projects Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 138,936	\$ 138,936
Special assessments	1,425,000	1,425,000	1,401,376	(23,624)
Intergovernmental	-	-	332,204	332,204
Miscellaneous	150,000	150,000	76,945	(73,055)
Total Revenues	<u>1,575,000</u>	<u>1,575,000</u>	<u>1,949,461</u>	<u>374,461</u>
Expenditures				
Capital outlay	<u>5,120,000</u>	<u>6,970,994</u>	<u>4,177,946</u>	<u>2,793,048</u>
Excess of Revenues Under Expenditures	<u>(3,545,000)</u>	<u>(5,395,994)</u>	<u>(2,228,485)</u>	<u>3,167,509</u>
Other Financing Sources				
General obligation debt issued	2,750,000	2,750,000	2,750,000	-
Transfers in	945,000	945,000	751,336	(193,664)
Total Other Financing Sources	<u>3,695,000</u>	<u>3,695,000</u>	<u>3,501,336</u>	<u>(193,664)</u>
Net Change in Fund Balance	150,000	(1,700,994)	1,272,851	2,973,845
Fund Balance (Deficit) - January 1	<u>(2,702,461)</u>	<u>(2,702,461)</u>	<u>(2,702,461)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (2,552,461)</u>	<u>\$ (4,403,455)</u>	<u>\$ (1,429,610)</u>	<u>\$ 2,973,845</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Net Position  
For the Year Ended December 31, 2016

	Insurance Management Fund	Health Insurance Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 95,166	\$ 9,262,855	\$ 9,358,021
Receivables			
Taxes	-	2,000,000	2,000,000
Accounts	-	39,576	39,576
Prepaid items	-	521,484	521,484
Deposit with CVMIC	3,244,299	-	3,244,299
<b>Total Assets</b>	<b>3,339,465</b>	<b>11,823,915</b>	<b>15,163,380</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	-	31,688	31,688
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	-	1,891,460	1,891,460
Accrued liabilities	-	45	45
Deposits	-	44,129	44,129
Unearned revenue	-	165,747	165,747
Net pension liability - Wisconsin Retirement System	-	5,920	5,920
<b>Total Liabilities</b>	<b>-</b>	<b>2,107,301</b>	<b>2,107,301</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	2,000,000	2,000,000
Deferred inflows related to pension	-	12,459	12,459
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,012,459</b>	<b>2,012,459</b>
<b>NET POSITION</b>			
Unrestricted	<b>\$ 3,339,465</b>	<b>\$ 7,735,843</b>	<b>\$ 11,075,308</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2016

	Insurance Management Fund	Health Insurance Fund	Totals
Operating Revenues			
Charges to City departments, employees and retirees	\$ -	\$ 11,645,843	\$ 11,645,843
Operating Expenses			
Insurance claims and estimate changes	-	13,940,868	13,940,868
Operating Loss	-	(2,295,025)	(2,295,025)
Nonoperating Revenues			
Property taxes	-	2,000,000	2,000,000
Interest income	89,919	-	89,919
Total Nonoperating Revenues	89,919	2,000,000	2,089,919
Income (Loss) Before Transfers	89,919	(295,025)	(205,106)
Transfers out	(89,919)	-	(89,919)
Change in Net Position	-	(295,025)	(295,025)
Net Position - January 1	3,339,465	8,030,868	11,370,333
Net Position - December 31	<u>\$ 3,339,465</u>	<u>\$ 7,735,843</u>	<u>\$ 11,075,308</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2016

	Insurance Management Fund	Health Insurance Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash from interfund services provided	\$ -	\$ 11,598,095	\$ 11,598,095
Cash paid for insurance	-	(15,295,945)	(15,295,945)
Cash paid to consultants and suppliers	-	(186,534)	(186,534)
<b>Net Cash Used by Operating Activities</b>	<b>-</b>	<b>(3,884,384)</b>	<b>(3,884,384)</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Property taxes	-	2,000,000	2,000,000
Transfers to other funds	(89,919)	-	(89,919)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(89,919)</b>	<b>2,000,000</b>	<b>1,910,081</b>
<b>Cash Flows from Investing Activities</b>			
Interest received	89,919	-	89,919
<b>Decrease in Cash and Cash Equivalents</b>	<b>-</b>	<b>(1,884,384)</b>	<b>(1,884,384)</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>95,166</b>	<b>11,147,239</b>	<b>11,242,405</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 95,166</b>	<b>\$ 9,262,855</b>	<b>\$ 9,358,021</b>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>			
Operating loss	\$ -	\$ (2,295,025)	\$ (2,295,025)
Adjustments to reconcile operating loss to net cash used by operating activities			
Changes in pension related assets, deferred outflows, deferred inflows and liabilities	-	2,182	2,182
Changes in assets and liabilities			
Accounts receivable	-	149	149
Prepaid items	-	(143,484)	(143,484)
Accounts payable	-	(1,416,047)	(1,416,047)
Accrued liabilities	-	(1,547)	(1,547)
Deposits	-	17,285	17,285
Unearned revenues	-	(47,897)	(47,897)
<b>Net Cash Used by Operating Activities</b>	<b>\$ -</b>	<b>\$ (3,884,384)</b>	<b>\$ (3,884,384)</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Governmental Capital Assets - By Source  
For the Year Ended December 31, 2016

Governmental Capital Assets		
City Government		
Land		\$ 12,497,605
Buildings		18,680,104
Machinery and equipment		22,953,836
Infrastructure		<u>163,484,210</u>
		<u>217,615,755</u>
West Allis Memorial Hospital		
Land		554,172
Construction in progress		17,234,040
Land improvements		415,882
Buildings		143,438,863
Machinery and equipment		<u>70,285,580</u>
		<u>231,928,537</u>
Total Governmental Capital Assets		<u><u>\$ 449,544,292</u></u>
Investment in Governmental Capital Assets By Source		
General fund		\$ 191,736,656
Special revenue funds		
Federal and state grants		5,579,232
Capital projects funds		
General obligation debt		40,446,028
Hospital Funds		
Cash		152,652,376
Bonds		<u>59,130,000</u>
Total Investment in Governmental Capital Assets By Source		<u><u>\$ 449,544,292</u></u>



**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Governmental Capital Assets - By Function  
For the Year Ended December 31, 2016

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
<b>City Government</b>							
General government	\$ 562,857	\$ -	\$ -	\$ 1,857,610	\$ 1,984,577	\$ -	\$ 4,405,044
Public safety	239,826	-	-	10,935,386	8,418,470	-	19,593,682
Public works	9,673,688	-	-	1,668,214	11,454,475	163,484,210	186,280,587
Health	74,500	-	-	796,605	65,868	-	936,973
Culture and recreation	1,093,379	-	-	3,422,289	959,197	-	5,474,865
Development	853,355	-	-	-	71,249	-	924,604
<b>Total City Government</b>	<b>12,497,605</b>	<b>-</b>	<b>-</b>	<b>18,680,104</b>	<b>22,953,836</b>	<b>163,484,210</b>	<b>217,615,755</b>
<b>West Allis Memorial</b>							
Hospital	554,172	17,234,040	415,882	143,438,863	70,285,580	-	231,928,537
<b>Total</b>	<b>\$ 13,051,777</b>	<b>\$ 17,234,040</b>	<b>\$ 415,882</b>	<b>\$ 162,118,967</b>	<b>\$ 93,239,416</b>	<b>\$ 163,484,210</b>	<b>\$ 449,544,292</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Changes in Governmental Capital Assets - By Function  
For the Year Ended December 31, 2016

Function and Activity	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
City Government				
General government	\$ 4,405,044	\$ -	\$ -	\$ 4,405,044
Public safety	18,485,609	1,108,073	-	19,593,682
Public works	183,105,986	3,573,132	398,531	186,280,587
Health	936,973	-	-	936,973
Culture and recreation	5,560,675	-	85,810	5,474,865
Development	924,604	-	-	924,604
Total City Government	213,418,891	4,681,205	484,341	217,615,755
West Allis Memorial Hospital	210,597,526	22,555,643	1,224,632	231,928,537
Total	<u>\$ 424,016,417</u>	<u>\$ 27,236,848</u>	<u>\$ 1,708,973</u>	<u>\$ 449,544,292</u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the City of West Allis' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about West Allis' overall financial health.

<b>Contents</b>	<b>Page</b>
General Information	117
Financial Trends	119
These schedules contain trend information to help the reader understand how West Allis' financial performance and well-being has changed over time.	
Revenue Capacity	125
These schedules contain information to help the reader assess West Allis' most significant local revenue source, the property tax.	
Debt Capacity	129
These schedules present information to help the reader assess the affordability of West Allis' current levels of outstanding debt and West Allis' ability to issue additional debt in the future.	
Demographics and Economic Information	133
These schedules offer demographic and economic indicators to help the reader understand the environment within which West Allis' financial activities take place.	
Operating Information	135
These schedules contain service and infrastructure data to help the reader understand how the information in West Allis' financial report relates to the services West Allis provides and the activities it performs.	

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

## GENERAL INFORMATION

The City of West Allis is located in Milwaukee County immediately west of the City of Milwaukee. Incorporated in 1906, West Allis has grown from an initial population of 2,300 to become the eleventh largest city in the State of Wisconsin, with a population of 60,411 according to the 2010 census.

Companies such as Quad Graphics, Johnson Controls, P&H Mining, Avalon Rail, Children's Hospital of Wisconsin, Brookdale Senior Living, Aurora Home Medical Services, Anthem Blue Cross, Chris Hansen Laboratory Inc., C & H Distributors and many other large, medium and small businesses of a diversified nature are located in West Allis, as well as many financial institutions and places of worship.

West Allis is served by two railways, the Union Pacific Railroad and the Milwaukee Road. Also serving the Metropolitan area, including West Allis, is The Wisconsin Center (formerly the Frontier Airlines Center), the BMO Harris Bradley Center, home of the Milwaukee Bucks, Milwaukee Admirals, and the Marquette Golden Eagles, and the Summerfest Grounds, home of the largest annual outdoor music festival in the Midwest, as well as several ethnic festivals held throughout the summer months.

The City of West Allis operates and maintains ten parks of varying size. In addition, the City also contains several large and small, county owned and operated parks and golf courses within its boundaries. In addition, the City sponsors several parades and celebrations annually, including National Night Out.

The City operates under the Council-Mayor form of government. The Common Council includes ten alderpersons elected from five geographic districts, who are elected to four-year terms. The Chief Executive Officer of the City is the Mayor, who monitors and supervises departmental operations on behalf of the Common Council. The City Administrator assists the Council and Mayor in carrying out their overall and day-to-day direction and operation of the City.

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis retains approximately 580 full-time equivalent employees, on a permanent basis. At different times during the year, West Allis also employs temporary and part-time help to perform seasonal and other time-specific work. The City requires that all emergency-workers reside within a thirty-minute drive radius of the West Allis city limits, within eighteen months of employment. The City operates daily through nineteen departments, headed by fourteen appointed officials and two elected officials in the roles of City Attorney & Municipal Judge.

The Department of Public Works Operations is responsible for all public works activities. The Yard Operations Division manages the daily operations of public services to all residents by its separate divisions including; Sanitation and Streets, Recycling, Building and Electrical Services, Equipment Repair, Forestry and Grounds, Inventory Services, and Water Utility.

The Sanitation and Street Division provides for street and sewer (storm and sanitary) maintenance and improvements, refuse collection and disposal, ice control and snow removal. The Recycling Office provides for the curbside pick-up of recyclables within the community. The Building and Electrical Services Division provides for maintenance and improvements to all municipal buildings and electrical facilities. The Equipment Repair Division provides for equipment repair and maintenance on all public works vehicles. The Forestry and Grounds Division provides for maintenance of all parks, playgrounds and trees.

The Water Utility provides for the distribution and maintenance of all water supply and storage facilities. The City of West Allis owns and operates its water system. The Water Division is operated as a public utility and is subject to regulation by the Wisconsin Public Service Commission. West Allis purchases its water from the City of Milwaukee Water Utility for storage and distribution through its own system. Clear water storage capacity is 7,000,000 gallons. Average daily water demand was 5,206,186 gallons per day for 2016. Pumping capacity for the system is 15,000,000 gallons per day. The highest gallons pumped on any one day in 2016 were 7,365,000 gallons.

As part of the Metropolitan Milwaukee Sewerage District (MMSD), the City of West Allis must pay for the operation of sewerage collection and treatment. These charges are collected by the City and remitted to MMSD. The City maintains over 300 miles of storm and sanitary sewers.

The Engineering Department develops construction plans, programs and contracts for streets, sewers, curbs, sidewalks, gutters, and traffic control devices.

The Department of Administration is responsible for all administrative, budgetary, financial, personnel, and support services.

The Finance Department provides for all accounting, reporting, auditing, water billing, debt issuance, investment services, FIRE, and other financial services. The Purchasing Division provides for acquisition of supplies, services and equipment, and establishment of services. The Treasury Management Division acts as the depositor and custodian for all city funds. All funds are paid to the Treasurer, who is also responsible for all investments and the disbursements of funds.

The Human Resources Department provides for all recruitment, testing and selection of employees, as well as labor negotiations and benefits program coordination.

Information Technology Department provides all data processing and computer maintenance services. The Central Services Division provides printing, copying, and mail room services. The Office of Cable Communications provides for the administration and regulation of the cable television system in the City, as well as programming and production for the City's governmental channel.

The Assessor makes a valuation of real and personal property for the purpose of establishing the tax base and maintains plat books, which properly describe each piece of real property within the city. The Assessor is required to report regularly to the state. Records of all personal property in the city are maintained also for tax purposes.

The Attorney conducts all the legal business of the City, drafts ordinances, bonds, and other instruments as required, and gives opinions in writing when requested to do so by other City officials.

The Department of Building Inspections and Neighborhood Services is responsible for enforcing all codes and making inspections in regards to building, electrical, and plumbing permits. It is also responsible for administering and enforcing the zoning ordinance.

The Clerk has charge of all official records and papers that pertain to city business. The Clerk attends all Council meetings and keeps records of the proceedings and an ordinance book that records all ordinances passed by the Council. The Clerk issues licenses and permits, records all bonds, draws and signs all orders on the treasury, prepares all publications pertaining to city business, supervises elections, and administers oaths.

The Department of Community Development is responsible for planning, community development, and economic development. The Department also staffs the West Allis Community Development Authority, which administers a housing rehabilitation grant and loan program and a housing Section 8 rental assistance program and the FIRE program.

The Health Department is responsible for maintaining health records, providing immunization, offering health education and counseling. The department is also responsible for environmental monitoring in cooperation with the State Department of Natural Resources. Nursing services and consumer protection (certification of weights and measures) is also a responsibility of this department. The operation of the West Allis Senior Citizen Center and the West Allis Farmers Market are also functions under the Health Department.

The Library is responsible for operations including reference, circulation, cataloging and technical services. The West Allis Public Library is a full service library with a collection of over 200,000 volumes, as part of the Milwaukee Federated Library System residents are also able to borrow from other community libraries in the metro area.

The Municipal Judge acts as the legal justice for municipal court and hears all municipal cases, which are brought to trial.

The Police Department is responsible for all law enforcement activities. The department is divided into several bureaus functioning in the area that each name would suggest. They are Youth Guidance, Detective, Patrol, Traffic, Communications & Records, Training and Crime Prevention/Public Relations.

The Fire Department operates from a headquarters (67th and Becher) and two additional stations (74th and National, and 108th and Lapham). The department is responsible for all fire training, education, prevention and extinguishment of fires. The department also provides rescue and paramedic service.

City of West Allis

Net Position by Component  
Last ten fiscal years  
Schedule 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 170,149,762	\$ 162,229,941	\$ 156,725,902	\$ 159,589,960	\$ 161,468,728	\$ 159,183,191	\$ 155,634,993	\$ 158,432,679	\$ 153,876,407	\$ 161,610,403
Restricted	1,226,225	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277	18,169,279	2,226,660
Unrestricted	(11,799,923)	39,160,362	28,848,960	25,632,400	22,854,223	22,955,014	22,718,355	18,663,636	12,436,804	(87,218,046)
<b>Total governmental activities net position</b>	<b>\$ 159,576,064</b>	<b>\$ 202,153,811</b>	<b>\$ 186,078,555</b>	<b>\$ 185,565,209</b>	<b>\$ 184,506,272</b>	<b>\$ 182,326,073</b>	<b>\$ 178,545,225</b>	<b>\$ 178,160,592</b>	<b>\$ 184,482,490</b>	<b>\$ 76,619,017</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 48,933,047	\$ 50,148,025	\$ 52,695,082	\$ 53,470,013	\$ 54,610,687	\$ 56,114,749	\$ 60,047,142	\$ 64,492,416	\$ 67,386,795	\$ 70,466,817
Restricted	-	-	-	-	-	-	-	-	1,018,167	-
Unrestricted	5,840,800	5,810,658	5,264,485	6,671,884	13,552,705	16,772,641	16,663,155	15,759,475	16,572,451	16,540,178
<b>Total business-type activities net position</b>	<b>\$ 54,773,847</b>	<b>\$ 55,958,683</b>	<b>\$ 57,959,567</b>	<b>\$ 60,141,897</b>	<b>\$ 68,163,392</b>	<b>\$ 72,887,390</b>	<b>\$ 76,710,297</b>	<b>\$ 80,251,891</b>	<b>\$ 84,977,413</b>	<b>\$ 87,006,995</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 219,082,809	\$ 212,377,966	\$ 209,420,984	\$ 213,059,973	\$ 216,079,415	\$ 215,297,940	\$ 215,682,135	\$ 222,925,095	\$ 221,263,202	\$ 232,077,220
Restricted	1,226,225	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277	19,187,446	2,226,660
Unrestricted	(5,959,123)	44,971,020	34,113,445	32,304,284	36,406,928	39,727,655	39,381,510	34,423,111	29,009,255	(70,677,868)
<b>Total primary government net position</b>	<b>\$ 214,349,911</b>	<b>\$ 258,112,494</b>	<b>\$ 244,038,122</b>	<b>\$ 245,707,106</b>	<b>\$ 252,669,664</b>	<b>\$ 255,213,463</b>	<b>\$ 255,255,522</b>	<b>\$ 258,412,483</b>	<b>\$ 269,459,903</b>	<b>\$ 163,626,012</b>

Data source: City of West Allis Audited Financial Statements

- (a) In 2008 - the Unrestricted Fund Balance increased significantly because prior to the implementation of GASB Statement 45, the City reported a liability in the government-wide statements for retiree health insurance. With the implementation of the new standard, the City is only required to report the annual required contribution for retiree health insurance. The previously reported liability of \$47,903,521 reported as a restatement of the beginning net position balance for the Governmental Activities in the Statement of Activities.
- (b) In 2009 one of the major reasons the Unrestricted fund balance continues to decline is because the amount spent on the replacement of Capital Assets is substantially less than the amount being depreciated for the Capital Assets.
- (c) In 2010 the major increase to Net Investment in Capital Assets for the Governmental Activities was related to the West Allis Memorial Hospital adding new equipment.
- (d) In 2016 the City implemented GASB Statement No. 75, resulting in a decrease in unrestricted net position of \$111,470,915.

City of West Allis

Changes in Net Position  
Last ten fiscal years  
Schedule 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 9,158,568	\$ 7,931,317	\$ 8,584,181	\$ 7,806,361	\$ 8,586,090	\$ 7,601,000	\$ 10,920,556	\$ 12,683,740	\$ 11,379,723	\$ 12,805,585
Public Safety	32,209,833	35,322,808	38,122,733	37,491,260	37,815,973	38,805,269	37,790,154	37,249,881	37,791,564	39,785,333
Public Works	15,492,747	19,059,398	20,775,195	16,122,988	15,308,926	14,917,241	17,704,389	19,435,157	19,015,175	20,174,501
Health & Human Services	10,603,940	11,422,393	11,851,638	10,898,842	8,380,438	10,578,888	7,678,226	10,697,085	11,662,378	12,272,953
Culture, recreation & education	4,204,967	2,953,551	3,415,253	3,189,297	3,223,701	3,121,334	2,833,745	2,633,438	2,778,993	2,769,342
Conservation & development	7,639,845	5,225,216	8,867,397	12,187,021	7,583,983	6,309,345	5,701,550	7,490,488	8,549,672	8,086,314
Interest & Fiscal Charges	2,865,726	2,624,692	2,634,191	2,912,763	2,187,395	2,272,863	2,416,541	1,884,864	1,605,841	1,436,617
Total government activities expense	82,175,626	84,539,375	94,250,588	90,608,532	83,086,506	83,605,940	85,045,161	92,074,653	92,783,346	97,330,645
Business-type Activities:										
Water Utility	5,937,617	6,497,676	6,339,034	6,110,946	6,186,233	6,384,384	6,893,875	6,986,601	6,895,088	6,752,393
Sanitary Sewer Utility	4,305,675	4,866,936	5,147,842	5,695,049	5,902,207	5,925,361	5,542,622	5,845,286	5,823,936	5,632,642
Storm Water Utility	1,566,017	1,633,786	1,744,227	2,215,521	2,254,241	2,226,502	2,451,452	2,391,743	2,523,771	2,830,547
Solid Waste Utility	792,116	917,135	1,553,697	1,681,268	1,635,879	1,722,897	1,680,361	1,721,052	1,714,919	1,601,840
Parking Utility	58,847	86,878	53,062	42,601	64,651	38,123	86,781	76,664	104,526	70,787
Senior Citizen's Housing	250,681	358,993	281,149	335,881	395,877	254,464	188,573	190,632	150,944	168,937
Total business-type activities expense	12,910,953	14,361,404	15,119,011	16,081,266	16,439,088	16,551,731	16,843,664	17,211,978	17,213,184	17,057,146
Total Primary Government Expense	\$ 95,086,579	\$ 98,900,779	\$ 109,369,599	\$ 106,689,798	\$ 99,525,594	\$ 100,157,671	\$ 101,888,825	\$ 109,286,631	\$ 109,996,530	\$ 114,387,791
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 285,483	\$ 267,843	\$ 316,022	\$ 239,886	\$ 502,025	\$ 65,967	\$ 1,487,756	\$ 1,710,728	\$ 1,591,046	\$ 1,637,261
Public Safety	3,666,842	5,335,900	4,953,984	5,021,529	4,086,394	4,265,844	4,066,765	4,190,127	4,361,491	4,438,304
Public Works	1,770,323	629,056	437,743	397,319	884,235	1,635,627	767,356	960,539	794,999	619,490
Health & Human Services	238,583	237,879	287,905	301,641	276,256	281,228	274,581	337,709	307,950	302,752
Culture, recreation & education	105,208	687,370	717,577	817,404	816,763	868,005	897,605	885,714	893,774	874,777
Conservation & development	992,456	954,634	640,158	349,862	2,466,220	1,112,821	1,221,221	3,432,082	993,263	209,098
Interest & Fiscal Charges	492,999	476,460	319,909	187,563	128,860	739,957	372,881	302,206	-	-
Charges for Services	7,551,894	8,589,142	7,673,298	7,315,204	9,160,753	8,969,449	9,088,165	11,819,105	8,942,523	8,081,682
Operating Grants and Contributions	10,386,842	10,417,700	10,853,418	10,832,253	12,721,782	10,518,040	9,010,784	11,194,095	11,075,011	11,414,432
Capital Grants and Contributions	5,655,109	1,473,666	3,415,312	12,535,576	3,901,104	6,279,436	3,151,837	13,279,356	5,309,681	22,966,696
Total governmental activities program revenues	23,593,845	20,480,508	21,942,028	30,683,033	25,783,639	25,766,925	21,250,786	36,292,556	25,327,215	42,462,810
Business-type activities:										
Charges for Services	15,481,812	15,789,002	17,597,067	18,362,363	18,362,363	21,188,970	21,296,775	21,360,255	21,824,456	21,827,894
Operating Grants and Contributions	307,758	389,162	350,296	368,559	368,559	543,728	258,805	278,735	265,463	287,300
Capital Grants and Contributions	526,703	633,848	91,039	427,276	427,276	172,493	14,979	11,335	10,820	9,700
Total business-type activities program revenues	16,316,273	16,812,012	18,038,402	19,158,198	19,158,198	21,905,191	21,570,559	21,650,325	22,100,739	22,124,894
Total Primary Government Program Revenues	\$ 39,910,118	\$ 37,292,520	\$ 39,980,430	\$ 49,841,231	\$ 44,941,837	\$ 47,672,116	\$ 42,821,345	\$ 57,942,881	\$ 47,427,954	\$ 64,587,704
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (58,581,781)	\$ (64,058,867)	\$ (72,308,560)	\$ (59,925,499)	\$ (57,302,867)	\$ (57,839,015)	\$ (63,794,375)	\$ (55,782,097)	\$ (67,456,131)	\$ (54,867,835)
Business-type Activities	3,405,320	2,450,608	2,919,391	3,076,932	2,719,110	5,353,460	4,726,895	4,438,347	4,887,555	5,067,748
Total Primary Government Net Expense	\$ (55,176,461)	\$ (61,608,259)	\$ (69,389,169)	\$ (56,848,567)	\$ (54,583,757)	\$ (52,485,555)	\$ (59,067,480)	\$ (51,343,750)	\$ (62,568,576)	\$ (49,800,087)

(continued)



# City of West Allis

Changes in Net Position  
Last ten fiscal years  
Schedule 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 37,339,842	\$ 38,500,753	\$ 38,465,332	\$ 40,121,731	\$ 41,176,093	\$ 41,753,013	\$ 41,932,197	\$ 41,792,533	\$ 41,761,926	\$ 41,766,514
Other Taxes	713,241	736,287	852,851	927,282	881,385	1,246,701	1,520,503	1,677,243	1,718,495	1,481,705
Intergov't revenues not restr to spec programs	11,112,106	11,277,255	11,139,189	10,359,503	10,311,505	9,626,541	9,480,878	9,206,794	9,205,072	9,404,027
Investment Income	4,144,656	4,495,730	1,561,576	1,257,250	1,124,538	886,889	681,258	814,462	950,145	874,136
Miscellaneous	3,723,817	2,756,598	3,247,009	5,742,633	1,550,448	-	4,474,689	148,689	1,626,647	1,324,521
Gain on sale/disposal of capital assets	-	-	-	-	-	804,940	662,684	98,680	76,440	65,464
Transfers	966,593	966,470	967,347	1,003,754	1,199,961	1,340,732	1,261,318	1,373,620	1,451,559	1,501,635
Total Governmental Activities	58,000,255	58,733,093	56,233,304	59,412,153	56,243,930	55,658,816	60,013,527	55,112,021	56,790,284	56,418,002
Business-type Activities:										
Investment Income	-	-	-	69,152	8,369	242,949	206,685	295,901	166,391	164,471
Property Taxes	20,000	22,000	22,000	40,000	43,000	43,000	43,000	43,000	43,000	43,000
Miscellaneous	43,013	12,698	26,840	-	419,891	425,321	107,645	137,966	78,320	313,273
Gain on sale/disposal of capital assets	10,767	-	-	-	4,904,003	-	-	-	-	-
Transfers	(966,593)	(966,470)	(967,347)	(1,003,754)	(1,199,961)	(1,340,732)	(1,261,318)	(1,373,620)	(1,451,559)	(1,501,635)
Total Business-type Activities	(892,813)	(931,772)	(918,507)	(894,602)	4,175,302	(629,462)	(903,988)	(896,753)	(1,163,848)	(980,891)
Total Primary Government	\$ 57,107,442	\$ 57,801,321	\$ 55,314,797	\$ 58,517,551	\$ 60,419,232	\$ 55,029,354	\$ 59,109,539	\$ 54,215,268	\$ 55,626,436	\$ 55,437,111
Change in Net Position										
Governmental Activities	\$ (581,526)	\$ (5,325,774)	\$ (16,075,256)	\$ (513,346)	\$ (1,058,937)	\$ (2,180,199)	\$ (3,780,848)	\$ (670,076)	\$ (10,665,847)	\$ 1,550,167
Business-type Activities	2,512,507	1,518,836	2,000,884	2,182,330	6,894,412	4,723,998	3,822,907	3,541,594	3,723,707	4,086,857
Total Primary Government	\$ 1,930,981	\$ (3,806,938)	\$ (14,074,372)	\$ 1,668,984	\$ 5,835,475	\$ 2,543,799	\$ 42,059	\$ 2,871,518	\$ (6,942,140)	\$ 5,637,024

Data Source: City of West Allis Audited Financial Statements

City of West Allis

Fund Balances, Governmental Funds  
Last Seven Years  
Schedule 3

	Fiscal Year <u>2010</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2012</u>	Fiscal Year <u>2013</u>	Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>	Fiscal Year <u>2016</u>
<b>General Fund</b>							
Nonspendable	\$ 3,786,310	\$ 1,208,155	\$ 1,241,675	\$ 8,358,397	\$ 12,201,720	\$ 12,156,611	\$ 11,602,221
Restricted	-	-	-	-	-	-	-
Committed	584,382	939,369	823,931	1,525,181	1,550,039	3,868,046	1,524,306
Assigned	19,983,386	20,232,002	21,300,823	22,338,441	21,347,336	21,879,751	21,035,732
Unassigned	6,439,209	10,024,801	11,436,142	6,265,317	6,303,452	6,653,462	8,029,584
<b>Total General Fund</b>	<b>30,793,287</b>	<b>32,404,327</b>	<b>34,802,571</b>	<b>38,487,336</b>	<b>41,402,547</b>	<b>44,557,870</b>	<b>42,191,843</b>
<b>All Other Governmental Funds</b>							
Nonspendable							
Special Revenue Funds	202,242	195,688	230,900	218,966	-	-	-
Restricted							
Debt Service Funds	342,849	183,321	187,868	191,877	206,806	50,893	2,468
Special Revenue Funds	2,291,097	1,324,999	1,241,235	800,739	857,471	2,147,794	2,226,660
Committed							
Special Revenue Funds	784,084	862,180	878,566	852,057	758,609	756,643	2,444,130
Assigned							
Capital Projects Funds	2,406,337	2,924,772	3,203,383	4,698,855	2,473,959	2,012,219	4,208,592
Unassigned							
Special Revenue Funds	(4,367)	-	(95,248)	(6,158)	(2,561)	(22,495)	(8,269)
Capital Projects Funds	(1,083,707)	(2,640,833)	(2,353,722)	(2,811,100)	(4,732,172)	(7,430,855)	(10,625,604)
<b>Total All Other Governmental Funds</b>	<b>4,938,535</b>	<b>2,850,127</b>	<b>3,292,982</b>	<b>3,945,236</b>	<b>(437,888)</b>	<b>(2,485,801)</b>	<b>(1,752,023)</b>
<b>Total Fund Balances</b>	<b>\$ 35,731,822</b>	<b>\$ 35,254,454</b>	<b>\$ 38,095,553</b>	<b>\$ 42,432,572</b>	<b>\$ 40,964,659</b>	<b>\$ 42,072,069</b>	<b>\$ 40,439,820</b>

Data Source: City of West Allis Audited Financial Statements

- (a) According to GASB 44, a ten year trend should be shown. We implemented GASB 54 in the 2010 fiscal year. Until a 10 year trend is compiled, we will show the trend of the most current years reflecting GASB 34 standards. (Below we have included a schedule which outlines the method prior to implementation.)
- (b) Increase in 2013 Nonspendable general fund is due to the movement of Long-term receivables from Unassigned to Nonspendable

Fund Balances, Governmental Funds  
Three years prior to implementing GASB Statement No. 54  
Schedule 3

	Fiscal Year		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Fund</b>			
Reserved	\$ 1,910,061	\$ 1,874,891	\$ 2,034,916
Unreserved	24,143,723	26,884,171	27,072,815
<b>Total General Fund</b>	<b>26,053,784</b>	<b>28,759,062</b>	<b>29,107,731</b>
<b>All Other Governmental Funds</b>			
Reserved	1,744,129	1,366,129	1,131,817
Unreserved, reported in:			
Special Revenue Funds	2,135,942	2,230,086	2,495,048
Capital Projects Funds	3,039,808	440,270	2,015,882
Debt Service Funds	-	-	-
<b>Total All Other Governmental Funds</b>	<b>6,919,879</b>	<b>4,036,485</b>	<b>5,642,747</b>
<b>Total Fund Balances</b>	<b>\$ 32,973,663</b>	<b>\$ 32,795,547</b>	<b>\$ 34,750,478</b>

Data Source: City of West Allis Audited Financial Statements

# City of West Allis

Changes in Fund Balance, Governmental Funds  
Last ten fiscal years  
Schedule 4

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Taxes	\$ 35,607,427	\$ 36,961,227	\$ 36,796,445	\$ 38,579,707	\$ 39,606,747	\$ 40,177,449	\$ 41,223,666	\$ 41,279,078	\$ 41,234,063	\$ 41,282,246
Special assessments	1,042,923	812,257	966,982	1,138,632	785,050	1,448,361	1,389,005	940,064	1,005,126	1,401,376
Intergovernmental revenues	21,302,282	21,795,547	22,499,361	27,066,761	22,878,787	20,256,266	19,441,170	20,737,387	21,077,453	20,938,589
Licenses & permits	1,533,882	1,517,233	1,366,852	1,443,159	1,409,206	1,530,672	1,461,698	1,697,187	1,567,815	1,624,947
Fines, forfeits, & penalties	2,126,327	2,121,677	2,016,671	1,984,350	1,725,585	2,115,717	2,119,298	2,119,352	2,042,250	2,121,543
Public charges for services	2,985,813	3,512,731	3,110,472	3,252,825	3,365,273	3,362,730	4,160,911	5,381,504	4,666,596	4,535,884
Interdepartmental charges (effective 2004)	57,608	67,119	87,231	74,276	-	-	-	-	-	-
Interest and loan repayments	770,737	280,063	457,430	357,949	296,005	255,921	143,010	26,496	153,407	115,090
Received from hospital	2,542,999	2,534,341	2,544,909	2,499,951	700,238	551,492	858,988	300,000	-	-
Investment return (effective 2003)	3,472,435	2,401,617	1,150,572	855,044	681,312	712,434	586,075	714,451	830,142	647,719
Miscellaneous revenues	1,975,751	1,686,852	1,400,971	3,547,633	1,591,544	1,733,379	3,948,963	868,912	2,859,024	1,238,610
<b>Total revenues</b>	<b>73,418,184</b>	<b>73,690,664</b>	<b>72,397,896</b>	<b>80,800,287</b>	<b>73,039,747</b>	<b>72,144,421</b>	<b>75,332,784</b>	<b>74,064,431</b>	<b>75,435,876</b>	<b>73,906,004</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	5,027,547	5,627,880	5,658,712	5,966,552	6,375,030	5,556,431	7,067,623	7,403,446	7,759,821	8,150,179
Public safety	30,091,482	31,369,218	33,253,377	34,029,635	33,517,452	34,162,923	32,779,243	33,027,250	33,463,629	34,118,535
Public works and engineering	12,670,476	12,510,021	12,655,807	10,969,343	11,252,167	10,103,630	10,676,582	11,190,067	10,678,063	11,837,057
Health & human services	2,372,616	2,447,441	2,522,597	2,585,138	2,531,757	2,295,555	2,381,467	2,605,115	2,947,134	2,967,994
Culture & recreation	3,492,521	2,900,481	2,991,494	2,749,018	2,790,093	2,727,106	2,717,291	2,750,789	2,743,256	2,765,021
Conservation & development	4,871,881	4,195,633	4,506,446	9,260,338	7,511,521	5,459,963	6,005,890	10,469,114	8,943,575	8,508,770
Fringe benefits	407,448	756,071	820,134	326,782	552,288	968,511	-	-	-	-
<b>Debt Service:</b>										
Principal	6,145,781	6,407,222	6,299,082	14,070,285	5,036,507	10,422,585	5,457,415	5,450,475	5,739,579	5,845,467
Interest & fiscal charges	2,766,150	2,755,037	2,703,323	2,709,030	2,747,503	2,349,592	2,142,127	1,908,070	1,637,171	1,501,322
Capital Projects:	5,058,638	9,616,221	9,500,536	7,115,930	5,224,038	5,450,263	5,758,906	5,456,649	5,893,868	4,177,946
<b>Total expenditures</b>	<b>72,904,540</b>	<b>78,585,225</b>	<b>80,911,508</b>	<b>89,782,051</b>	<b>77,538,356</b>	<b>79,496,559</b>	<b>74,986,544</b>	<b>80,260,975</b>	<b>79,806,096</b>	<b>79,872,291</b>
<b>Excess of revenues</b>										
<b>Over/(under) expenditures</b>	<b>513,644</b>	<b>(4,894,561)</b>	<b>(8,513,612)</b>	<b>(8,981,764)</b>	<b>(4,498,609)</b>	<b>(7,352,138)</b>	<b>346,240</b>	<b>(6,196,544)</b>	<b>(4,370,220)</b>	<b>(5,966,287)</b>

(continued)

# City of West Allis

Changes in Fund Balance, Governmental Funds  
Last ten fiscal years  
Schedule 4

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources/(uses)										
Debt										
General obligation debt issued	2,992,716	3,749,975	9,336,961	4,465,000	2,735,000	8,760,000	2,750,000	3,255,000	2,750,000	2,750,000
Refunded general obligation debt	-	-	5,505,000	19,600,000	-	-	2,520,000	-	1,445,000	16,445,000
Premium on debt issued	-	-	95,912	-	-	-	-	-	242,007	96,353
Payment to escrow agent	-	-	(5,505,000)	(15,173,966)	-	-	(2,540,539)	-	(1,671,463)	(16,548,869)
Transfers in	4,369,537	5,525,469	4,164,840	6,460,046	3,520,100	3,029,627	4,035,764	3,698,785	5,474,114	7,758,971
Transfers out	(3,402,944)	(4,558,999)	(3,129,170)	(5,387,972)	(2,233,859)	(1,596,389)	(2,774,446)	(2,225,154)	(3,916,819)	(6,167,417)
Total other financing sources/(uses)	3,959,309	4,716,445	10,468,543	9,963,108	4,021,241	10,193,238	3,990,779	4,728,631	4,322,839	4,334,038
Net change in fund balances	4,472,953	(178,116)	1,954,931	981,344	(477,368)	2,841,100	4,337,019	(1,467,913)	(47,381)	(1,632,249)
Fund balances										
Beginning of year	28,500,710	32,973,663	32,795,547	34,750,478	35,731,822	35,254,454	38,095,554	42,432,573	42,119,450	42,072,069
End of year	\$ 32,973,663	\$ 32,795,547	\$ 34,750,478	\$ 35,731,822	\$ 35,254,454	\$ 38,095,554	\$ 42,432,573	\$ 40,964,660	\$ 42,072,069	\$ 40,439,820
Capital Outlay	\$ 7,982,293	\$ 10,089,678	\$ 5,354,789	\$ 10,142,319	\$ 9,571,461	\$ 8,933,223	\$ 5,977,570	\$ 15,795,404	\$ 8,521,204	\$ 26,012,216
Debt Service as a percentage of noncapital expenditures	13.73%	13.38%	11.91%	21.07%	11.45%	18.10%	11.01%	11.41%	10.35%	13.64%

Data source: City of West Allis Audited Financial Statements

## City of West Allis

Assessed Value and Actual Value of all Taxable Property

Last ten fiscal years

Schedule 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Total Taxable Assessed Value *	Assessed Direct Tax Rate	Total Taxable Equalized Value	Equalized Direct Tax Rate	Ratio of Assessed to Equalized Value
2007	\$ 2,804,502,500	\$ 1,347,784,400	\$ 82,986,500	\$ -	\$ 4,235,273,400	\$ 8.65	\$ 4,458,719,600	\$ 8.22	94.99%
2008	2,808,624,000	1,358,662,700	81,392,200	-	4,248,678,900	8.70	4,477,791,900	8.25	94.88%
2009	2,809,930,900	1,384,746,900	81,097,100	-	4,275,774,900	8.94	4,361,120,200	8.76	98.04%
2010	2,624,941,600	1,375,651,900	79,442,500	-	4,080,036,000	9.61	4,112,421,800	9.53	99.21%
2011	2,630,895,800	1,366,489,600	81,954,300	-	4,079,339,700	9.76	3,906,288,200	10.19	104.43%
2012	2,629,668,000	1,249,708,300	71,215,800	-	4,083,973,400	9.81	3,738,930,800	10.71	109.23%
2013	2,384,999,600	1,166,747,100	72,917,900	-	3,732,039,400	10.75	3,701,354,200	10.84	100.83%
2014	2,385,457,200	1,161,688,500	54,959,600	-	3,724,450,300	10.81	3,712,641,300	10.84	100.32%
2015	2,385,091,100	1,166,347,800	53,953,500	-	3,731,629,800	10.81	3,741,492,800	10.79	99.74%
2016	2,386,494,500	1,175,468,100	54,658,300	-	3,748,321,200	11.05	3,735,583,600	11.09	100.34%

Data source: Wisconsin Department of Revenue and City of West Allis Tax Files

\*Note: Total Taxable Assessed Value does not include tax exempt properties; Tax exempt properties are not assigned values.

# City of West Allis

Direct & Overlapping Property Tax Rates  
 (per \$1,000 of assessed valuation)  
 Last ten fiscal years  
 Schedule 6

Tax Year	Collection Year	Direct Rates						Overlapping Rates						Net Tax Rate
		City West Allis	Debt Service	Health Fund	Parking Fund	TID Increment	Assessed Total Direct	West Allis/West Milw School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metro Sewage Distr	State of Wisconsin	State Tax Credit	
2007	2008	\$ 6.75	\$ 0.96	\$ 0.66	\$ 0.02	\$ 0.26	\$ 8.65	\$ 7.43	\$ 1.87	\$ 4.09	\$ 1.35	\$ 0.18	\$ -	\$ 23.57
2008	2009	6.87	0.96	0.66	0.02	0.19	8.70	7.45	1.93	4.17	1.36	0.18	-	23.79
2009	2010	7.16	0.88	0.65	0.02	0.23	8.94	7.96	1.94	4.23	1.35	0.17	-	24.59
2010	2011	7.82	0.83	0.69	0.01	0.26	9.61	8.46	1.93	4.49	1.45	0.17	-	26.11
2011	2012	7.95	0.85	0.69	0.01	0.26	9.76	8.46	1.94	5.53	1.46	0.17	(1.04)	26.28
2012	2013	8.13	0.92	0.49	0.01	0.26	9.81	8.01	1.94	4.62	1.49	0.15	-	26.02
2013	2014	8.92	1.02	0.54	0.01	0.26	10.75	8.36	2.11	5.09	1.69	0.17	-	28.17
2014	2015	8.98	1.03	0.54	0.01	0.25	10.81	8.12	1.27	5.08	1.71	0.17	-	27.16
2015	2016	8.99	1.03	0.54	0.01	0.24	10.81	8.04	1.26	5.15	1.75	0.17	-	27.18
2016	2017	9.15	1.08	0.53	0.01	0.28	11.05	8.02	1.26	5.08	1.74	0.17	-	27.32

Data source: City of West Allis Tax File  
 2016 Budget Page 25

# City of West Allis

Principal Property Tax Payers  
Current Year and Ten Years Ago  
Schedule 7

Taxpayer	Type of Business	2016 Assessed Value			2007 Assessed Value		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Whitnall-Summit Co.	Office - Warehouse	\$ 38,494,700	1	1.0%	\$42,742,200	1	1.0%
Ramco-Gershenson Prop	Towne Center - Office	18,344,800	2	0.5%	19,936,300	4	0.5%
Six Points Apartments LLC	Apartments	15,339,300	3	0.4%			N/07
JDN West Allis Assoc	Strip Mall - Pick'n Save/Kohls	14,371,200	4	0.4%	20,356,200	3	0.5%
Lincoln Crest Apartments	Apartments	14,362,200	5	0.4%			N/07
William Blake	Lincoln Crest Apartments	14,362,200	6	0.4%	21,654,700	2	0.5%
Quad Graphics	Printing Facility	14,036,000	7	0.4%	18,820,100	5	0.4%
Metropolitan Holding Company	The Hills Apartments	13,816,900	8	0.4%	14,775,700	6	0.3%
James Krahn	Various Apartments	11,990,200	9	0.3%	13,583,500	7	0.3%
Sam's Real Estate	Sam's Club	11,061,800	10	0.3%	13,028,900	8	0.3%
LBS Ltd Partnership	Apartments	10,853,000	11	0.3%			N/07
Home Depot	Home Depot	9,542,700	12	0.3%	11,587,000	15	0.3%
Renaissance Faire	Office - Warehouse	9,212,700	13	0.2%			0.0%
Dayton-Hudson Corp.	Commercial - Target	9,030,300	14	0.2%	12,783,600	10	0.3%
Mister Rogers Neighborhood	Commercial	9,022,800	15	0.2%			0.0%
Toldt Development Inc.	Apartments			N/16	12,288,100	12	0.3%
Harold Wilde	Car Dealership			N/16			N/07
Riverwood Associates	Apartments			N/16			N/07
Heritage 6 LLC	Senior Apt Assisted Living			N/16			N/07
Kenneth Hendricks	Warehouses - HOBO			N/16	11,864,200	14	0.3%
Charles Benidt	Food Store/Storage/Gas Station			N/16	12,808,800	9	0.3%
Centerpoint Properties	Warehouses			N/16	12,353,800	11	0.3%
Great lakes REIT	Commercial - Offices			N/16			N/07
1126 West Allis Operating	Commercial - Offices			N/16	12,192,700	13	0.3%
							N/07
<b>Total</b>		<b>\$213,840,800</b>		<b>5.7%</b>	<b>\$250,775,800</b>		<b>7.1%</b>

Data Source: City of West Allis - Assessors Office

( a ) Based on total Assessed Value

1/1/2016 \$4,213,055,000

1/1/2015 \$3,731,629,800

( b ) This table represents the current year and ten years ago, 2007.

( c ) N/16 = Not a top 15 Principal Property Tax Payer in 2016

( d ) N/07 = Not a top 15 Principal Property Tax Payer in 2007

# City of West Allis

Property Tax Levies & Collections  
 Last ten years  
 Schedule 8

Levy Year	Collection Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2008	\$ 101,348,833	\$ 101,266,466	99.92%	\$ 64,030	\$ 101,330,496	99.97%
2008	2009	102,739,447	102,685,524	99.95%	40,508	102,726,032	99.97%
2009	2010	107,265,288	107,214,684	99.95%	33,898	107,248,582	99.97%
2010	2011	109,084,702	109,032,984	99.95%	29,429	109,062,413	99.97%
2011	2012	110,126,451	110,071,355	99.95%	36,024	110,107,379	99.98%
2012	2013	110,120,559	110,064,533	99.95%	30,436	110,094,969	99.98%
2013	2014	115,309,554	115,260,031	99.96%	26,765	115,286,796	99.98%
2014	2015	111,137,220	111,092,765	99.96%	17,259	111,110,024	99.98%
2015	2016	110,978,090	110,931,787	99.96%	17,834	110,949,621	99.97%
2016	2017	111,800,096	100,504,603	89.90%	*	100,504,603	89.90%

\* Full Data for the 2017 collection year is not yet available.

(1) Includes all special assessments and charges placed on tax roll for all taxing entities.

Data source: City of West Allis Finance Division Records



# City of West Allis

Ratios of General Bonded Net Debt Outstanding Chart 1

Ratios of General Bonded Net Debt and Bond Anticipation Notes (BAN's) Outstanding Chart 2

Last ten years

Schedule 9

Fiscal Year	Total General Bonded Debt	Designated Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value	Ratio of General Bonded Debt to Equalized Property Value	Total Taxable Assessed Value	Ratio of General Bonded Debt to Assessed Property Value	Population	Net General Bonded Debt Per Capita
2007	\$ 58,285,695	\$ 1,226,225	\$ 57,059,470	\$ 4,458,719,600	1.28%	\$ 4,235,273,400	1.35%	60,410	\$ 944.54
2008	59,264,073	763,508	58,500,565	4,477,791,900	1.31%	4,248,678,900	1.38%	60,370	969.03
2009	69,732,577	503,693	69,228,884	4,361,120,200	1.59%	4,275,774,900	1.62%	60,600	1,142.39
2010	79,299,669	342,849	78,956,820	4,112,421,800	1.92%	4,080,036,000	1.94%	60,411	1,306.99
2011	78,518,268	183,321	78,334,947	3,906,288,200	2.01%	4,079,339,700	1.92%	60,365	1,297.69
2012	78,409,836	187,868	78,221,968	3,738,930,800	2.09%	4,083,973,400	1.92%	60,732	1,287.99
2013	76,649,304	191,877	76,457,427	3,701,354,200	2.07%	3,732,039,400	2.05%	60,300	1,267.95
2014	75,644,916	206,806	75,438,110	3,712,641,300	2.03%	3,724,450,300	2.03%	60,697	1,242.86
2015	73,853,470	50,893	73,802,577	3,741,492,800	1.97%	3,731,629,800	1.98%	60,329	1,223.33
2016	73,072,906	2,468	73,070,438	3,735,583,600	1.96%	3,748,321,200	1.95%	60,164	1,214.52

Fiscal Year	Net General Bonded Debt	Bond Anticipation Notes	Bonded Debt and BAN's	Total Taxable Equalized Value	Ratio of General Bonded Debt and BAN Debt to Equalized Property Value	Total Taxable Assessed Value	Ratio of General Bonded Debt and BAN Debt to Assessed Property Value	Population	Net General Bonded Debt and BAN Per Capita
2007	\$ 57,059,470	\$ 17,205,000	\$ 74,264,470	\$ 4,458,719,600	1.67%	\$ 4,235,273,400	1.75%	60,410	\$ 1,229.34
2008	58,500,565	16,205,000	74,705,565	4,477,791,900	1.67%	4,248,678,900	1.76%	60,370	1,237.46
2009	69,228,884	10,360,000	79,588,884	4,361,120,200	1.82%	4,275,774,900	1.86%	60,600	1,313.35
2010	78,956,820	-	78,956,820	4,112,421,800	1.92%	4,080,036,000	1.94%	60,411	1,306.99
2011	78,334,947	-	78,334,947	3,906,288,200	2.01%	4,079,339,700	1.92%	60,365	1,297.69
2012	78,221,968	-	78,221,968	3,738,930,800	2.09%	4,083,973,400	1.92%	60,732	1,287.99
2013	76,457,427	-	76,457,427	3,701,354,200	2.07%	3,732,039,400	2.05%	60,300	1,267.95
2014	75,438,110	-	75,438,110	3,712,641,300	2.03%	3,724,450,300	2.03%	60,697	1,242.86
2015	73,802,577	-	73,802,577	3,731,629,800	1.98%	3,731,629,800	1.98%	60,329	1,223.33
2016	73,070,438	-	73,070,438	3,735,583,600	1.96%	3,748,321,200	1.95%	60,164	1,214.52

The City issues all business-type activity debt as levy-supported, general obligation debt.

Data sources: Equalized Value - Wisconsin Department of Revenue

Estimated Population - Wisconsin Department of Administration

Debt - City of West Allis Finance Division records

# City of West Allis

Ratios of Outstanding Debt by Type  
 Last ten years  
 Schedule 10

Fiscal Year	Governmental Activities					Business Activities					Percentage of Personal Income	Per Capita
	General City	Tax Increment Districts	West-Allis Hospital	Total General Obligation Bonds/Notes	BAN's General City Pension	BAN's Tax Increment Districts	Total Bond Anticipation Notes (BAN)	General Obligation Bonds/Notes	Total Primary Government			
2007	\$ 20,366,538	\$ 14,712,282	\$ 10,595,000	\$ 45,673,820	\$ 1,340,000	\$ 15,865,000	\$ 17,205,000	\$ 12,611,875	\$ 75,490,695	1.11%	\$ 1,249.64	
2008	21,063,153	14,483,420	8,470,000	44,016,573	340,000	15,865,000	16,205,000	15,247,500	75,469,073	1.37%	1,250.11	
2009	22,757,762	23,896,690	6,245,000	52,899,452	-	10,360,000	10,360,000	16,833,125	80,092,577	1.60%	1,321.66	
2010	22,558,385	33,871,816	1,650,000	58,080,201	-	-	-	21,219,468	79,299,669	1.99%	1,312.67	
2011	22,560,000	32,213,694	1,005,000	55,778,694	-	-	-	22,739,574	78,518,268	2.12%	1,300.73	
2012	22,505,000	31,121,109	490,000	54,116,109	-	-	-	24,293,727	78,409,836	2.23%	1,291.08	
2013	22,130,000	29,304,943	-	51,434,943	-	-	-	25,214,360	76,649,303	2.24%	1,271.13	
2014	21,805,000	27,034,469	-	48,839,469	-	-	-	26,408,929	75,248,398	2.31%	1,239.74	
2015	21,273,940	24,809,890	-	46,083,830	-	-	-	27,769,640	73,853,470	2.34%	1,224.18	
2016	20,991,747	23,509,423	-	44,501,170	-	-	-	28,571,736	73,072,906	*	1,214.56	

Data source: Wisconsin Department of Revenue and Wisconsin Department of Administration  
 The City issues all business-type activity debt as levy-supported, general obligation debt.  
 \*Note: Data for 2016 Personal Income is not yet available.

City of West Allis

**Legal Debt Margin Information - Required Debt**  
Last ten years  
Schedule 11

	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized Value of Real and Personal Property	\$ 4,458,719,600	\$ 4,477,791,900	\$ 4,361,120,200	\$ 4,112,421,800	\$ 3,906,288,200	\$ 3,738,930,800	\$ 3,701,354,200	\$ 3,712,641,300	\$ 3,741,492,800	\$ 3,735,583,600
<b>General Obligation Debt Limit</b> Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	<b>222,935,980</b>	<b>223,889,595</b>	<b>218,056,010</b>	<b>205,621,090</b>	<b>195,314,410</b>	<b>186,946,540</b>	<b>185,067,710</b>	<b>185,632,065</b>	<b>187,074,640</b>	<b>186,779,180</b>
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	58,285,695	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836	76,649,304	75,644,916	73,110,383	72,209,026
Less: Amount Available for Financing GO Debt	(1,226,225)	(763,508)	(503,693)	(342,849)	(183,321)	(187,868)	(191,877)	(206,806)	(50,893)	(2,468)
<b>Net O/S GO Debt Applicable to Debt Limitation</b>	<b>57,059,470</b>	<b>58,500,565</b>	<b>69,228,884</b>	<b>78,956,820</b>	<b>78,334,947</b>	<b>78,221,968</b>	<b>76,457,427</b>	<b>75,438,110</b>	<b>73,059,490</b>	<b>72,206,558</b>
<b>Legal margin for New Debt</b>	<b>\$ 165,876,510</b>	<b>\$ 165,389,030</b>	<b>\$ 148,827,126</b>	<b>\$ 126,664,270</b>	<b>\$ 116,979,463</b>	<b>\$ 108,724,572</b>	<b>\$ 108,610,283</b>	<b>\$ 110,193,955</b>	<b>\$ 114,015,150</b>	<b>\$ 114,572,622</b>
Total net debt applicable to the limit as a percentage of debt limit	25.59%	26.13%	31.75%	38.40%	40.11%	41.84%	41.31%	40.64%	39.05%	38.66%

Only includes debt required under state law.

Source: City of West Allis Finance Division Records

**Debt Margin Information - All Debt**  
Last ten years  
Schedule 11a

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized Value of Real and Personal Property	\$ 4,458,719,600	\$ 4,477,791,900	\$ 4,361,120,200	\$ 4,112,421,800	\$ 3,906,288,200	\$ 3,738,930,800	\$ 3,701,354,200	\$ 3,712,641,300	\$ 3,741,492,800	\$ 3,735,583,600
<b>General Obligation Debt Limit</b> Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	<b>222,935,980</b>	<b>223,889,595</b>	<b>218,056,010</b>	<b>205,621,090</b>	<b>195,314,410</b>	<b>186,946,540</b>	<b>185,067,710</b>	<b>185,632,065</b>	<b>187,074,640</b>	<b>186,779,180</b>
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	58,285,695	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836	76,649,304	75,644,916	73,110,383	72,209,026
Bond Anticipation Notes/Bonds	17,205,000	16,205,000	10,360,000	-	-	-	-	-	-	-
Less: Amount Available for Financing GO Debt	(1,226,225)	(763,508)	(503,693)	(342,849)	(183,321)	(187,868)	(191,877)	(206,806)	(50,893)	(2,468)
<b>Net O/S GO Debt Applicable to Debt Limitation</b>	<b>74,264,470</b>	<b>74,705,565</b>	<b>79,588,884</b>	<b>78,956,820</b>	<b>78,334,947</b>	<b>78,221,968</b>	<b>76,457,427</b>	<b>75,438,110</b>	<b>73,059,490</b>	<b>72,206,558</b>
<b>Legal margin for New Debt</b>	<b>\$ 148,671,510</b>	<b>\$ 149,184,030</b>	<b>\$ 138,467,126</b>	<b>\$ 126,664,270</b>	<b>\$ 116,979,463</b>	<b>\$ 108,724,572</b>	<b>\$ 108,610,283</b>	<b>\$ 110,193,955</b>	<b>\$ 114,015,150</b>	<b>\$ 114,572,622</b>
Total net debt applicable to the limit as a percentage of debt limit	33.31%	33.37%	36.50%	38.40%	40.11%	41.84%	41.31%	40.64%	39.05%	38.66%

Includes Anticipation Notes although not required under state law.

The City issues all business-type activity debt as levy-supported, general obligation debt.

Data source: City of West Allis Finance Division Records

## City of West Allis

Computation of Direct, Overlapping, and Underlying Debt  
Current Year and Ten Years Prior  
Schedule 12

Governmental Unit	12/31/2016 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt	\$ 73,072,906	100.00%	\$ 73,072,906
Milwaukee Area Technical College	114,825,000	5.15%	5,911,076
Milwaukee County	692,377,910	6.39%	44,242,256
West Allis/West Milwaukee School District	17,224,586	84.28%	14,516,674
Milwaukee Metropolitan Sewage District	954,550,006	6.51%	62,170,796
Total Overlapping	1,778,977,502		126,840,802
Total Direct and Overlapping Debt	\$ 1,852,050,408		\$ 199,913,708

Percentage based on equalized value of the City as it relates to the over all value of each district  
The City issues all business-type activity debt as levy-supported, general obligation debt.  
Data source: By Ehlers Inc. - financial consultants from information provided by the individual taxing units.

Governmental Unit	12/31/2007 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt	\$ 75,490,695	100.00%	\$ 75,490,695
Milwaukee Area Technical College	53,850,000	5.47%	2,945,595
Milwaukee County	421,813,252	6.64%	28,008,400
West Allis/West Milwaukee School District	21,270,000	86.42%	18,381,534
Milwaukee Metropolitan Sewage District	768,559,326	6.79%	52,185,178
Total Overlapping	1,265,492,578		101,520,707
Total Direct and Overlapping Debt	\$ 1,340,983,273		\$ 177,011,402

Percentage based on equalized value of the City as it relates to the over all value of each district

Data source: By Stifel, Nicolaus & Co., Inc. - financial consultants from information provided by the individual taxing units.

# City of West Allis

Demographic & Economic Statistics  
 Last ten years  
 Schedule 13

Year	Population	Personal Income (in thousands)	Per Capita Adjusted Gross Income			Unemployment Rates as of December not seasonally adjusted		
			City of West Allis	Milwaukee County	State of Wisconsin	City of West Allis	Milwaukee County	State of Wisconsin
2007	60,410	\$ 1,140,721,796	\$ 18,883	\$ 21,603	\$ 24,374	4.9%	5.7%	4.8%
2008	60,370	1,114,633,491	18,463	21,233	24,329	5.1%	5.7%	4.9%
2009	60,600	1,052,799,187	17,373	20,195	23,211	9.2%	9.6%	8.7%
2010	60,411	1,065,367,628	17,635	20,486	24,214	8.1%	9.6%	8.3%
2011	60,635	1,072,587,150	17,689	20,681	24,218	8.1%	9.0%	6.6%
2012	60,300	1,090,007,200	18,076	21,433	26,271	7.6%	7.9%	6.9%
2013	60,300	1,127,473,200	18,698	22,411	26,963	6.4%	7.2%	5.8%
2014	60,697	1,144,126,950	18,850	22,507	27,671	5.2%	6.0%	4.7%
2015	60,329	1,185,477,062	19,650	23,939	29,145	5.1%	5.1%	4.6%
2016	60,164	*	*	*	*	5.0%	5.1%	4.1%

\* : not available at this time

Data source: Per Capita Adjusted Gross Income - Wisconsin Department of Revenue

<https://www.revenue.wi.gov/ra/muni-agi/munagi14.pdf>

Data source: Unemployment Rates - Wisconsin Department of Workforce Development - Wisconsin's Worknet web site below.

<http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>

Personal Income = Per Capita Adjusted Gross Income times population

## City of West Allis

Principal Employers  
Current year and ten years prior  
Schedule 14

<u>Employer</u>	<u>Type of Business</u>	<u>2016</u>			<u>2007</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
West Allis Memorial Hospital	Regional Hospital	2,000	1	0.42%	1,615	1	0.38%
West Allis School District	Elementary/Secondary Education	1,088	2	0.23%	933	3	0.22%
Quad Graphics	Commercial Printer	720	3	0.15%	958	2	0.22%
Performance Clean	Janitor Service	600	4	0.12%			
City of West Allis	Municipal Government	563	5	0.12%	516	5	0.12%
Village of Manor Park	Nursing Home & Retirement Facility	500	6	0.10%	375	6	0.09%
Aurora Visiting Nurses Assn. Of Milwaukee	Social Service Agency	484	7	0.10%	304	7	0.07%
Wheaton Franciscan	Health Care Services	313	8	0.07%			
Brookdale Senior Living (previously Alterra)	Assisted Care Health Provider	250	9	0.05%	282	9	0.07%
Chr. Hansen Lab, Inc.	Food Additive Manufacturer	245	10	0.05%	188	17	0.04%
Anthem Health	Health Insurance	N/16		N/16	900	4	0.21%
Metal Technologies	Foundry	N/16		N/16	300	8	0.07%
US Bank	Banking Services	N/16		N/16	255	10	0.06%
		<u>6,763</u>		1.47%	<u>6,626</u>		1.54%

Data source: City of West Allis - telephone survey of employers within the City  
Wisconsin Worknet - <http://worknet.wisconsin.gov/worknet> - for Milwaukee County Labor Information

- ( a ) N/16 = Not a top Employer in 2016  
( b ) N/07 = Not a top Employer in 2007

City of West Allis

Various Statistics  
Last ten years  
Schedule 15

General Government - City Employees - Full Time Equivalents

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mayor	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Attorney	6.05	6.05	6.25	6.25	6.25	5.75	5.75	5.75	5.75	6.75
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	3.75
City Assessor	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Administration										
Administrative Office	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.75	1.75	1.75
Information Services	7.30	7.30	8.30	8.15	8.75	9.00	9.00	10.00	10.00	10.00
Purchasing/Central Services	6.00	6.00	6.00	6.00	6.00	5.50	5.50	5.50	4.50	0.00
Human Resources	4.25	4.25	4.33	4.38	4.38	4.50	4.50	4.50	4.50	5.50
Finance	5.85	5.85	5.85	5.85	5.85	5.35	5.35	5.05	5.05	12.05
Clerk/Treasurer**	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75		
Clerk									4.50	4.50
Treasurer									0.75	
Police Department	154.00	155.00	157.25	157.25	157.25	159.55	159.55	159.55	160.55	171.55
Fire Department	110.00	110.00	110.00	110.00	110.00	110.00	110.00	107.00	106.00	106.50
Planning (Development)	1.78	1.78	1.88	2.10	2.40	3.03	3.03	3.03	3.03	12.50
Building Inspection & Zoning	11.50	11.50	12.00	12.50	12.05	11.55	11.55	11.55	11.65	15.75
Health Department	24.81	24.81	25.11	25.11	25.40	24.90	24.90	24.90	26.07	37.80
Senior Center	2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.20	2.20
Public Library	22.30	22.30	22.30	21.30	21.00	21.50	21.50	21.50	21.50	28.80
Public Works										
Administrative Office	4.50	4.50	4.50	4.50	4.25	4.50	4.50	4.50	4.50	4.50
Building and Electrical	30.00	30.00	30.00	30.00	29.50	29.50	29.50	29.50	29.50	32.50
Street and Sanitation	56.00	56.00	56.00	56.00	56.00	56.00	56.00	54.00	54.00	61.00
Forestry	15.75	15.75	15.75	15.75	16.00	16.00	16.00	16.00	16.00	26.00
Equipment Repair	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Inventory Services Recycling	5.00	5.00	5.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50
Engineering	18.00	17.00	17.00	17.00	16.50	16.25	16.25	16.25	16.25	19.50
<b>Total</b>	<b>515.69</b>	<b>515.44</b>	<b>519.87</b>	<b>518.49</b>	<b>517.43</b>	<b>518.83</b>	<b>518.83</b>	<b>515.53</b>	<b>514.30</b>	<b>586.15</b>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works/Engineering										
Streets (miles)	194	194	194	194	194	194	194	194	194	194
Alleys (miles)	43	43	43	43	43	43	43	43	43	43
Side Walks (miles)	278	278	278	278	278	278	278	278	278	278
Sanitary Sewer (miles)	177	177	175	177	177	177	173	173	173	176
Storm Sewer (miles) (changed calc method 2009)	152	152	163	163	163	163	198	199	201	152
Street Lights (in 2010 added double lights)	7,086	7,086	7,086	7,322	7,322	7,322	7,322	7,231	7,231	7,086
Alley Lights	756	756	756	756	756	756	756	756	756	756
City owned parking lots	40	40	40	40	40	40	40	40	40	40
Parking Stalls	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339
Water Utility										
Number of feet of Water Main	1,102,205	1,102,466	1,102,557	1,102,428	1,102,941	1,105,118	1,107,204	1,106,773	1,107,218	1,107,664
Number of Hydrants	2,623	2,619	2,619	2,620	2,621	2,621	2,621	2,620	2,621	2,616
Daily Average Used (gallons)	5,523,307	6,364,132	5,933,825	5,933,825	5,244,126	5,420,348	4,990,508	5,072,100	4,899,436	4,995,496
Water Storage										
Tower - 84th and National - gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Tower - 116th and Rodgers - gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Underground - 96th and Mitchell - gallons	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Data Source: City of West Allis - various departmental reports  
\*In 2015 Treasurer's department became a division of the Finance Department

# City of West Allis

Operating Indicators by Program/Function  
Ten Year Trend  
Schedule 16

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public Safety</b>										
Fire										
Alarm Data										
Fire	172	160	167	172	145	172	172	136	220	181
Rupture/Explosion	2	3	-	3	4	3	6	-	8	11
Hazardous Condition	231	243	283	259	248	214	243	239	250	259
Service	392	453	375	153	145	116	134	154	360	215
Good Intent	289	269	286	252	257	190	187	176	338	315
False Alarms	515	496	557	519	517	451	427	491	577	772
Weather	1	16	1	2	1	2	3	1	-	1
Other	1	3	5	2	2	2	1	3	2	2
<b>Total Alarm</b>	<b>1,603</b>	<b>1,643</b>	<b>1,674</b>	<b>1,362</b>	<b>1,319</b>	<b>1,150</b>	<b>1,173</b>	<b>1,200</b>	<b>1,755</b>	<b>1,756</b>
Emergency Medical Services Transport										
Paramedic Unit (Advance Life)	1,310	1,400	1,549	1,536	1,964	2,052	2,195	2,521	2,824	3,547
Fire Rescue Unit (Basic Life)	3,424	3,587	2,696	3,269	3,086	3,078	3,080	2,721	2,856	3,453
Other Units on Scene	92	80	51	78	44	22	36	69	39	951
<b>Total Patient Transports</b>	<b>4,826</b>	<b>5,067</b>	<b>4,296</b>	<b>4,883</b>	<b>5,094</b>	<b>5,152</b>	<b>5,311</b>	<b>5,311</b>	<b>5,719</b>	<b>7,951</b>
Bureau of Fire Prevention Activity										
Compliance Inspections	8,613	8,516	8,430	8,793	9,723	6,241	5,691	5,840	5,849	4,648
Plan Reviews	397	361	322	364	277	300	306	277	249	289
Site Inspections	214	273	263	226	150	137	116	140	131	259
<b>General Government</b>										
Building Permits Issued	1,648	1,649	1,480	1,673	1,592	1,586	1,588	1,616	1,412	1,378
Building Permit Value	\$50,101,452	\$39,108,752	\$20,636,858	\$23,791,748	\$32,812,843	\$29,295,073	\$32,246,059	\$55,627,260	\$31,980,170	\$46,123,408
<b>Library</b>										
Registered Borrowers	37,500	34,116	36,603	38,798	33,910	35,993	38,018	39,978	41,571	43,136
References	47,642	68,194	89,064	109,470	75,086	91,764	88,410	60,201	57,626	83,151
Library Visits	294,528	287,970	295,308	371,332	309,898	409,392	479,544	460,000	487,424	508,728
Circulation Transactions	718,185	688,048	735,736	778,409	774,833	743,520	727,740	688,953	662,653	620,055
Items Loaned	58,875	48,001	51,564	67,116	73,733	75,027	81,015	81,248	81,940	76,377
Items Received	54,709	51,005	60,832	78,309	83,118	77,027	74,244	74,175	74,924	72,295
Library Collection										
Books Owned	218,567	217,983	217,747	211,993	208,223	207,461	204,797	200,669	190,834	197,790
Audio Materials	14,200	14,611	15,181	15,547	16,401	17,355	18,204	19,519	18,959	19,016
Data Bases	10	19	21	18	67	66	66	66	68	68
Video Materials	14,883	14,114	15,346	16,198	16,019	17,415	20,070	21,025	21,940	23,891
Subscriptions	439	357	326	307	309	294	341	505	308	299
Other - Includes Electronic Format	985	1,044	799	760	865	917	869	862	8,932	7,690
Electronic Books/Audio/Video(new)	-	-	16,026	17,871	38,049	72,733	97,087	133,498	175,108	190,093
(continued)										
<b>Water Utility</b>										
Number of Metered Customers										
Residential	17,387	17,385	17,369	17,348	17,349	17,311	17,366	17,226	17,203	17,235
Multifamily (Residential) (New 2014)								641	640	661
Commercial	2,039	2,038	2,036	2,031	2,031	2,085	2,036	1,502	1,731	1,449
Industrial	73	70	65	64	64	63	63	61	61	61
Public Authority (new 2008)	N/A	79	78	78	78	81	81	77	76	73
<b>Total</b>	<b>19,499</b>	<b>19,572</b>	<b>19,548</b>	<b>19,521</b>	<b>19,522</b>	<b>19,540</b>	<b>19,546</b>	<b>19,507</b>	<b>19,711</b>	<b>19,479</b>
Gallons Sold (thousands)										
Residential	1,044,385	1,021,885	1,011,479	958,161	963,787	981,401	915,421	869,246	877,388	872,232
Multifamily (Residential) (New 2014)								214,208	226,951	229,941
Commercial	623,803	653,641	588,911	599,183	585,032	616,844	590,619	384,881	376,189	355,889
Industrial	222,001	177,749	143,208	82,047	86,900	94,007	76,163	79,498	82,570	81,884
Public Authority (new 2008)	N/A	128,421	131,863	132,134	123,465	124,470	124,093	131,184	120,765	120,869
<b>Total</b>	<b>1,890,189</b>	<b>1,981,696</b>	<b>1,875,461</b>	<b>1,771,525</b>	<b>1,759,184</b>	<b>1,816,722</b>	<b>1,706,296</b>	<b>1,679,017</b>	<b>1,683,863</b>	<b>1,660,815</b>
Gallons Pumped into System (1,000)	2,295,387	2,322,908	2,165,846	1,953,640	1,914,106	1,978,427	1,821,724	1,959,773	1,909,553	1,900,258
Total Gallons Sold (1,000)	2,016,007	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722	1,706,296	1,679,017	1,683,863	1,660,815
Lost Water Unaccounted For (1,000)	206,585	213,365	160,385	155,115	154,922	134,705	86,628	280,756	211,690	223,443
Percent of water lost	9%	9%	7%	8%	8%	7%	6%	14%	11%	12%
Total KWH used for pumping	1,115,140	1,169,460	1,323,425	1,271,438	1,004,555	901,732	832,756	1,959,773	866,788	866,867

Data Source (Public Safety): City of West Allis Annual Fire Report

Data Source (General Government): City of West Allis Building Inspection records

Data Source (Library): City of West Allis Annual Library Report

Data Source (Water Utility): City of West Allis Public Service Commission Annual Report



**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

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

To the Honorable Mayor and Common Council  
City of West Allis, Wisconsin  
Milwaukee County, 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 Allis, Wisconsin, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of West Allis, Wisconsin's basic financial statements, and have issued our report thereon dated July 26, 2017. Other auditors audited the financial statements of the component unit First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), as described in our report on the City of West Allis, Wisconsin'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 that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of West Allis, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Allis, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Allis, Wisconsin'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 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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Allis, Wisconsin'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 determination of financial statement amounts. 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 of West Allis, Wisconsin'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 of West Allis, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
July 26, 2017

## **SINGLE AUDIT SECTION**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

To the Honorable Mayor and Common Council  
City of West Allis  
Milwaukee County, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

We have audited the City of West Allis, Wisconsin's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City of West Allis, Wisconsin's major federal and state programs for the year ended December 31, 2016. The City of West Allis, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of West Allis, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of West Allis, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of West Allis, Wisconsin's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the City of West Allis, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2016.

## Report on Internal Control Over Compliance

Management of the City of West Allis, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of West Allis, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of West Allis, Wisconsin's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
July 26, 2017

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2016

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	(Accrued) Deferred 1/1/16	Cash Receipts	Accrued (Deferred) 12/31/16	Total Revenues	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Passed through Wisconsin Department of Health and Family Services:								
Supplemental Food Program for Women, Infants and Childrer	10.557	154710	\$ (71,659)	\$ 799,034	\$ 47,434	\$ 774,809	\$ 774,809	\$ -
Supplemental Food Program for Women, Infants and Childrer	10.557	154760	(1,969)	8,501	4,420	10,952	10,952	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	154661	1,354	16,953	2,410	20,717	20,717	-
Total U.S. Department of Agriculture			<u>(72,274)</u>	<u>824,488</u>	<u>54,264</u>	<u>806,478</u>	<u>806,478</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>								
Direct Programs								
Community Development Block Grants	14.218	B-115-MC-550011	(374,049)	1,776,147	100,561	1,502,659	1,502,659	-
<i>Section 8 Cluster</i>								
Section 8 Housing Choice Vouchers	14.871	WI201	-	2,757,091	-	2,757,091	2,757,091	-
Section 8 Management Fees	14.871	WI201	-	324,714	-	324,714	324,714	-
Section 8 Special Funding Vouchers	14.871	WI201	-	-	32,600	32,600	32,600	-
Section 8 Housing Choice Vouchers- VASH	14.871	WI201	-	93,078	-	93,078	93,078	-
<i>Total Section 8 Cluster</i>			<u>-</u>	<u>3,174,883</u>	<u>32,600</u>	<u>3,207,483</u>	<u>3,207,483</u>	<u>-</u>
<i>Community Development Block Grant Cluster</i>								
Passed through the City of Milwaukee, Wisconsin								
Community Development Block Grant - State's Program	14.228	NSP 09-17	(162,049)	208,570	52,329	98,850	98,850	-
Passed through Milwaukee County								
HOME Investment Partnerships Program	14.239	2163001	-	854,252	18,194	872,446	872,446	-
Total U.S. Department of Housing and Urban Development			<u>(536,098)</u>	<u>6,013,852</u>	<u>203,684</u>	<u>5,681,438</u>	<u>5,681,438</u>	<u>-</u>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>								
Passed through Wisconsin Historical Society								
National Register of Historic Places Program	15.904	WI-15-013	-	4,400	-	4,400	4,400	-
<b>U.S. DEPARTMENT OF JUSTICE</b>								
Passed through Milwaukee County								
Byrne Memorial Justice Assistance Grant	16.738	2015-DE-BX-K044	-	1,619	-	1,619	1,619	-
Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-0850	-	14,747	-	14,747	14,747	-
Passed through Wisconsin Office of Justice Assistance								
Byrne Memorial Justice Assistance Grant	16.738	11/12-DJ-01-11056	-	30,000	-	30,000	30,000	-
Total U.S. Department of Justice			<u>-</u>	<u>46,366</u>	<u>-</u>	<u>46,366</u>	<u>46,366</u>	<u>-</u>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended December 31, 2016

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	(Accrued) Deferred 1/1/16	Cash Receipts	Accrued (Deferred) 12/31/16	Total Revenues	Total Expenditures	Subrecipient Payments
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>								
Passed through Wisconsin Department of Transportation								
Highway Planning and Construction	20.205	1060-37-92	-	45,000	-	45,000	45,000	-
Highway Safety	20.600							
Alcohol Enforcement Grant		0956-31-26	(4,664)	37,315	4,890	37,541	37,541	-
Seatbelt Task Force		2016-40-05-PT	-	32,079	5,945	38,024	38,024	-
Speed Enforcement Aggressive Drive		096-00-62	(7,863)	36,579	29,030	57,746	57,746	-
Total U.S. Department of Transportation			(12,527)	150,973	39,865	178,311	178,311	-
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>								
Direct Program								
Brownfield's Assessment and Cleanup Cooperative Agreement:	66.818	BF-00E00912-0	(2,068)	247,595	66	245,593	245,593	-
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>								
Passed through Wisconsin Department of Health Services								
Public Health Emergency Preparedness Aligned Cooperative Agreement	93.074	11111	-	1,184	-	1,184	1,184	-
Public Health Emergency Preparedness Aligned Cooperative Agreement	93.074	155015	(6,127)	37,619	7,421	38,913	38,913	-
Public Health Emergency Preparedness Aligned Cooperative Agreement	93.074	155190	546	12,747	2,100	15,393	15,393	-
Immunization Cooperative Agreement	93.268	155020	(156)	18,381	51	18,276	18,276	-
Association of State and Territorial Health Officials	93.524	83-12303	-	15,000	-	15,000	15,000	-
Capacity Building Assistance to Strengthen Immunization Infrastructure and Performance	93.733	155032	-	-	516	516	516	-
Medical Assistance Program	93.778	159320	(232)	1,403	547	1,718	1,718	-
Maternal and Child Health Services Block Grant	93.994	159320	(4,171)	26,197	10,285	32,311	32,311	-
Total U.S. Department of Health and Human Services			(10,140)	112,531	20,920	123,311	123,311	-
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>								
Direct Program								
Assistance to Firefighters Grant Project #EMW-2015-FO-06535	97.044	EMW-2015-FO-06535	-	5,455	-	5,455	5,455	-
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>								
Direct Program								
High Intensity Drug Trafficking Area Program	95.001	G16ML0006A	(424,692)	1,694,415	338,738	1,608,461	1,608,461	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ (1,057,799)</b>	<b>\$ 9,100,075</b>	<b>\$ 657,537</b>	<b>\$ 8,699,813</b>	<b>\$ 8,699,813</b>	<b>\$ -</b>

The notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of these schedule



**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of State Financial Assistance  
For the Year Ended December 31, 2016

Grantor Agency/Pass-through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/16	Cash Receipts	Accrued (Deferred) Revenue 12/31/16	Total Revenues	Total Expenditures	Subrecipient Payments
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>								
Brownfield Site Assessments	370.687		-	\$ 16,456	-	\$ 16,456	\$ 16,456	-
Plate Engineering Site		N/A	-	\$ 562	-	-	-	-
Municipal Flood Control Program	370.unknown	N/A	(562)	562	-	-	-	-
Total Wisconsin Department of Natural Resources			(562)	17,018	-	16,456	16,456	-
<u>WISCONSIN DEPARTMENT OF HEALTH SERVICES</u>								
WIC Total Grants	435.154710	154710	-	1,054	69	1,123	1,123	-
WIC Farmers' Market	435.154720	154720	(2,188)	5,574	-	3,386	3,386	-
CONS CONTRACTS CHHD LD	435.157720	157720	(516)	14,065	-	13,549	13,549	-
CONS CONTRACTS PHHS	435.159220	159220	-	10,933	-	10,933	10,933	-
Maternal and Child Health Services	435.159320	159320	(232)	1,403	547	1,718	1,718	-
Total Wisconsin Department of Health Services			(2,936)	33,029	616	30,709	30,709	-
<u>WISCONSIN DEPARTMENT OF ADMINISTRATION</u>								
Beat Patrol Grant	505.603	2016-BP-01-11596	-	121,434	-	121,434	121,434	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$(3,498)</b>	<b>\$ 171,481</b>	<b>\$ 616</b>	<b>\$ 168,599</b>	<b>\$ 168,599</b>	<b>\$ -</b>

The notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of these schedules.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to the Schedule of Expenditures of Federal Awards  
and the Schedule of State Financial Assistance  
For the Year Ended December 31, 2016

**NOTE A - BASIS OF PRESENTATION**

In accordance with the audit requirements issued by the Office of Management and Budget (OMB) Uniform Guidance and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, supplementary information is presented by the City in regard to federal and state financial assistance programs administered by the City.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedule are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2016 financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while deferred revenue represents advances for federal and state programs that exceed recorded City expenditures.

The City has not elected to charge a de minimis rate of 10% of modified total costs.

Federal Programs: The City of West Allis qualifies as a low risk auditee in accordance with the Uniform Guidance. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 20% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered non-major programs.

State Programs: Major programs represent state assistance programs with expenditures of \$250,000 (non DHS) or \$100,000 (DHS) or more and other state programs classified as major in the *State Single Audit Guidelines*. All other state assistance programs required to be included in the Schedule of State Financial Assistance in accordance with Appendix H of the *State Single Audit Guidelines* are non-major programs.

**NOTE C - OVERSIGHT AGENCIES**

The federal and state oversight agencies for the City are as follows:

Federal - U.S. Department of Housing and Urban Development  
State - Wisconsin Department of Revenue

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2016

**Section I - Summary of Auditors' Results**

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to basic financial statements noted?	No

Federal Awards Programs

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Audit threshold used to determine between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee	Yes

Identification of major federal programs:

CFDA Number	Name of Federal Programs
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program

State Awards Programs

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> ?	No
Audit threshold used to determine between Type A and Type B programs:	\$250,000
Auditee qualified as low-risk auditee	Yes

Identification of major state program:

CFDA Number	Name of State Program
505.603	Beat Patrol Grant

**Section II - Financial Statement Findings**

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2016.

**Section III - Federal and State Award Findings and Questioned Costs**

There are no findings related to the federal and state awards for the year ended December 31, 2016.

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2016

**Prior Year Audit Findings**

There were no findings or questioned costs for federal awards or state financial assistance for the year ended December 31, 2015.

**Corrective Action Plan**

There were no findings or questioned costs for federal awards and state financial assistance for the year ended December 31, 2016.