

2014

City of West Allis
Wisconsin

Comprehensive Annual Financial Report



Urban Joe Cafe



West Allis Cross
Town Connector Trail



Cardinal Capital Management



Historic Neighborhoods



For The Year Ended
December 31, 2014

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST ALLIS, WISCONSIN
for the year ended December 31, 2014



PREPARED BY THE FINANCE DIVISION

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CITY OF WEST ALLIS, WISCONSIN
December 31, 2014

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INTRODUCTORY SECTION

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DEPARTMENT OF ADMINISTRATION & FINANCE
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June 30, 2015

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, 2014. This report has been prepared by the City's Finance Department. Although the Financial Statements were examined by the independent auditors Schenck and Associates SC, and their opinion is that all financial statements present fairly, in all material respects, the City's position at December 31, 2014, 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's Discussion and Analysis 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, 2013, 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 the management's discussion and analysis and the basic financial statements, required supplemental information, other supplemental information.

The Statistical Section, which is unaudited, includes general information and major departments and related activities along with further information on selected financial and demographic information, generally presented on a multi-year basis. Also, in 2010 the City implemented GASB 54 so one of the charts will reflect only three years of information.

Required supplemental information includes the schedule of funding progress and the schedule of employer contributions required by GASB Statement No. 45.

The Supplemental Reports Section includes the auditors' report on internal control, 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 2014 population is 60,272.

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 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.

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

The City operates under the Council-Mayor form of government. The Common Council is composed of 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 for the Common Council. The City Administrative Officer assists the Council and Mayor in their overall and day-to-day role of 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 employs on a permanent, full-time basis a total of 514 people. At different times during the year West Allis also employs temporary and part-time help to do seasonal and other 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 thirteen departments, headed by ten appointed officials and two elected officials (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 in 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 activity within each fund.

Each department is required to submit their request to the Mayor prior to the first week in August. After the Mayor has completed his review, it is forwarded to Common Council for their evaluation and approval. In October or November of each year, the Common Council adopts the City budget for the ensuing year. Taxes are mailed in the first week of December to all property taxpayers.

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 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 periodic 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. 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". The following is a description of some of the major undertakings in the City and additional information is available on the Development Department section of the city website: www.westalliswi.gov

TID 2 (Veterans' Park) CLOSED 2014

Base value:	\$1,681,600
Current value:	\$8,829,700
Original property taxes:	\$46,900
Current property taxes:	\$251,800
Tax Increment:	\$204,900
Date TID is to expire:	20 years (2014)



This TID was dissolved in 2014, two years ahead of schedule. The project added over \$7 million of incremental value and \$204,897 of tax incremental revenue. The TID successfully transformed the southeast corner of S. 70 St. and W. Greenfield Ave. out of a sharply declining neighborhood.

Today, the area consists of The Landmark, a 127-unit contemporary senior community with both market-rate (\$905 - \$1,015 1-BR and \$1,060 - \$1,275 2-BR) and Low-Income Housing Tax Credit assisted rental units (\$640). The facility features a well-maintained landscape and initiated an architectural statement that became a model for high-density, quality construction in the community.

TID 5 (Six Points/Farmer's Market)

Base value:	\$18,524,000
Current value:	\$50,000,000
Future value:	\$93,000,000
Original Property Taxes:	\$516,600
Current property taxes:	\$1,213,000
Projected property taxes:	\$2,300,000
Tax Increment:	\$697,000
Debt & net Fund Balance	\$18,716,988
Date TID is to expire:	31 years (2031)



Established in 2001, the Six Points/Farmers Market Redevelopment Area, the 44-acre District, was a challenging and ambitious undertaking by the City of West Allis to transition an aging industrial corridor into a mix of contemporary housing choices and neighborhood commercial uses. Faced with numerous historic brownfield issues and the assemblage of several underutilized parcels, the City had successfully acquired and cleared land to accommodate a multi-phase development. Though the recent recession challenged development, following the completion and recent \$19-million sale of Phase I, the area is gaining recognition in the real estate community as a prime opportunity and has been a huge game-changer for the image of the City of West Allis.

The Berkshire, currently valued at \$3.6 million, was one of the first major redevelopments, opened to occupants in 2004. This project redeveloped 1.3-acres of land along W. Greenfield Ave., east of S. 64 St.

into 80 units of senior living and three (3) street-level commercial tenants. As one of the first completed projects in the District, this development served as an early catalyst for continued redevelopment.

Across the street, is the Six Points East Condos, a \$12-million mixed-use development was constructed in 2008 on the 1.2-acre site. The development includes 42 condominium units, all of which have been sold and are assessed between \$110,000 and \$245,000. The project also features 20,000 ft.² of street-level retail space, which remains available.

Late in 2003, the CDA published a request for proposals to develop three parcels, composed primarily of two former Pressed Steel Tank parcels and another parcel immediately west of the Farmers Market, which were to be developed in three phases.

Toldt Development was ultimately selected by the CDA. Their proposal included over \$60 million in redevelopment taking place over an extended period of time, depending on market conditions. The proposal provided for 600 new, multi-story housing units ranging from condominiums to market rate apartments. Additionally, over 100,000 ft.² of retail space would accompany the development.

Phase 1 is the 3.1-acre parcel immediately north of the Farmers Market. Ground was broken on the first two buildings in June 2006 and the last two were completed in 2008 which are now currently assessed at \$15,300,000. This development was recently sold for over \$19 million. The properties provide 182 market-rate multifamily units and 5,000 ft.² of commercial space. The buildings feature a contemporary design with upscale amenities.

Phase II is the parcel immediately west of the Farmers Market. Development of Phase II was approved and underway, when market conditions shifted and made lending for the project's construction unavailable. Toldt Development was in the process of developing a 114- unit market rate \$14,000,000 multifamily development when the recent recession hit. With financing at the time being extremely difficult to obtain, and then more recently, personal family matters, the developer decided to exit the housing development business.

In December 2013, through claw back provisions in the original Purchase and Sale Agreement, the site was re-acquired by the CDA at a substantially discounted value because of the developer's lack of performance. The CDA is currently marketing the site for potential redevelopment.

Phase III of the redevelopment project, associated with the former Pressed Steel Tank facility, is located northwest of the Historic Farmers Market and encompasses nearly 8 acres. The site has been cleared and cleaned for development. Approximately \$2.5 million of grant funding was awarded to assist with the cleanup including \$200,000 of SAG funding.

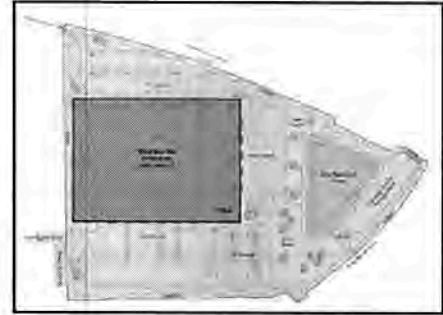
The site is currently being marketed for office, commercial or multi-family development. The CDA has contracted with a commercial real estate firm to help market these remaining phases of development, with the expectation that development will occur soon. Current projections suggest development as high as \$40-million for office or mixed-use development. Those projects are not expected to be incrementally developed within the District until about 2019.

TID 6 (Juneau Highlands Business Park)

Base value:	\$1,330,600
Future value:	\$7,342,400
Current value:	\$0
Original property taxes:	\$38,054
Current property taxes:	\$0
Projected property taxes:	\$245,100
Property Tax Increment:	\$ 60
Debt & net Fund Balance:	\$2,187,665
Date TID is to expire:	17 years (2021)



Tax Incremental District No. Six consists of 11.61 acres of land located at 1960 S. 67 Place. The site had been used as a carbide gas manufacturing plant, a waste storage and transfer facility, an oil/hazardous waste trucking terminal, a salvage/junkyard, and a lime pit, used to store lime slurry. In order to prevent the site from accumulating additional fill materials that would make future development difficult, the area was deemed "blighted" and in need of blight elimination and an urban redevelopment project. To prepare the site for development, the land was cleared and environmental testing and clean up were conducted. Project costs included relocation of the existing businesses, site grading and geotechnical work to fill the former lime pits. The project has been financed through the sale of bonds, federal and state grants such as a Wisconsin Department of Commerce Brownfield Grants - \$675,000, Wisconsin Department of Natural Resources Site Assessment Grants - \$89,000, EPA Clean-up Grant \$200,000, Wisconsin Department of Commerce Emergency Assistance Program grant - \$150,000; and in 2009 the American Recovery and Reinvestment Act provided a grant of \$350,000.



Numerous development proposals have been reviewed for the Juneau Highlands Business Park site, including a 150,000 ft.² electric foundry and a 124,000 ft.² industrial facility. Those options did not materialize, in part due to general economic conditions, availability of competing parcels in the market place such as Milwaukee's Menomonee Valley, changes in the real estate market as well as adjacent land uses, etc.

The CDA is in final negotiations with a developer to construct up to 150,000 ft.² flex space industrial property with an estimated value over \$7 million. The facility would be occupied by an 80,000 ft.² tenant and a 40,000 ft.² space built on speculation. Expansion opportunity for an additional 30,000 ft.² would be designed into the layout. The development has the potential to add over 100 jobs to the community.

TID 7 (Summit Place)

Base value:	\$15,914,400
Current value:	\$62,993,300
Original property taxes:	\$435,432
Current Property taxes:	\$1,476,600
Tax Increment:	\$1,041,200
Debt & net Fund Balance:	\$3,886,416
Date TID is to expire:	13 years (2017)



Tax Incremental District No. Seven is designed to encourage the revitalization of the last two undeveloped vacant and dilapidated former Allis-Chalmers Mfg. Co. properties; (1) the deteriorating Shop Buildings (about 7.8 acres of vacant warehouses) south of W. Washington St. and, (2) an obsolete Utility Corridor (10.7 acres) on the north side of the street. These two underutilized resources, in their current state, continue to foster blighting influence on the area, provide little if any property tax relief and produce virtually no employment.

For the City of West Allis and Milwaukee County, the legacy of Allis-Chalmers could be a one-of-a kind office facility that would be the second largest office complex in the Metro Milwaukee area. The project was being financed primarily through the sale of bonds, land sale proceeds, the use of New Market Tax Credits and federal and state grants such as Wisconsin Department of Commerce Brownfield Grants, and Wisconsin Department of Natural Resources Site Assessment Grants.

To date, over \$70 million of private and public dollars have been invested. The current success of the partnership has allowed this project to excel beyond expectations. Of the nearly 650,000 square feet of built-out space nearly 98% has been leased out and is supporting over 2,200 jobs.

The CDA has loaned Whitnall Summit approximately \$4.5 million, which is scheduled to be repaid in

2017. 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. Also, these funds could provide a potential source of financing should the Six Points/Farmers Market TID need some form of donor TID contribution.

TID 9 (Pioneer Neighborhood)

Base value:	\$2,299,600
Current value:	\$13,217,400
Original property taxes:	\$45,950
Current property taxes:	\$321,700
Tax Increment:	\$275,800
Debt & net Fund Balance:	\$1,831,796
Date TID is to expire: (estimate)	15 years (2023)



Tax Incremental District No. Nine consists of approximately five acres of land located along the south portion of National Avenue between S. 77 St. and S. 80 St. The District is commonly described as the Pioneer Neighborhood District based upon a collection of historic buildings that abut National Avenue. These buildings date back to the City's early settlement period of the late 1890's to the 1900's. In the last several years, this historic area has seen a decline in both appearance and values of properties within the District, leading to a declining tax base and falling revenues for the City prompting the establishment of a TID.

An opportunity presented itself to acquire several properties that were seen as catalysts for the revitalization of this neighborhood. The City purchased both the former Neis Hardware building and the Laidlaw Bus Company sites to kick start the redevelopment of the area. The redevelopment of the area includes PyraMax bank, a \$1.3 million project that opened in March 2008, West Allis Animal Hospital, a \$1 million project, which opened in 2008, a new Pioneer Gas Station, which opened in 2009, and a 200 unit elderly housing residential facility, which opened in early 2010. The elderly housing residential facility added nearly \$20 million in new taxable value and 70 jobs.

With the expansion of the Memory Care units, an additional \$1.6-million of development potential exists within the District, and is projected to be constructed around 2018. With that projection added to the current value, the District is set to expire in 2020 after just 14.7 years. (Even without that additional development, the District would pay off its expenses in 2020 after 14.9 years.)

TID 10 (Yellow Freight)

Base value:	\$3,463,600
Current value:	\$0
Original property taxes:	\$66,500
Current property taxes:	\$0
Tax Increment:	\$0
Debt & net Fund Balance:	\$2,453,603
Date TID is to expire: (estimate)	15 years (2023)



West Allis' central location, in combination with the CDA's creative use of TID and other financing resources induced the repositioning the vacant former Yellow Freight terminal located at 116th and Rogers. The TID, utilized to write down land assembly, demolition and environment costs, was crucial in attracting \$11.3 million in development by Wangard Partners and its affiliate Mister Rogers Neighborhood LLC. The 9.6 acres of land is located on the City's west side (at 11528 and 11406 W. Rogers St.) and was formerly occupied by two truck terminals and a divisive railroad spur. The proposed improvements are projected to provide over 130 jobs.

This District was created in 2008 to acquire and redevelop the first of two vacant truck terminals. Further, it was designed to proactively foster redevelopment with increased employment opportunities that had

less heavy trucking impacts on the local infrastructure and environment. A DNR Site Assessment Grant of \$30,000 was utilized for preliminary environmental investigation prior to acquisition.

Wangard Partners closed on financing of the project in fall of 2013. The \$14-million redevelopment was financed with a combination of private and public financing programs. The developer purchased the site for \$845,000 from the CDA. Redevelopment is currently under construction with projected spring 2015 occupancy for the 72,000 ft.² industrial building for Ferguson Plumbing's showroom. The 50,000 ft.² spec industrial/distribution space is projected to be available in the first quarter of 2016.

TID 11 (84th and Greenfield)

Base value:	\$4,678,100
Current value:	\$0
Original property taxes:	\$88,800
Current property taxes:	\$0
Tax Increment:	\$0
Debt & net Fund Balance:	\$802,063
Date TID is to expire: (estimate)	27 years (2038)



Facilitating development is often complicated and unique. It requires economic analysis, and it involves multiple parties such as investors, lenders, financial consultants and outside legal counsel, all working towards advancing a project. In the case of 84th and Greenfield redevelopment area, the project involved several creative financial strategies and solutions in order to attract a hotel development (often identified as top goal within the City's strategic long-range plan). TID #11 was created in 2010 to undertake the redevelopment of 11.4 acres of land impacted by flooding in 2008.

A significant financial tool beyond TID was utilized—EB-5—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 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 and 9,000 ft.² banquet center, set to open in the fall of 2015.



TID 12 (Teledyne)

Tax Incremental District No. Twelve consists of approximately 8.9 acres of land at S. 54th Street and W. Burnham Avenue. Working with the owner and Milwaukee County, buildings that were deemed unsafe have been demolished and the site will be marketed for redevelopment, most likely into one or two commercial enterprises with the potential to add over 200 family supporting jobs.

TID 13 (Former Home Juice Redevelopment Area)

Tax Incremental District No. Thirteen located on S. 113th Street, just south of Greenfield Avenue will use a public/private partnership, including grant funding from the DNR and US EPA to clean up neighborhood blight into 10,000 square feet of viable commercial space.

First-Ring Industrial Redevelopment Enterprise (FIRE)

F.I.R.E is a Community Development Entity formed to provide gap financing to mixed-use developments and business expansions throughout the Southeast Wisconsin industrial corridor. In 2007, FIRE was awarded \$35 million in New Market Tax Credits and in 2009 FIRE was awarded an additional \$70 million in 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 two business expansions, three real estate developments, and two community facilities. The projects have helped improve over 200,000 square feet of development, attracted over 800 jobs, and helped foster 1,125 construction jobs.

FIRE was awarded an additional \$33 million in tax credits in June 2014. FIRE also made three economic development loans by reinvesting proceeds from fees collected from eleven successful NMTC projects.

Downtown West Allis Business Improvement District (BID)

Downtown West Allis, 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. In 2012, the geographic boundaries of the BID are West Greenfield Avenue between 70th and 76th Streets, extending to the North and South alleys & the West side of South 70th 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 greater 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
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 on the State Fair Grounds is the Milwaukee Mile, "America's Legendary Oval", a one-mile oval racetrack that hosts several auto races and the oldest continuously operating motor speedways.

As part of an effort to more effectively utilize the Wisconsin Fair Grounds year round, a 300,000 sq. ft. 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. The current promoter is Andretti Sports. 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.

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 checks while the second account is used exclusively for payroll checks. 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, Government Pool and Repurchase Agreements. In 2012, the highest concentrations of the City's cash portfolio were maintained in the American Deposit Corporation, Tri-City Investment account, 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 growth. 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 valuation has increased from \$3.5 billion in 2005 to \$3.7 billion in 2014.

As of the writing of this transmittal, unemployment in West Allis 5.1% is slightly above the state-wide average of 4.4%, much improved from the 7.6% rate in 2012.

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 of at least 5% of expenditures, but in practice the City has maintained a much healthier level of reserves. In 2014, unassigned fund balance was 11.7% of expenditures and, taking assigned and unassigned fund balances into consideration, the percentage of expenditures was 76.6%. 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 a time and attendance system.

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, 2013. This was the seventeenth 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.

In 1995 the City received the Wisconsin League of Municipalities Award for Municipal Excellence which recognized the City for exceptional performance in the provision of government services.

ACKNOWLEDGMENT

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



Mark D. Wyss
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, 2013

Executive Director/CEO

CITY OF WEST ALLIS, WISCONSIN
General Information

ELECTED CITY OFFICIALS

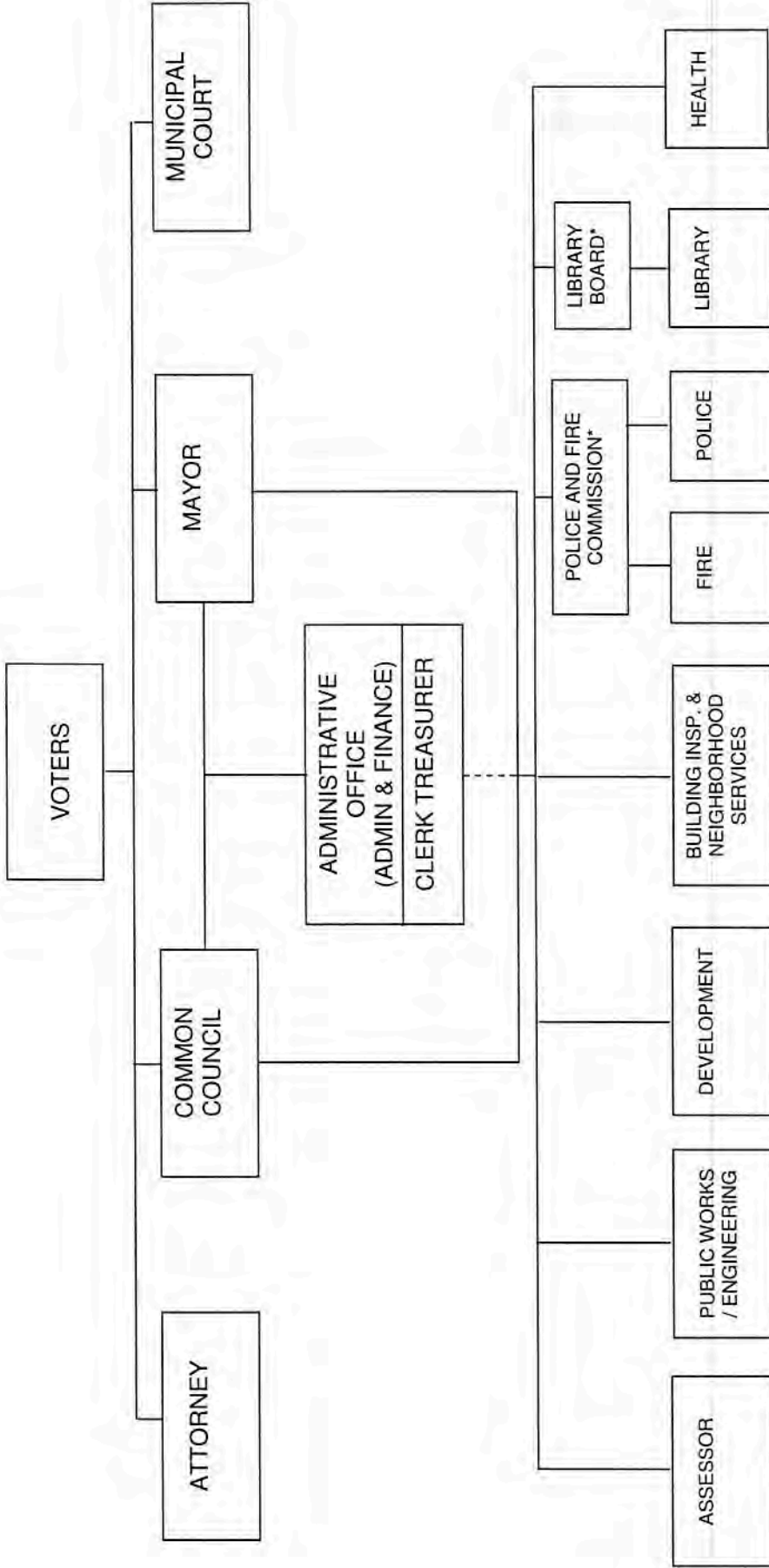
Mayor and Council

	<u>Initial Term Commenced</u>	<u>Current Term Expires</u>
Dan Devine, Mayor	4/2008	4/2016
Gary T. Barczak, Alderperson	4/1988	4/2016
Thomas G. Lajsic, Alderperson & Council President	4/1996	4/2016
Marty Wiegel, Alderperson	5/2003	4/2016
Michael May, Alderperson	4/2012	4/2016
Michael Czaplewski, Alderperson	4/1995	4/2016
Rosalie Reinke, Alderperson	4/1992	4/2016
Kevin Haass, Alderperson	4/2014	4/2016
Cathleen M. Probst, Alderperson	4/2012	4/2016
Daniel Roadt, Alderperson	4/2008	4/2016
Vincent Vitale, Alderperson	4/1988	4/2016

Elected Official

Scott Post, City Attorney	3/2002	4/2016
Paul Murphy, Judge	5/2003	4/2015

**ORGANIZATIONAL CHART
CITY OF WEST ALLIS**



* Appointed by the Mayor and confirmed by the Common Council, with policy responsibility.

Note: Solid lines indicate direct lines of authority.
Dashed lines indicate indirect lines of administration.

Regular positions for 2013 budget: 518.83 City FTE

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FINANCIAL SECTION

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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 aggregate discretely presented component units, 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, 2014, 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 First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), which represents 92% and 97%, respectively, of the assets and revenues of the component units. 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, based on our audit and the report of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 21 through 36 and 81 through 82 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 financial information listed in the table of contents as supplementary information and the schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and 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.

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, 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.



Certified Public Accountants
Green Bay, Wisconsin
June 30, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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, 2014. 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 5-14 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 \$258,412,483 (*net position*). Of this amount, \$34,423,111 is unrestricted net position and because of the positive position, funds would be available to meet the City's ongoing obligations to citizens and creditors. This is a decrease of \$5,243,842 from what was available at the end of 2013 when we had a positive \$39,666,953 in unrestricted net position.
- The City's net position for the governmental activities decreased by \$670,076 (please see page 39 of the financial statements). While bonds and notes payable decreased by \$2,595,475, the accrual for post-retirement benefits increased. The accrual for post-retirement benefits will continue to draw down the unrestricted net position of the City. The accrual for future health insurance benefits increased \$5,656,557 for 2014. This amount is calculated under GASB Statement #45 and is the related ARC. The other major adjustment is related to debt – the net between what was issued and what was paid down was a positive \$2,195,475. Other offsets to the OPEB accrual include deferred revenues, interest expense accruals, and net revenues from internal service funds. A smaller fund balance and an increase in loans receivable offset some of the increased OPEB liability, holding the overall net decrease to \$182,523.
- As of the close of the current year, the City's governmental funds reported combined 2014 ending fund balances of \$40,964,659 as compared to \$42,432,572 at the end of 2013. Approximately 4% of this \$40,964,659 or \$1,568,719 is unassigned.
- At the end of the current year, unassigned fund balance for the general fund was \$6,303,452 or approximately 12% of total general fund expenditures compared to \$6,265,317 or approximately 12% at the end of 2013. While some individual revenue accounts didn't meet budget expectations, overall, every category of budgeted revenues exceeded projections in 2014. Additionally, 2014 expenditures came in below budget which allowed for a positive increase in the overall unassigned fund balance.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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) fund financial statements, and 3) 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 liabilities and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate component units known as the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) and the Terchak Endowment Fund. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 37-39 of this report.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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 29 individual governmental funds during 2014. 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, each of which are considered major funds. Data from the other 27 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 40 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

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

Utility, Storm Water Utility, Solid Waste Fund, Parking Utility, and the Senior Citizen's Housing 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 45 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 51-80 of this report.

Required supplementary information (RSI). RSI includes the schedule of funding progress and the schedule of employer contributions required by GASB Statement No. 45. These schedules can be found starting on page 81 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 83 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 \$258,412,483 at the close of 2014. This compares to \$255,540,965 at the close of 2013. 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

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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

City of West Allis Net Position (amount expressed in \$1,000's)						
	Governmental Activities		Business-Type Activities		Total	Total
	2014	2013	2014	2013	2014	2013
Current and other assets	\$185,622	\$190,645	\$20,684	\$21,070	\$206,306	\$211,715
Capital assets	201,742	201,415	91,053	85,525	292,795	286,940
Total assets	387,364	392,060	111,737	106,595	499,101	498,655
Deferred outflows						
Loss on debt refunding	0	0	176	182	176	182
Long-term liabilities						
Outstanding	89,177	86,141	28,637	27,129	117,814	113,270
Other Liabilities	78,076	85,089	2,981	2,895	81,057	87,894
Total liabilities	167,253	171,230	28,568	30,024	198,871	201,254
Deferred inflows						
Property taxes	41,950	41,999	43	43	41,993	42,042
Net position:						
Net investment in capital assets	158,433	155,635	64,492	60,047	222,925	215,682
Restricted	1,064	192	0	0	1,064	192
Unrestricted	18,664	22,718	15,759	16,663	34,423	39,667
Total net position	\$178,161	\$178,831	\$80,252	\$76,710	\$258,412	\$255,541

An additional portion of the City's net position (.04%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a positive \$34,423,111, is available to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position balance will decline over the next several years as we continue to recognize the Other Post-Employment Benefits obligation. At the end of the current fiscal year, the City is able to report a positive balance in the net investment in capital assets and the restricted categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

City of West Allis Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$11,819,105	\$9,088,165	\$21,360,255	\$21,296,775	\$33,179,360	\$30,384,940
Operating grants and contributions	11,194,095	9,010,784	278,735	258,805	11,472,830	9,269,589
Capital grants and contributions	13,279,356	3,151,837	11,335	14,979	13,290,691	3,166,816
General Revenues:						
Property taxes	41,792,533	41,932,197	43,000	43,000	41,835,533	41,975,197
Other taxes	1,677,243	1,520,503	0	0	1,677,243	1,520,503
Grants and contributions not restricted to specific programs	9,206,794	9,480,878	0	0	9,206,794	9,480,878
Other	1,061,831	5,818,631	433,867	314,330	1,495,698	6,132,961
Total Revenues	\$90,030,957	\$80,002,995	\$22,127,192	\$21,927,889	\$112,158,149	\$101,930,884
Expenses						
General Government	12,683,740	10,920,556	0	0	12,683,740	10,920,556
Public Safety	37,249,881	37,790,154	0	0	37,249,881	37,790,154
Public Works	19,435,157	17,704,389	0	0	19,435,157	17,704,389
Health and Human Services	10,697,085	7,678,226	0	0	10,697,085	7,678,226
Culture & Recreation	2,633,438	2,833,745	0	0	2,633,438	2,833,745
Development	7,490,488	5,701,550	0	0	7,490,488	5,701,550
Interest on long-term debt	1,884,864	2,131,098	0	0	1,884,864	2,131,098
Water Utility	0	0	6,986,601	6,893,875	6,986,601	6,893,875
Sanitary Sewer Utility	0	0	5,845,286	5,542,622	5,845,286	5,542,622
Storm Sewer Utility	0	0	2,391,743	2,451,452	2,391,743	2,451,452
Solid Waste Utility	0	0	1,721,052	1,680,361	1,721,052	1,680,361
Parking Utility	0	0	76,664	86,781	76,664	86,781
Senior Citizen's Housing	0	0	190,632	188,573	190,632	188,573
Total Expenses	\$92,074,653	\$84,759,718	\$17,211,978	\$16,843,664	\$109,286,631	\$101,603,382
Increase in net position before transfer	-2,043,696	-4,756,723	4,915,214	5,084,225	2,871,518	327,502
Transfers	1,373,620	1,261,318	-1,373,620	-1,261,318	0	0
Change in net position	-670,076	-3,495,405	3,541,594	3,822,907	2,871,518	327,502
Net position - January 1	178,830,668	182,326,073	76,710,297	72,887,390	255,540,965	255,213,463
Prior Period Adjustment	0	0	0	0	0	0
Net position - January 1 restated	178,830,668	182,326,073	\$76,710,297	\$72,887,390	255,940,965	255,213,463
Net position - December 31	\$178,160,592	\$178,830,668	\$80,251,891	\$76,710,297	\$258,412,483	\$255,540,965

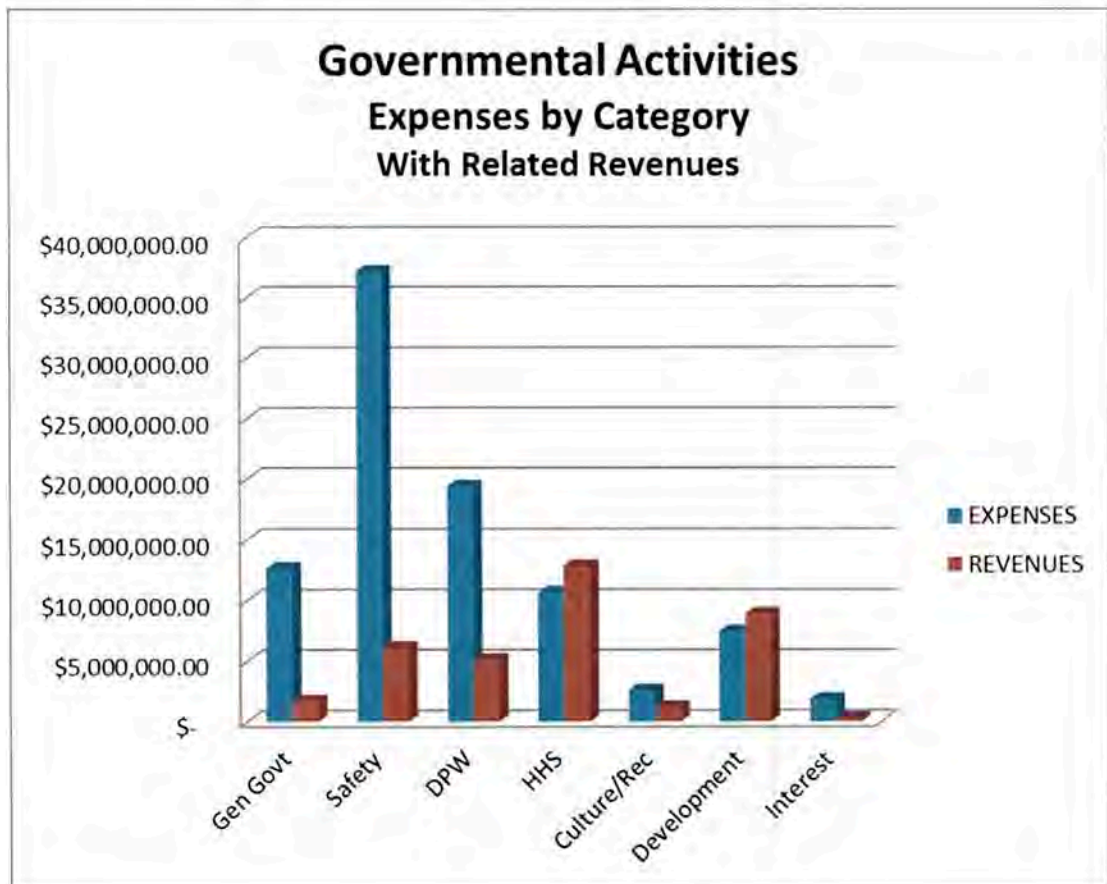
CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

Governmental activities. Governmental activities decreased the City's net position by \$670,076 in 2014, compared to \$3,495,405 in 2013. Key elements of this net decrease are as follows:

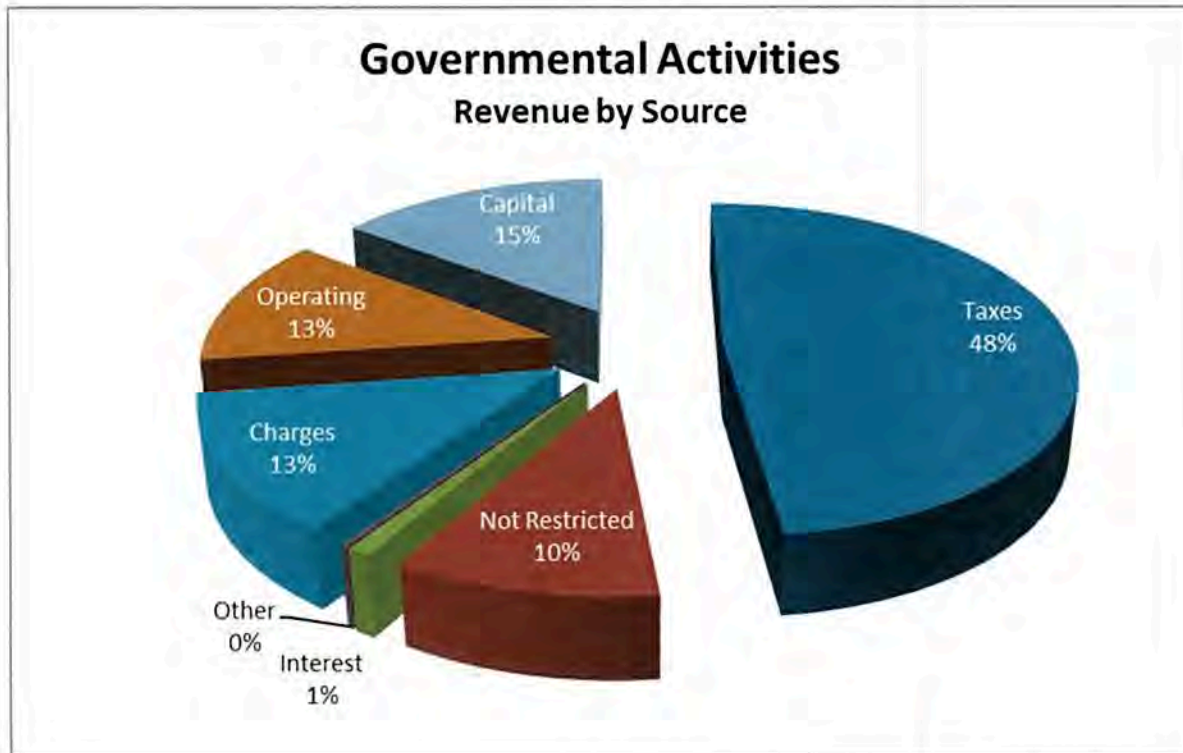
- Other Post-Employment Benefits created a negative adjustment of \$5,656,557.
- Depreciation expense for governmental activities reflected in the statement of activities is \$13,847,237. This is an expense without a cash outflow so there is no offsetting revenue reflected in the statement of activities. This would have the effect of reducing net position in the statement of activities. Additional capital assets acquired during the year amounted to \$15,795,404 for a net positive adjustment of \$1,948,167.
- Net between general obligation debt issued and paid created a positive net adjustment of \$2,195,475.



CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014



Business-type activities. Business-type activities increased the City's net position by \$3,541,594. Key elements of this net increase in net position are as follows:

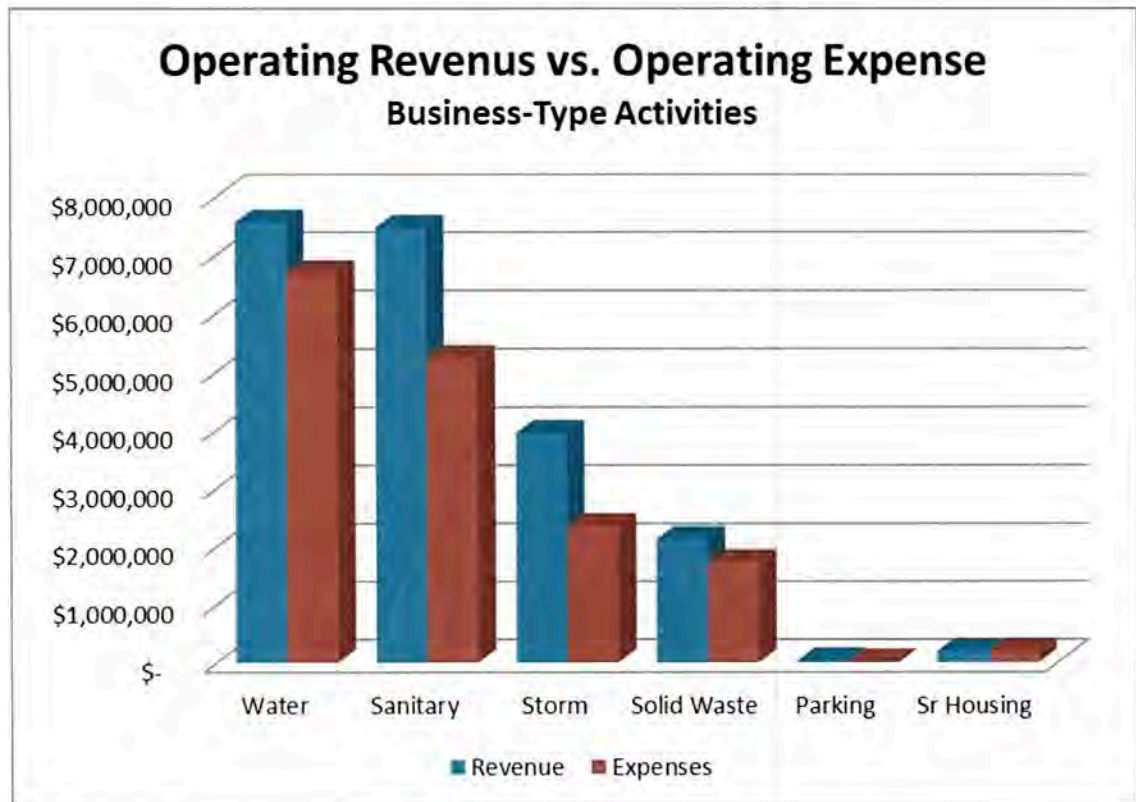
- The Water Utility decreased net position by \$132,228 as compared to a decrease of \$78,939 in 2013. The utility realized a 1.66% rate of return in 2014 as compared to 2.43% in 2013 based on the Public Service Commission of Wisconsin calculation.
- The Sanitary Sewer Utility increased net position by \$1,560,461 as compared to an increase of \$1,488,418 in 2013. The rate was increased in 2014 to \$1.75 per ccf (750 gallons). The reason for increasing the rate is to allow for sufficient cash flow to deal with the bond 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. The rate for the 2015 budget, passed in November of 2014, remained at \$1.75 per ccf.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

- The Storm Water Utility increased net position by \$1,375,245 as compared to an increase of \$1,293,414 in 2013. The rate was not increased in 2014. The Storm Water Utility spending on infrastructure continues to increase due to efforts to address the flooding and clear water inflow into the system.
- The 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 \$559,552 as compared to an increase of \$615,103 in 2013. The rate was unchanged from 2013.
- The Parking Utility decreased net position by \$5,272 as compared to a decrease of \$20,422 in 2013. The utility continues to face challenges due to the drop off in the collection of parking permit revenue which is related to the loss of some retailers in the area.

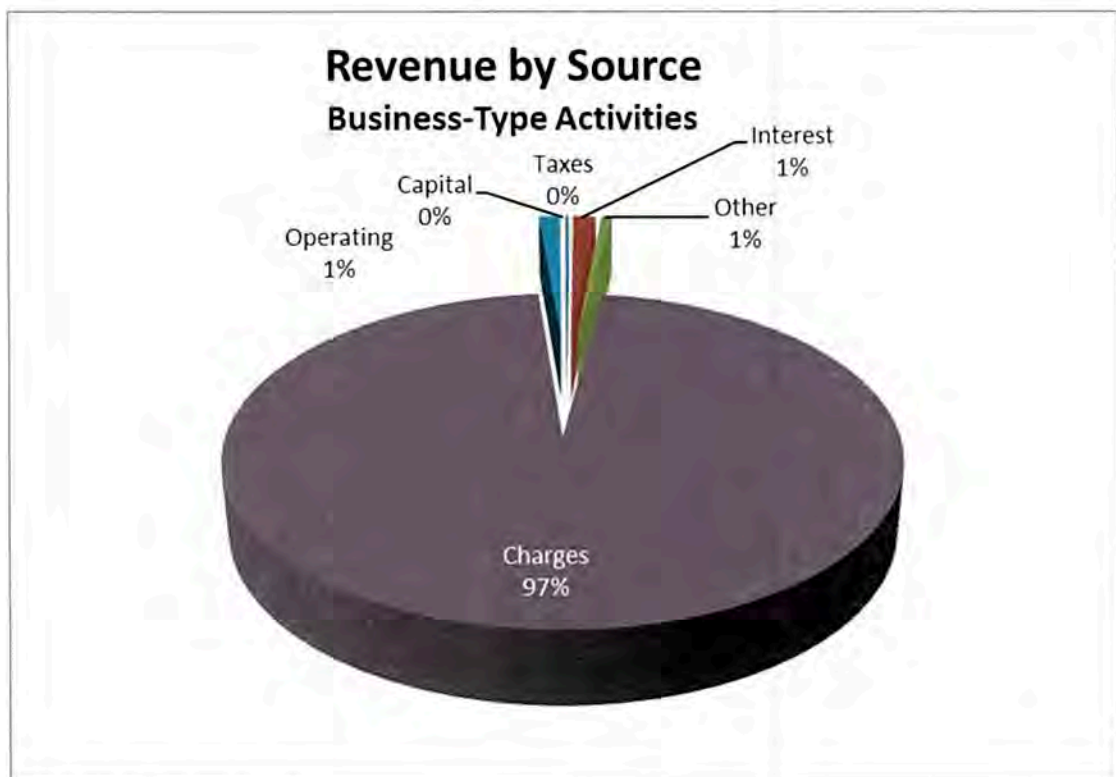


CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

- The Beloit Road Housing Management Fund increased net position by \$183,836 as compared to an increase of \$525,333 in 2013. 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.



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.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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. Unreserved 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, 2014 the City's governmental funds reported combined ending fund balances of \$40,964,659 a decrease of \$1,467,913 in comparison with the prior year. Of the total fund balance, \$1,568,719 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is made up of \$12,201,720 in Non-spendable Funds, \$1,064,277 in Restricted Funds, \$2,308,648 in Committed Funds and \$23,821,295 in Assigned Funds. The major items within the assigned funds as it relates to the General Fund may be found on page 72 – Note C-7.

General Fund: The general fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,303,452 while total fund balance was \$41,402,547. 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 11.7% of total general fund expenditures, while total fund balance represents 76.6% of total general fund expenditures. The fund balance increased by \$2,915,211 due to better than expected revenues across all categories. Additionally, under spending in the salary and fringe benefit area related to various open positions in the Police and Fire Departments also contributed to the savings.

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 position for these funds can be seen in the table on the following page.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

Unrestricted Net Position:	2014	2013
Water Utility	\$1,295,580	\$2,174,509
Sanitary Sewer Utility	\$2,350,718	\$2,890,150
Storm Water Utility	\$2,043,401	\$2,318,967
Solid Waste Fund	\$3,225,496	\$2,613,813
Parking Utility	\$191,749	\$197,021
Senior Citizen's Housing	\$6,652,531	\$6,468,695
	<u>\$15,759,475</u>	<u>\$16,663,155</u>

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$1,978,372 with the major items being as follows:

- Carry-over requests from 2013 for budgeted projects and expenditures that were unfinished at the end of the year totaled \$849,400.
- Encumbrances carried over from 2013 for budgeted projects and expenditures that were still open at the end of the year totaled \$579,122.
- Purchases requested from the Contingency Fund in 2013 and repaid with budgeted dollars included - \$10,000 in additional litigation costs and \$134,000 for squad cars.

Revenues were more than budgetary estimates – explanation:

During this year, revenues were higher than budget by \$1,052,527. Although some individual revenues didn't meet expectations, every category of revenue exceeded projections. The biggest increase was in Public Works Services by over \$600,000 due to higher than expected equipment rental to propriety funds and scrap metal processing.

Expenditures were less than budgetary estimates – explanation:

Actual operating expenditures were less than final budget by \$3,673,575. Taking into consideration that there was nearly \$2 million in carry-over requests and encumbered items, the City still realized savings of \$3.6 million. Much of this was due to unfilled positions in the police and fire departments throughout the year. As a result, there were large savings in fringe benefit costs. Also, several large capital purchases in the Public Works Division were delayed until 2015, resulting in unspent funds in 2014. General Government was under budget by \$1.1 million, but most of those funds are transferred

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

to various capital accumulation accounts to offset purchases in future years. Also, a planned use of fund balance was not needed to balance the 2014 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, 2014, rounded and net of accumulated depreciation amounts to \$292,795,059. Total investment in capital assets prior to accumulated depreciation was \$593,411,376. 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 \$5,854,964 or a 2% increase (a .16% increase for governmental activities and 6.46% increase for business-type activities). Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Infrastructure improvements added \$1,157,458 to capital assets.
- The City expects to see a net decline to its net assets in the future because depreciation is growing at a faster rate relative to the City's ability to replace infrastructure. The majority of capital projects are dedicated to repairs as opposed to replacement or the adding of new streets.

Business Type Activities:

- The Water Utility increased total assets by \$1,894,501 for water distribution mains, services, hydrants, and meters.
- The Storm Water Utility increased assets by \$2,166,469. The majority was for infrastructure replacement.
- The Sanitary Sewer Utility increased assets by \$2,990,052 for main replacement.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

City of West Allis Capital Assets

	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	2014	2013	2014	2013	2014	2013
Land	\$13,051,777	\$12,582,543	\$963,716	\$963,716	\$14,015,493	\$13,546,259
Construction in Progress	\$473,468	\$447,925	\$573,890	\$63,103	\$1,047,358	\$511,028
Buildings	\$159,331,282	\$152,191,655	\$496,728	\$496,728	\$159,828,010	\$152,688,383
Improvements other than Buildings	\$2,019,315	\$1,988,330	\$0	\$0	\$2,019,315	\$1,988,330
Machinery and Equipment	\$137,407,238	\$132,413,042	\$5,537,370	\$5,224,832	\$142,944,608	\$137,637,874
Infrastructure	\$156,797,835	\$155,640,377	\$116,758,757	\$110,531,060	\$273,556,592	\$266,171,437
Total Assets	\$469,080,915	\$455,263,872	\$124,330,461	\$116,252,620	\$593,411,376	\$572,543,311
Less Accumulated Depreciation	(\$267,338,768)	(\$253,848,492)	(33,277,549)	(31,754,724)	(300,616,317)	(\$285,603,216)
Net Capital Assets	\$201,742,147	\$201,415,380	\$91,052,912	\$85,524,715	\$292,795,059	\$286,940,095
Percentage Change	.16%		6.46%		2.04%	

Additional information on the City's capital assets can be found in the footnote A-6f (page 55) and footnote C-3 (pages 63-64).

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$75,248,395 backed by the full faith and credit of the City. Moody's rating on the general obligation debt is Aa2 and Standard & Poor's is AA.

The City's total net general-obligation debt outstanding decreased by \$1,400,909 or 1.8% during the current year. The City issued \$6,800,000 in debt while paying down \$8,200,909. New debt issued in 2014 was for the following purposes: the Water Utility issued \$1,500,000, the Sewer Utility issued \$2,050,000, and the General Fund issued \$3,250,000.

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 (including BAN's) is 40.42% of its limitation of \$185,632,065 compared to 41.31% in 2013. The City's net total indebtedness for business-type activities increased by \$1,194,566.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Notes	\$4,719,469	\$6,019,319	\$120,559	\$137,887	\$4,840,028	\$6,157,206
General Obligation Bonds	44,120,000	45,415,625	26,288,367	25,076,473	70,408,367	70,492,098
	<u>\$48,839,469</u>	<u>\$51,434,944</u>	<u>\$26,408,926</u>	<u>\$25,214,360</u>	<u>\$75,248,395</u>	<u>\$76,649,304</u>

Additional information on the City's long-term debt can be found in the footnotes on pages 67-70 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City, like others, has experienced a decrease in the market value of property within the city, with newer TIF Districts being the exception because of new construction. Housing values have begun to stabilize and even increase. Interest in vacant parcels has intensified.
- The general fund finished the year with an unassigned fund balance of \$6,303,452, an increase of \$38,135 from the previous year.
- The pension contribution rates for 2014 decreased from 14% for general city employees to 13.3%, however WI Acts 10 & 32 require employees to contribute half of this (7%). City police officers, subject to contract negotiations, will be paying the full employee contribution rate by the end of 2015. Firefighters contributed at least 6% toward their retirements, with new hires contributing the full 7%. Newly-hired police officers also pay the full contribution immediately upon hire.
- 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 also made two loans to its subsidiary First Ring Industrial Redevelopment Enterprise, obtaining an interest rate of 4.5% on those loans.

CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis

December 31, 2014

- 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 recent legislation, there are still significant budget pressures due to levy restrictions and a stagnant local economy.
- On July 1, 2013, the State of Wisconsin adopted its biennial budget for 2013 - 2015. That budget held to the strict levy limits under which municipalities must operate by forcing cities to reduce their tax levy in direct proportion to any increase in fees for certain services. As of this writing, the 2015-2017 State Budget has not yet passed.

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: Mark Wyss, City Comptroller, 7525 West Greenfield Ave, West Allis, WI 53214, or 414-302-8252 or mwyss@westalliswi.gov.

General information relating to the City of West Allis, Wisconsin can be found at the City's website www.westalliswi.gov.

BASIC FINANCIAL STATEMENTS

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CITY OF WEST ALLIS, WISCONSIN

Statement of Net Position

December 31, 2014

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	\$ 105,164,219	\$ 7,355,135	\$ 112,519,354	\$ 6,176,241
Receivables				
Taxes	51,585,987	43,000	51,628,987	-
Accounts	1,293,353	7,989,858	9,283,211	8,431,791
Notes and loans	17,015,449	5,260,368	22,275,817	-
Special assessments	1,868,642	-	1,868,642	-
Interest	473,739	83,968	557,707	-
Internal balances	1,223,114	(1,223,114)	-	-
Due to component unit/from primary government	(83,955)	-	(83,955)	83,955
Due from other governments	1,717,579	-	1,717,579	-
Inventories and prepaid items	2,119,220	1,174,852	3,294,072	-
Deposit with CVMIC	3,244,299	-	3,244,299	-
Capital assets				
Land	13,051,777	963,716	14,015,493	-
Construction in progress	473,468	573,890	1,047,358	-
Buildings	159,331,282	496,728	159,828,010	-
Improvements other than buildings	2,019,315	-	2,019,315	-
Machinery and equipment	137,407,238	5,537,370	142,944,608	-
Infrastructure	156,797,835	116,758,757	273,556,592	-
Less: Accumulated depreciation	(267,338,768)	(33,277,549)	(300,616,317)	-
TOTAL ASSETS	387,363,793	111,736,979	499,100,772	14,691,987
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding of debt	-	175,948	175,948	-
LIABILITIES				
Accounts payable	4,930,580	776,489	5,707,069	5,186,902
Accrued liabilities	4,222,985	140,040	4,363,025	43,141
Due to other governments	65,446,130	1,376,212	66,822,342	-
Accrued interest payable	449,406	194,703	644,109	-
Deposits	2,469,034	65,111	2,534,145	-
Unearned revenues	557,877	428,001	985,878	2,501,114
Long-term obligations				
Due within one year	5,660,579	2,522,445	8,183,024	-
Due in more than one year	83,516,092	26,115,035	109,631,127	-
TOTAL LIABILITIES	167,252,683	31,618,036	198,870,719	7,731,157
DEFERRED INFLOWS OF RESOURCES				
Property taxes	41,950,518	43,000	41,993,518	-
NET POSITION				
Net investment in capital assets	158,432,679	64,492,416	222,925,095	-
Restricted				
Debt service	206,806	-	206,806	-
Grantors	857,471	-	857,471	-
Unrestricted	18,663,636	15,759,475	34,423,111	6,960,830
TOTAL NET POSITION	\$ 178,160,592	\$ 80,251,891	\$ 258,412,483	\$ 6,960,830

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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 12,683,740	\$ 1,710,728	\$ -	\$ -
Public safety	37,249,881	4,190,127	1,955,536	-
Public works	19,435,157	960,539	3,173,674	1,005,405
Health and human services	10,697,085	337,709	667,711	11,873,951
Culture and recreation	2,633,438	885,714	300,068	-
Conservation and development	7,490,488	3,432,082	5,097,106	400,000
Interest on debt	1,884,864	302,206	-	-
Total Governmental Activities	92,074,653	11,819,105	11,194,095	13,279,356
Business-type Activities				
Water utility	6,986,601	7,597,571	-	11,335
Sanitary sewer utility	5,845,286	7,468,860	24,445	-
Storm water utility	2,391,743	3,948,601	-	-
Solid waste utility	1,721,052	2,126,314	254,290	-
Parking utility	76,664	28,392	-	-
Senior citizen housing	190,632	190,517	-	-
Total Business-type Activities	17,211,978	21,360,255	278,735	11,335
Total	\$ 109,286,631	\$ 33,179,360	\$ 11,472,830	\$ 13,290,691
Component Units				
Terchak Endowment Fund	\$ 46,471	\$ -	\$ -	\$ -
FIRE	517,948	2,226,328	-	-
	\$ 564,419	\$ 2,226,328	\$ -	\$ -

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

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

\$ (10,973,012)	\$ -	\$ (10,973,012)	\$ -
(31,104,218)	-	(31,104,218)	-
(14,295,539)	-	(14,295,539)	-
2,182,286	-	2,182,286	-
(1,447,656)	-	(1,447,656)	-
1,438,700	-	1,438,700	-
(1,582,658)	-	(1,582,658)	-
<u>(55,782,097)</u>	<u>-</u>	<u>(55,782,097)</u>	<u>-</u>

-	622,305	622,305	-
-	1,648,019	1,648,019	-
-	1,556,858	1,556,858	-
-	659,552	659,552	-
-	(48,272)	(48,272)	-
-	(115)	(115)	-
-	<u>4,438,347</u>	<u>4,438,347</u>	<u>-</u>

<u>(55,782,097)</u>	<u>4,438,347</u>	<u>(51,343,750)</u>	<u>-</u>
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-	-	-	(46,471)
-	-	-	<u>1,708,380</u>
-	-	-	<u>1,661,909</u>

35,331,314	43,000	35,374,314	-
6,461,219	-	6,461,219	-
1,677,243	-	1,677,243	-
9,206,794	-	9,206,794	-
814,462	295,901	1,110,363	139,860
98,680	-	98,680	-
148,689	137,966	286,655	-
1,373,620	(1,373,620)	-	-
<u>55,112,021</u>	<u>(896,753)</u>	<u>54,215,268</u>	<u>139,860</u>

(670,076)	3,541,594	2,871,518	1,801,769
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<u>178,830,668</u>	<u>76,710,297</u>	<u>255,540,965</u>	<u>5,159,061</u>
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<u>\$ 178,160,592</u>	<u>\$ 80,251,891</u>	<u>\$ 258,412,483</u>	<u>\$ 6,960,830</u>
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CITY OF WEST ALLIS, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2014

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 89,772,267	\$ 206,806	\$ 4,554,691	\$ 94,533,764
Receivables				
Taxes	43,027,010	6,292,761	-	49,319,771
Delinquent personal property taxes	266,216	-	-	266,216
Accounts	444,828	-	737,736	1,182,564
Notes and loans	5,387,749	-	11,627,700	17,015,449
Special assessments	-	-	1,868,642	1,868,642
Interest	240,768	-	232,971	473,739
Due from other funds	7,332,201	-	-	7,332,201
Due from other governmental units	12,726	-	1,704,853	1,717,579
Inventories and prepaid items	1,741,220	-	-	1,741,220
TOTAL ASSETS	\$ 148,224,985	\$ 6,499,567	\$ 20,726,593	\$ 175,451,145
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 634,118	\$ -	\$ 1,146,645	\$ 1,780,763
Accrued liabilities	4,146,055	-	75,119	4,221,174
Due to other funds	-	-	6,109,087	6,109,087
Due to other governmental units	65,446,130	-	-	65,446,130
Due to component unit	83,955	-	-	83,955
Deposits	2,397,457	-	41,261	2,438,718
Unearned revenue	-	-	374,492	374,492
Total Liabilities	72,707,715	-	7,746,604	80,454,319
Deferred Inflows of Resources				
Property taxes	33,923,973	6,292,761	-	40,216,734
Special assessments	-	-	1,868,642	1,868,642
Notes and loans	190,750	-	11,756,041	11,946,791
Total Deferred Inflows of Resources	34,114,723	6,292,761	13,624,683	54,032,167
Fund Balances (Deficit)				
Nonspendable				
Inventories and prepaid items	1,741,220	-	-	1,741,220
Long-term receivables	10,460,500	-	-	10,460,500
Restricted				
Bondholders	-	206,806	-	206,806
Grantors	-	-	857,471	857,471
Committed	1,550,039	-	758,609	2,308,648
Assigned	21,347,336	-	2,473,959	23,821,295
Unassigned, reported in				
General fund	6,303,452	-	-	6,303,452
Special revenue funds	-	-	(2,561)	(2,561)
Capital projects funds	-	-	(4,732,172)	(4,732,172)
Total Fund Balances (Deficit)	41,402,547	206,806	(644,694)	40,964,659
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 148,224,985	\$ 6,499,567	\$ 20,726,593	\$ 175,451,145

(Continued)

CITY OF WEST ALLIS, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2014

Reconciliation to the Statement of Net Position

Total Fund Balances from previous page		\$ 40,964,659
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		201,742,147
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	\$ 1,868,642	
Delinquent taxes	266,216	
Loans receivable	11,946,791	
Net adjustment		<u>14,081,649</u>
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.		10,998,214
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	\$ (48,839,469)	
Unfunded pension liability	(534,945)	
Employee benefits	(39,802,257)	
Accrued interest on long-term obligations	(449,406)	
Net adjustment		<u>(89,626,077)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 37)		<u>\$ 178,160,592</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, 2014

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 34,817,859	\$ 6,461,219	\$ -	\$ 41,279,078
Special assessments	-	-	940,064	940,064
Intergovernmental	11,872,280	205,955	8,659,152	20,737,387
Licenses and permits	1,697,187	-	-	1,697,187
Fines, forfeitures and penalties	2,119,352	-	-	2,119,352
Public charges for services	3,445,954	-	1,935,550	5,381,504
Loan repayments	-	-	26,496	26,496
Payment from hospital	300,000	-	-	300,000
Interest	714,015	-	436	714,451
Miscellaneous	583,234	156,200	129,478	868,912
Total Revenues	55,549,881	6,823,374	11,691,176	74,064,431
Expenditures				
Current				
General government	7,401,251	-	2,195	7,403,446
Public safety	31,221,433	-	1,805,817	33,027,250
Public works	11,190,067	-	-	11,190,067
Health	1,937,402	-	667,713	2,605,115
Culture and recreation	2,319,434	-	431,355	2,750,789
Conservation and development	1,064	-	10,468,050	10,469,114
Debt service				
Principal retirement	-	5,450,475	-	5,450,475
Interest and fiscal charges	-	1,908,070	-	1,908,070
Capital outlay	-	-	5,456,649	5,456,649
Total Expenditures	54,070,651	7,358,545	18,831,779	80,260,975
Excess of Revenues Over (Under) Expenditures	1,479,230	(535,171)	(7,140,603)	(6,196,544)
Other Financing Sources (Uses)				
General obligation debt issued	-	-	3,255,000	3,255,000
Transfers in	1,823,631	1,018,802	856,352	3,698,785
Transfers out	(387,650)	(468,702)	(1,368,802)	(2,225,154)
Total Other Financing Sources (Uses)	1,435,981	550,100	2,742,550	4,728,631
Net Change in Fund Balances	2,915,211	14,929	(4,398,053)	(1,467,913)
Fund Balances - January 1	38,487,336	191,877	3,753,359	42,432,572
Fund Balances (Deficit) - December 31	\$ 41,402,547	\$ 206,806	\$ (644,694)	\$ 40,964,659

(Continued)

CITY OF WEST ALLIS, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page \$ (1,467,913)

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 depreciation exceeded capital outlays in the current period, detailed as follows:

Capital outlay	\$ 15,795,404	
Depreciation expense	<u>(13,847,237)</u>	
Net adjustment		1,948,167

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (1,621,400)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,178,754

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	\$ (3,255,000)	
Principal paid on long-term debt	5,450,475	
Forgiveness of principal on long-term debt	400,000	
Unfunded pension liability payment	26,055	
Health insurance benefit	<u>(5,656,557)</u>	
Net adjustment		(3,035,027)

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. 9,978

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. (682,635)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 38 - 39) \$ (670,076)

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 34,612,313	\$ 34,612,313	\$ 34,817,859	\$ 205,546
Intergovernmental	11,975,682	11,975,682	11,872,280	(103,402)
Licenses and permits	1,477,160	1,477,160	1,697,187	220,027
Fines, forfeitures and penalties	2,071,799	2,071,799	2,119,352	47,553
Public charges for services	2,763,700	2,763,700	3,445,954	682,254
Interest	717,000	717,000	714,015	(2,985)
Miscellaneous	879,700	879,700	883,234	3,534
Total Revenues	54,497,354	54,497,354	55,549,881	1,052,527
Expenditures				
Current				
General government	20,855,426	8,493,745	7,401,251	1,092,494
Public safety	21,927,501	32,067,237	31,221,433	845,804
Health	1,602,594	2,118,934	1,937,402	181,532
Public works	9,310,294	12,483,449	11,190,067	1,293,382
Culture and recreation	2,070,039	2,550,861	2,319,434	231,427
Conservation and development	-	30,000	1,064	28,936
Total Expenditures	55,765,854	57,744,226	54,070,651	3,673,575
Excess of Revenues Over (Under) Expenditures	(1,268,500)	(3,246,872)	1,479,230	4,726,102
Other Financing Sources (Uses)				
Transfers in	1,788,000	1,788,000	1,823,631	35,631
Transfers out	-	-	(387,650)	(387,650)
Total Other Financing Sources (Uses)	1,788,000	1,788,000	1,435,981	(352,019)
Net Change in Fund Balance	519,500	(1,458,872)	2,915,211	4,374,083
Fund Balance - January 1	38,487,336	38,487,336	38,487,336	-
Fund Balance - December 31	\$ 39,006,836	\$ 37,028,464	\$ 41,402,547	\$ 4,374,083

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, 2014

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
ASSETS				
Current Assets				
Cash and investments	\$ -	\$ 2,014,440	\$ 1,105,940	\$ 2,710,865
Receivables				
Taxes	-	-	-	-
Accounts	3,864,896	2,052,877	1,114,215	640,471
Interest	-	-	-	-
Inventories and prepaid items	1,174,852	-	-	-
Total Current Assets	5,039,748	4,067,317	2,220,155	3,351,336
Noncurrent Assets				
Capital Assets				
Land	57,990	-	-	-
Construction in progress	27,109	489,845	56,936	-
Buildings	496,728	-	-	-
Infrastructure	36,583,156	36,294,331	43,881,270	-
Machinery and equipment	2,436,393	740,017	1,572,165	679,735
Accumulated depreciation	(14,551,291)	(7,118,282)	(11,154,766)	(344,150)
Total Capital Assets	25,050,085	30,405,911	34,355,605	335,585
Notes receivable	-	-	-	-
Deposit with CVMIC	-	-	-	-
Total Noncurrent Assets	25,050,085	30,405,911	34,355,605	335,585
TOTAL ASSETS	30,089,833	34,473,228	36,575,760	3,686,921
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding of debt	53,820	110,451	11,677	-
LIABILITIES				
Current Liabilities				
Accounts payable	281,485	213,641	158,593	121,012
Accrued liabilities	112,983	12,770	7,840	4,828
Accrued interest payable	71,406	112,976	10,321	-
Deposits	64,111	1,000	-	-
Due to other funds	1,223,114	-	-	-
Due to other governmental units	-	1,376,212	-	-
Long-term obligations due within one year	952,000	1,495,445	75,000	-
Unearned revenue	90,033	-	-	-
Total Current Liabilities	2,795,132	3,212,044	251,754	125,840
Long-term Obligations				
General obligation debt	9,267,639	13,557,911	1,388,449	-
Other post employment benefits	1,901,036	-	-	-
Total Long-term Obligations	11,168,675	13,557,911	1,388,449	-
TOTAL LIABILITIES	13,963,807	16,769,955	1,640,203	125,840
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
NET POSITION				
Net investment in capital assets	14,884,266	15,463,006	32,903,833	335,585
Unrestricted	1,295,580	2,350,718	2,043,401	3,225,496
TOTAL NET POSITION	\$ 16,179,846	\$ 17,813,724	\$ 34,947,234	\$ 3,561,081

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	

\$	191,650	\$	1,332,240	\$	7,355,135	\$	10,630,455
	43,000		-		43,000		2,000,000
	1,330		316,069		7,989,858		110,789
	-		83,968		83,968		-
	-		-		1,174,852		378,000
	235,980		1,732,277		16,646,813		13,119,244

	905,726		-		963,716		-
	-		-		573,890		-
	-		-		496,728		-
	-		-		116,758,757		-
	109,060		-		5,537,370		-
	(109,060)		-		(33,277,549)		-
	905,726		-		91,052,912		-
	-		5,260,368		5,260,368		-
	-		-		-		3,244,299
	905,726		5,260,368		96,313,280		3,244,299
	1,141,706		6,992,645		112,960,093		16,363,543

	-		-		175,948		-
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	1,009		749		776,489		3,149,817
	222		1,397		140,040		1,811
	-		-		194,703		-
	-		-		65,111		30,316
	-		-		1,223,114		-
	-		-		1,376,212		-
	-		-		2,522,445		-
	-		337,968		428,001		183,385
	1,231		340,114		6,726,115		3,365,329

	-		-		24,213,999		-
	-		-		1,901,036		-
	-		-		26,115,035		-
	1,231		340,114		32,841,150		3,365,329

	43,000		-		43,000		2,000,000
--	--------	--	---	--	--------	--	-----------

	905,726		-		64,492,416		-
	191,749		6,652,531		15,759,475		10,998,214
\$	1,097,475	\$	6,652,531	\$	80,251,891	\$	10,998,214

CITY OF WEST ALLIS, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
Operating Revenues				
Charges for services	\$ 7,433,368	\$ 7,468,860	\$ 3,948,601	\$ 2,126,314
Rents	130,849	-	-	-
Parking fees and permits	-	-	-	-
Total Operating Revenues	<u>7,564,217</u>	<u>7,468,860</u>	<u>3,948,601</u>	<u>2,126,314</u>
Operating Expenses				
Operation and maintenance	5,962,622	4,840,236	1,739,494	1,668,922
Insurance claims and estimate changes	-	-	-	-
Depreciation	729,157	393,309	605,414	52,130
Total Operating Expenses	<u>6,691,779</u>	<u>5,233,545</u>	<u>2,344,908</u>	<u>1,721,052</u>
Operating Income (Loss)	<u>872,438</u>	<u>2,235,315</u>	<u>1,603,693</u>	<u>405,262</u>
Nonoperating Revenues (Expenses)				
Interest income	-	-	-	-
Interest and amortization expense	(294,822)	(464,600)	(46,835)	-
Interest rate subsidy	-	(235)	-	-
State and local grants	-	24,445	-	254,290
Property taxes	-	-	-	-
Gain (loss) on sale of capital assets	-	(147,141)	-	-
Income (expense) from merchandising and jobbing	33,354	-	-	-
Miscellaneous	11,764	-	118,387	-
Total Nonoperating Revenues (Expenses)	<u>(249,704)</u>	<u>(587,531)</u>	<u>71,552</u>	<u>254,290</u>
Income (Loss) Before Contributions and Transfers	622,734	1,647,784	1,675,245	659,552
Customer contributions	11,335	-	-	-
Transfers out	<u>(766,297)</u>	<u>(87,323)</u>	<u>(300,000)</u>	<u>(100,000)</u>
Change in Net Position	(132,228)	1,560,461	1,375,245	559,552
Net Position - January 1	<u>16,312,074</u>	<u>16,253,263</u>	<u>33,571,989</u>	<u>3,001,529</u>
Net Position - December 31	<u>\$ 16,179,846</u>	<u>\$ 17,813,724</u>	<u>\$ 34,947,234</u>	<u>\$ 3,561,081</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Utility	Beloit Road Housing Management	Total	
\$ -	\$ 190,517	\$ 21,167,660	\$ 14,169,760
-	-	130,849	-
28,392	-	28,392	-
<u>28,392</u>	<u>190,517</u>	<u>21,326,901</u>	<u>14,169,760</u>
76,664	190,632	14,478,570	-
-	-	-	16,852,395
-	-	1,780,010	-
<u>76,664</u>	<u>190,632</u>	<u>16,258,580</u>	<u>16,852,395</u>
<u>(48,272)</u>	<u>(115)</u>	<u>5,068,321</u>	<u>(2,682,635)</u>
-	295,901	295,901	100,011
-	-	(806,257)	-
-	-	(235)	-
-	-	278,735	-
43,000	-	43,000	2,000,000
-	-	(147,141)	-
-	-	33,354	-
-	8,050	138,201	-
<u>43,000</u>	<u>303,951</u>	<u>(164,442)</u>	<u>2,100,011</u>
<u>(5,272)</u>	<u>303,836</u>	<u>4,903,879</u>	<u>(582,624)</u>
-	-	11,335	-
-	(120,000)	(1,373,620)	(100,011)
<u>(5,272)</u>	<u>183,836</u>	<u>3,541,594</u>	<u>(682,635)</u>
<u>1,102,747</u>	<u>6,468,695</u>	<u>76,710,297</u>	<u>11,680,849</u>
<u>\$ 1,097,475</u>	<u>\$ 6,652,531</u>	<u>\$ 80,251,891</u>	<u>\$ 10,998,214</u>

CITY OF WEST ALLIS, WISCONSIN
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
Cash Flows from Operating Activities			
Cash received from customers	\$ 7,706,962	\$ 7,435,798	\$ 3,890,256
Cash from interfund services provided	-	-	-
Cash paid to suppliers	(3,781,151)	(4,480,733)	(999,405)
Cash paid to employees	(1,361,883)	(414,367)	(606,507)
Net Cash Provided (Used) by Operating Activities	2,563,928	2,540,698	2,284,344
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(766,297)	(87,323)	(300,000)
State and local grants	-	24,445	-
Property taxes	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(766,297)	(62,878)	(300,000)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(2,165,546)	(3,186,646)	(2,183,082)
Customer contributions	11,335	-	-
Proceeds from debt issued	1,520,000	2,025,000	-
Principal paid on long-term debt	(887,500)	(1,402,934)	(60,000)
Interest paid on long-term debt	(275,920)	(414,907)	(53,765)
Net Cash Used by Capital and Related Financing Activities	(1,797,631)	(2,979,487)	(2,296,847)
Cash Flows from Investing Activities			
Interest received	-	(235)	-
Received on notes	-	-	-
Total Cash Flows from Investing Activities	-	(235)	-
Change in Cash and Cash Equivalents	-	(501,902)	(312,503)
Cash and Cash Equivalents - January 1	-	2,516,342	1,418,443
Cash and Cash Equivalents - December 31	\$ -	\$ 2,014,440	\$ 1,105,940
Cash Flows from Operating Activities			
Operating income (loss)	\$ 872,438	\$ 2,235,315	\$ 1,603,693
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	729,157	393,309	605,414
Depreciation charged to operating accounts	79,925	-	-
Merchandising and jobbing non-operating expense	33,354	-	-
Miscellaneous nonoperating income (expense)	11,764	-	118,387
Changes in assets and liabilities			
Accounts receivable	130,981	(33,062)	(176,732)
Due from other funds	-	-	-
Inventories and prepaid items	209,871	-	-
Accounts payable	(35,219)	(55,626)	131,273
Accrued liabilities	9,724	5,218	2,309
Deposits	20,789	-	-
Unearned revenue	2,362	-	-
Due to other funds	249,182	-	-
OPEB liability	249,600	-	-
Due to other governmental units	-	(4,456)	-
Net Cash Provided (Used) by Operating Activities	\$ 2,563,928	\$ 2,540,698	\$ 2,284,344

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	
\$ 2,139,082	\$ 28,112	\$ 242,569	\$ 21,442,779	\$ -
-	-	-	-	14,116,539
(1,147,435)	(50,754)	(27,721)	(10,487,199)	(17,203,195)
(525,346)	(25,729)	(132,631)	(3,066,463)	-
<u>466,301</u>	<u>(48,371)</u>	<u>82,217</u>	<u>7,889,117</u>	<u>(3,086,656)</u>
(100,000)	-	(120,000)	(1,373,620)	(100,011)
254,290	-	-	278,735	-
-	43,000	-	43,000	2,000,000
<u>154,290</u>	<u>43,000</u>	<u>(120,000)</u>	<u>(1,051,885)</u>	<u>1,899,989</u>
-	-	-	(7,535,274)	-
-	-	-	11,335	-
-	-	-	3,545,000	-
-	-	-	(2,350,434)	-
-	-	-	(744,592)	-
-	-	-	(7,073,965)	-
-	-	371,885	371,650	100,011
-	-	45,128	45,128	-
-	-	<u>417,013</u>	<u>416,778</u>	<u>100,011</u>
620,591	(5,371)	379,230	180,045	(1,086,656)
<u>2,090,274</u>	<u>197,021</u>	<u>953,010</u>	<u>7,175,090</u>	<u>11,717,111</u>
<u>\$ 2,710,865</u>	<u>\$ 191,650</u>	<u>\$ 1,332,240</u>	<u>\$ 7,355,135</u>	<u>\$ 10,630,455</u>
\$ 405,262	\$ (48,272)	\$ (115)	\$ 5,068,321	\$ (2,682,635)
52,130	-	-	1,780,010	-
-	-	-	79,925	-
-	-	-	33,354	-
-	-	8,050	138,201	-
12,768	(280)	52,052	(14,273)	(50,006)
-	-	-	-	-
-	-	-	209,871	(378,000)
(4,094)	201	217	36,752	28,995
235	(20)	471	17,937	(304)
-	-	(62,426)	(41,637)	(1,491)
-	-	83,968	86,330	(3,215)
-	-	-	249,182	-
-	-	-	249,600	-
-	-	-	(4,456)	-
<u>\$ 466,301</u>	<u>\$ (48,371)</u>	<u>\$ 82,217</u>	<u>\$ 7,889,117</u>	<u>\$ (3,086,656)</u>

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CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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. FIRE financial information is provided for the year ended December 31, 2014. Separate financial statements are available for FIRE.

Terchak Endowment Fund

An endowment fund has been established at the Greater Milwaukee Foundation for the sole purpose of providing funding to the West Allis Library for capital improvements. The endowment does not contain multiple funds. The endowment is under the control of the Greater Milwaukee Foundation Board, which is completely independent of the City of West Allis. The endowment fund is included as a discretely presented component unit since its purpose is to provide funding to the West Allis Library. Financial information is presented for the year ended December 31, 2014. Separate financial statements are not available.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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*.

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.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. 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.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 fair 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, 2014

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. 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 two sources, special assessments and notes and loans receivable. 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, 2014

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. 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.

k. 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.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, CDBG-EAP, Rental Energy Loans, and Library Endowment 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.
- 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 \$351,059.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2014.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

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, 2014 as follows:

Fund	Function	Excess Expenditures
General Fund		
Common council	General government	\$ 1,835
Mayor	General government	439
Municipal court	General government	90,780
Finance	General government	13,098
Police and Fire Commission	Public safety	4,826
Planning	Public safety	67,154
Sanitation and street division	Public works	51,099
Inventory services	Public works	22,313
Special Revenue Funds		
Housing programs	Conservation and development	267,617
Cable communications	Culture and recreation	28,207
Police grants	Public safety	1,660,920
Fire grants	Public safety	43,091
Miscellaneous grants	Conservation and development	498,755
Information technology joint ventures	General government	31,525
Debt Service Fund		
	Debt issuance costs	36,372
Public Works Improvements Capital Projects Fund		
General government	General government	2,195
Capital outlay	Public works	1,031,124

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

3. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2014:

Fund	Deficit Fund Equity
Special Revenue Funds	
Miscellaneous Grants	\$ 2,561
Capital Projects Funds	
Public Works Improvements	1,272,404
Tax Increment District No. 3	89
Tax Increment District No. 5	2,195,479
Tax Increment District No. 6	308,091
Tax Increment District No. 10	768,428
Tax Increment District No. 11	17,671
Tax Increment District No. 12	25,710
Tax Increment District No. 13	144,300

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

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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 \$112,519,354 on December 31, 2014 as summarized below:

Petty cash and cash on hand	\$ 6,217
Deposits with financial institutions	72,928,045
Investments	39,585,092
	<u>\$ 112,519,354</u>

Additional information on the above deposits and investments follows:

Government-wide Statement of Net Position	
Primary government	<u>\$ 112,519,354</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.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2014, none of the City's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

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 Bank	\$ 2,472,997	\$ -	\$ 2,472,997	\$ -	\$ -	\$ -
Federal Home Loan Mortgage	700,000	-	700,000	-	-	-
Federal National Mortgage	1,551,081	-	1,551,081	-	-	-
Corporate bonds	20,894,499	-	200,000	9,776,793	9,617,706	1,300,000
Municipal bonds	9,543,943	-	905,275	4,239,543	2,179,376	2,219,749
Wisconsin local government investment pool	4,422,572	-	-	-	-	4,422,572
Totals	\$ 39,585,092	\$ -	\$ 5,829,353	\$ 14,016,336	\$ 11,797,082	\$ 7,942,321

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
Federal Home Loan Bank	Mortgage securities	\$ 2,472,997	7%
Wells Fargo	Bond	4,030,292	12%
General Electric Capital Corp.	Bond	4,534,191	13%
Royal Bank of Canada	Bond	5,438,394	16%

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, 2014

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 Bank	\$ 2,472,997	\$ -	\$ -	\$ 2,073,000	\$ 399,997
Federal Home Loan Mortgage	700,000	-	-	700,000	-
Federal National Mortgage	1,551,081	-	-	1,298,379	252,702
Corporate bonds	20,894,499	5,236,825	306,388	9,854,343	5,496,943
Municipal bonds	9,543,943	1,022,997	1,171,201	5,965,936	1,383,809
Wisconsin local government investment pool	4,422,572	4,422,572	-	-	-
Totals	\$ 39,585,092	\$ 10,682,394	\$ 1,477,589	\$ 19,891,658	\$ 7,533,451

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	\$ 1,551,081
Federal Home Loan Mortgage Corporation	700,000
Federal Home Loan Bank	2,472,997

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$4,422,572 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, 2014, 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, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,582,543	\$ 469,234	\$ -	\$ 13,051,777
Construction in progress	447,925	473,468	447,925	473,468
	<u>13,030,468</u>	<u>942,702</u>	<u>447,925</u>	<u>13,525,245</u>
Capital assets, being depreciated:				
Improvements other than buildings	1,988,330	30,985	-	2,019,315
Buildings	152,191,655	7,139,627	-	159,331,282
Machinery and equipment	132,413,042	5,203,892	209,696	137,407,238
Infrastructure	155,640,377	2,926,123	1,768,665	156,797,835
Subtotals	<u>442,233,404</u>	<u>15,300,627</u>	<u>1,978,361</u>	<u>455,555,670</u>
Less accumulated depreciation for:				
Land improvements	1,755,956	28,553	-	1,784,509
Buildings	76,205,548	5,033,646	-	81,239,194
Machinery and equipment	102,437,206	3,604,537	87,822	105,953,921
Infrastructure	73,449,782	5,180,501	269,139	78,361,144
Subtotals	<u>253,848,492</u>	<u>13,847,237</u>	<u>356,961</u>	<u>267,338,768</u>
Total capital assets, being depreciated, net	<u>188,384,912</u>	<u>1,453,390</u>	<u>1,621,400</u>	<u>188,216,902</u>
Governmental activities capital assets, net	<u>\$ 201,415,380</u>	<u>\$ 2,396,092</u>	<u>\$ 2,069,325</u>	<u>201,742,147</u>
Less related long-term debt outstanding				<u>43,309,468</u>
Net investment in capital assets				<u>\$ 158,432,679</u>

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 963,716	\$ -	\$ -	\$ 963,716
Construction in progress	63,103	573,890	63,103	573,890
	<u>1,026,819</u>	<u>573,890</u>	<u>63,103</u>	<u>1,537,606</u>
Capital assets, being depreciated:				
Buildings	496,728	-	-	496,728
Machinery and equipment	5,224,832	312,538	-	5,537,370
Infrastructure	110,531,060	6,711,950	484,253	116,758,757
Subtotals	<u>116,252,620</u>	<u>7,024,488</u>	<u>484,253</u>	<u>122,792,855</u>
Less accumulated depreciation for:				
Buildings	414,223	15,551	-	429,774
Machinery and equipment	3,757,595	251,579	-	4,009,174
Infrastructure	27,582,906	1,592,805	337,110	28,838,601
Subtotals	<u>31,754,724</u>	<u>1,859,935</u>	<u>337,110</u>	<u>33,277,549</u>
Total capital assets, being depreciated, net	<u>84,497,896</u>	<u>5,164,553</u>	<u>147,143</u>	<u>89,515,306</u>
Business-type activities capital assets, net	<u>\$ 85,524,715</u>	<u>\$ 5,738,443</u>	<u>\$ 210,246</u>	91,052,912
Less related long-term debt outstanding, net of deferred inflows of resources				<u>26,560,496</u>
Net investment in capital assets				<u>\$ 64,492,416</u>
Depreciation expense was charged to functions of the City as follows:				
Governmental activities				
General government				\$ 175,098
Public safety				601,923
Public works				5,182,925
Health and human services				7,833,857
Culture and recreation				53,434
Total depreciation expense - governmental activities				<u>\$ 13,847,237</u>
Business-type activities				
Water utility				\$ 729,157
Sanitary sewer utility				393,309
Storm water utility				605,414
Solid waste fund				52,130
Depreciation charged to operating accounts				79,925
Total depreciation expense - business-type activities				<u>\$ 1,859,935</u>

Depreciation expense of business-type activities differs from the increase in accumulated depreciation due to a portion of depreciation being charged to other operating accounts during the year.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, 2014 are detailed below:

	Interfund Receivables	Interfund Payables
Governmental Funds		
Operating Accounts and Cash Deficits Between Funds		
General Fund	\$ 7,332,201	\$ -
Nonmajor Governmental Funds		
Special Revenue Funds		
Block Grant	-	53,270
H.O.M.E. Program	-	124,039
Police Grants	-	449,713
Miscellaneous Grants	-	301,530
Capital Projects Funds		
Public works improvements	-	1,716,741
Tax Increment Districts		
No. 5	-	2,187,769
No. 6	-	308,037
No. 10	-	768,393
No. 11	-	43,935
No. 12	-	25,710
No. 13	-	129,950
Total Nonmajor Governmental Funds	-	6,109,087
Enterprise Funds		
Water utility	-	1,233,114
Total	\$ 7,332,201	\$ 7,342,201

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, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2014 were as follows:

	Transfer to:			
	General Fund	Debt Service	Nonmajor Governmental	Totals
Transfers from:				
General Fund	\$ -	\$ -	\$ 387,650	\$ 387,650
Debt Service Fund	-	-	468,702	468,702
Nonmajor Governmental Funds	350,000	1,018,802	-	1,368,802
Proprietary Funds				
Water utility	766,297	-	-	766,297
Sanitary sewer utility	87,323	-	-	87,323
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	100,011	-	-	100,011
Totals	<u>\$ 1,823,631</u>	<u>\$ 1,018,802</u>	<u>\$ 856,352</u>	<u>\$ 3,698,785</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, 2014

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, 2014:

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
Governmental activities:					
General Obligation Debt					
General City					
Bonds	\$ 19,185,000	\$ 3,255,000	\$ 2,755,000	\$ 19,685,000	\$ 2,930,000
Notes	2,945,000	-	825,000	2,120,000	425,000
Tax Incremental Districts					
Bonds	26,230,625	-	1,795,625	24,435,000	1,810,000
Notes	3,074,319	-	474,850	2,599,469	409,579
Total General Obligation Debt	<u>51,434,944</u>	<u>3,255,000</u>	<u>5,850,475</u>	<u>48,839,469</u>	<u>5,574,579</u>
Prior service pension liability					
Municipal police and firefighters	304,000	26,698	49,828	280,870	50,000
Post-retirement benefits payable					
Health insurance	34,145,700	10,817,036	5,160,479	39,802,257	-
Workers compensation	257,000	33,207	36,132	254,075	36,000
Governmental activities					
Long-term obligations	<u>\$ 86,141,644</u>	<u>\$ 14,131,941</u>	<u>\$ 11,096,914</u>	<u>\$ 89,176,671</u>	<u>\$ 5,660,579</u>
Business-type activities:					
General Obligation Debt					
Bonds	\$ 25,076,473	\$ 3,545,000	\$ 2,333,106	\$ 26,288,367	\$ 2,480,381
Notes	137,887	-	17,328	120,559	18,064
Premium on debt issued	263,213	88,028	23,723	327,518	24,000
Post-retirement benefits payable					
Health insurance	1,651,436	380,582	130,982	1,901,036	-
Business-type activities					
Long-term obligations	<u>\$ 27,129,009</u>	<u>\$ 4,013,610</u>	<u>\$ 2,505,139</u>	<u>\$ 28,637,480</u>	<u>\$ 2,522,445</u>

Interest paid during the year on long-term debt totaled \$2,604,442.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$4,425,000 issued 4/1/04; \$540,000 due in 2015 and \$565,000 due in 2016; interest 4.50% to 4.625%	\$ 1,105,000
\$5,040,000 issued 5/1/05; \$410,000 due in 2015 and \$145,000 due in 2016; interest 3.70% to 4.00%	555,000
\$4,940,000 issued 5/1/06; \$395,000 due annually through 2017; interest 4.0% to 5.0%	940,000
\$3,695,000 issued 10/1/06; \$130,000 to \$340,000 due annually through 2021; interest 4.0%	1,955,000
\$4,955,000 issued 5/1/07; \$160,000 to \$410,000 due annually through 2022; interest 4.0%	2,040,000
\$6,600,000 issued 6/1/08; \$535,000 to \$540,000 due annually through 2023; interest 3.5% to 4.25%	3,335,000
\$2,945,000 issued 3/27/09; \$185,000 to \$210,000 due annually through 2024; interest 3.50% to 4.35%	1,995,000
\$7,105,000 issued 3/27/09; \$50,000 to \$1,295,000 due annually 2015 through 2024; interest 5.0% to 6.5%	7,105,000
\$17,605,000 issued 3/29/10; \$165,000 to \$1,405,000 due annually through 2029; interest 3.00% to 5.75%	14,910,000
\$2,445,000 issued 3/29/10; \$65,000 to \$115,000 due annually through 2028; interest 2.00% to 4.20%	1,150,000
\$1,554,765 issued 10/27/10; \$70,381 to \$100,451 due annually through 2030; interest 2.4%	1,353,367
\$5,635,000 issued 5/19/11; \$190,000 to \$470,000 due annually through 2026; interest 2.0% to 3.5%	4,225,000
\$6,015,000 issued 4/5/12; \$110,000 to \$420,000 due annually through 2029; interest 0.95% to 4.1%	5,005,000
\$6,205,000 issued 4/5/12; \$235,000 to \$505,000 due annually through 2027; interest 2.0% to 3.0%	5,170,000
\$8,140,000 issued 6/13/13; \$200,000 to \$1,065,000 due annually through 2028; interest 1.0% to 2.5%	7,640,000
\$5,560,000 issued 6/25/13; \$70,000 to \$500,000 due annually through 2030; interest 2.0% to 3.5%	5,125,000
\$6,800,000 issued 6/12/14; \$235,000 to \$570,000 due annually through 2030; interest 2.0% to 3.5%	6,800,000
Total Bonds	<u>70,408,367</u>

(Continued)

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Notes

\$144,426 issued 11/22/06; \$7,221 due annually through 2026; interest 0.5%	86,656
\$507,716 issued 04/11/07; \$26,722 due annually through 2027; interest 0.5%	320,661
\$345,902 issued 1/23/08; \$18,205 due annually through 2026; interest 0.5%	218,465
\$353,377 issued 6/11/08; \$19,632 due annually through 2026; interest 0.5%	235,584
\$50,697 issued 12/23/08; \$2,816 due annually through 2026; interest 0.5%	33,798
\$6,885,000 issued 4/1/09; \$550,000 to \$865,000 due annually through 2019; interest 3.5% to 4.0%	3,715,000
\$177,372 issued 9/24/09; \$19,122 to \$23,828 due annually through 2019; interest 4.5%	109,304
\$188,018 issued 7/2/10; \$16,622 to \$22,240 due annually through 2020; interest 4.25%	120,560
Total Notes	<u><u>4,840,028</u></u>

Total General Obligation Debt

\$ 75,248,395

Annual principal and interest maturities of the outstanding general obligation debt of \$75,248,395 on December 31, 2014 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,574,579	\$ 1,714,085	\$ 2,498,445	\$ 720,859	\$ 8,073,024	\$ 2,434,944
2016	5,595,467	1,541,241	2,515,890	647,636	8,111,357	2,188,877
2017	5,226,418	1,364,138	2,533,431	575,544	7,759,849	1,939,682
2018	5,217,400	1,190,686	2,466,038	507,005	7,683,438	1,697,691
2019	4,533,426	1,025,438	2,403,721	439,531	6,937,147	1,464,969
2020-2024	18,407,985	2,884,453	9,232,927	1,288,033	27,640,912	4,172,486
2025-2029	4,284,194	436,251	4,543,023	297,849	8,827,217	734,100
2030	-	-	215,451	3,218	215,451	3,218
	<u><u>\$ 48,839,469</u></u>	<u><u>\$ 10,156,292</u></u>	<u><u>\$ 26,408,926</u></u>	<u><u>\$ 4,479,675</u></u>	<u><u>\$ 75,248,395</u></u>	<u><u>\$ 14,635,967</u></u>

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

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2014 as \$110,590,476 as follows:

Equalized valuation of the City		\$ 3,712,641,300
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		185,632,065
Total outstanding general obligation debt applicable to debt limitation	\$ 75,248,395	
Less: Amounts available for financing general obligation debt		
Debt service fund	206,806	
Net outstanding general obligation debt applicable to debt limitation		75,041,589
Legal Margin for New Debt		\$ 110,590,476

Unfunded Pension Liability

The City's unfunded pension liability on December 31, 2014 consists of an unfunded liability of \$280,870 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, 2014 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, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. 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.

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2014 include the following:

Net investment in capital assets	
Land	\$ 13,051,777
Construction in progress	473,468
Improvements other than buildings	2,019,315
Buildings	159,331,282
Machinery and equipment	137,407,238
Infrastructure	156,797,835
Less: Accumulated depreciation	(267,338,768)
Less: Related long-term debt outstanding	(43,309,468)
Total Net Investment in Capital Assets	<u>158,432,679</u>
Restricted	
Debt service	206,806
Grantors	857,471
Total Restricted	<u>1,064,277</u>
Unrestricted	<u>18,663,636</u>
Total Governmental Activities Net Position	<u><u>\$ 178,160,592</u></u>

CITY OF WEST ALLIS, WISCONSIN

Notes to Basic Financial Statements

December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Fund Statements

In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2014, fund balance was committed as follows:

General Fund	
Committed for subsequent year's budget	<u>\$ 1,550,039</u>
Special Revenue Funds	
Committed for Cable Communications Fund	\$ 707,451
Committed for Information Technology Joint Ventures Fund	49,158
Committed for EPA Revolving Loan Fund	<u>2,000</u>
	<u>\$ 758,609</u>

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, 2014, fund balance assigned was as follows:

General Fund	
Subsequent years expenditures	\$ 2,011,357
Land/building acquisition	1,000,000
Capital accumulation	2,500,123
Insurance	1,200,000
Workers compensation	1,500,000
Dental insurance	50,000
Unfunded pension liability	8,500,000
Productivity/operation improvement	189,000
Public access	515,000
Tax levy reduction	1,590,000
Strategic planning	97,500
Capital replacement	975,000
Computer/Technology improvement	249,356
Community and economic development investment	570,000
Tax refunds	200,000
Parks and open spaces	100,000
Zombie Properties	100,000
	<u>\$ 21,347,336</u>

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Component Units

TERCHAK ENDOWMENT FUND

This report also contains the Terchak Endowment Fund, which is included as a discretely presented component unit in the statement of net position and the statement of activities. The Terchak Endowment was established through a donation of assets to the Greater Milwaukee Foundation with the intention that those assets act as an endowment for the West Allis Library. All assets are under the control of the Greater Milwaukee Foundation.

In addition to the basic financial statements and the preceding notes to the basic financial statements, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Terchak Endowment Fund follows the accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The Terchak Endowment Fund's assets are included as part of the pooled cash and investments of the Greater Milwaukee Foundation. The Fund's share of the pool is reported at fair value.

FIRST-RING INDUSTRIAL REDEVELOPMENT ENTERPRISE (FIRE)

This report also contains financial information for FIRE, which is included as a discretely presented component unit in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to the basic financial statements, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

FIRE follows the accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

FIRE maintains deposit accounts separate from the City of West Allis. At year end, the bank balance of those deposits was covered by federal depository insurance.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The City provides health care insurance coverage for employees who retire with a minimum of 10 years of service and at least age 50 for protective services and age 55 for non-protective services. The City pays 95% of the premium during the first year of retirement. Thereafter, the retiree will be responsible for any premium increases until age 65, at which time, the City will pay 50% of the premium until the retiree ceases to pay their portion of the premium or until their death. There are 508 active and 544 retired employees in the plan.

Annual OPEB Cost and Net OPEB Obligation - The annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Component	Amount
Annual required contribution	\$ 11,275,982
Interest on net OPEB	1,431,861
Adjustment to annual required contribution	<u>(1,510,225)</u>
Annual OPEB cost (expense)	11,197,618
Contributions made	<u>5,291,461</u>
Change in net OPEB obligation	5,906,157
OPEB obligation - beginning of year	<u>35,797,136</u>
OPEB obligation - end of year	<u><u>\$ 41,703,293</u></u>

The annual required contribution for the current year was determined as part of an actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 3% inflation rate, (b) 4% investment return, (c) and projected salary increases at 3%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2014 is 28 years, and the remaining amount is \$158,697,124.

Trend Information - The annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 for the plan is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 10,073,291	42%	\$ 30,342,636
12/31/2013	10,056,463	46%	35,796,518
12/31/2014	11,197,618	47%	41,703,293

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress - As of the most recent actuarial valuations, conducted during 2014, the plan's unfunded actuarial accrued liability (UAAL) was \$158,697,124. The annual payroll for active employees covered by the plan for the 2014 fiscal year was \$36,272,346 for a ratio of the UAAL to covered payroll of 438%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4% to discount expected liabilities to the valuation date. The initial healthcare trend rate for the plan was 10%; decreasing by 1% per year down to 5%. The UAAL is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2014 was 28 years.

The required schedule of funding progress, which presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits, immediately follows the notes to the financial statements.

NOTE E - OTHER INFORMATION

1. Retirement Commitments

a. Wisconsin Retirement System

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 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. 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. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE E - OTHER INFORMATION (Continued)

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions 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.

Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for City employees covered by the WRS for the year ended December 31, 2014 was \$35,558,481; the employer's total payroll was \$36,272,346. The total required contribution for the year ended December 31, 2014 was \$5,814,499, which consisted of \$3,323,087, or 9.3% of covered payroll from the employer and \$2,491,412, or 7.0% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2014 was financed by the City. Total contributions for the years ending December 31, 2013 and 2012 were \$5,296,866 and \$4,771,718, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 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.

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

b. 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 \$280,870 and is included in the Statement of Net Position. The total City contribution to the Fund during 2014 was \$49,828.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, 2014

NOTE E - OTHER INFORMATION (Continued)

All funds of the City participate in the plans. At December 31, 2014 the City maintained reserves of \$50,000 and \$1,000,000 for the coverage of catastrophe losses related to the dental and the workers' compensation plan, respectively. The claims liabilities of \$59,818 and \$241,563 for the dental and the workers' compensation plan, respectively are reported as accrued liabilities in the General Fund, and the health claims liability of \$2,046,573 is reported as accounts payable in the Health Insurance Internal Service Fund at December 31, 2014. 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, 2014, 2013 and 2012 are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Payments	Liability December 31
2014	\$ 2,030,400	\$ 16,670,744	\$ 16,654,571	\$ 2,046,573
2013	2,161,580	15,985,932	16,117,112	2,030,400
2012	2,351,000	15,885,896	16,075,316	2,161,580

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. 2	TID No. 3	TID No. 5	TID No. 6	TID No. 7
Creation date	11/15/1993	8/17/1994	1/1/2001	1/1/2004	1/1/2004
Date construction period ends	11/14/2003	8/16/2004	1/1/2008	1/1/2025	1/1/2025
Date District terminates	12/31/2020	12/31/2020	12/31/2023	12/31/1930	12/31/2030
Unreimbursed project costs	\$ -	\$ -	\$ 19,209,394	\$ 2,073,091	\$ 2,866,027
Outstanding debt	\$ -	\$ -	\$ 17,013,915	\$ 1,765,000	\$ 4,473,221

	TID No. 9	TID No. 10	TID No. 11	TID No. 12	TID No. 13
Creation date	1/1/2006	1/1/2008	1/1/2010	1/1/2011	1/1/2011
Date construction period ends	1/1/2027	1/1/2030	1/1/1932	1/1/2033	1/1/2033
Date District terminates	12/31/2032	12/31/2034	12/31/2036	12/31/2037	12/31/2037
Unreimbursed project costs	\$ 1,357,604	\$ 2,103,428	\$ 912,672	\$ 25,710	\$ 144,298
Outstanding debt	\$ 1,445,617	\$ 1,335,000	\$ 895,000	\$ -	\$ -

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, 2014

NOTE E - OTHER INFORMATION (Continued)

5. Intermunicipal Agreement

The City is a member of the Milwaukee Area Domestic Animal Control Commission (MADACC) 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. In 1997, the Commission borrowed \$2.5 million at 4.789% due annually through 2014, for the purchase of land and the construction of a facility.

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 \$350,000 from the Hospital in 2014.

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 2014 and 2015 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 2014 budget was .00%. The actual limit for the City for the 2015 budget was 0.22%. 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 OMB Circular A-133 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.

9. Subsequent Events

On May 19, 2015 the City issued \$8,845,000 of general obligation corporate bonds, series 2015A. The bonds are payable through 2030 at interest rates ranging from 2.50% to 3.00%.

CITY OF WEST ALLIS, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE E - OTHER INFORMATION (Continued)

10. Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Funding Progress
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2014

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Unit Credit	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 122,041,691	0.00%	\$ 122,041,691	\$ 35,910,808	340%
2012	-	139,828,532	0.00%	139,828,532	34,981,999	400%
2014	-	158,697,124	0.00%	158,697,124	36,272,346	438%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008.
 Information for prior years is not available.

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Employer Contributions
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2014

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 3,734,292	\$ 9,519,392	39%
2011	4,065,523	9,519,392	43%
2012	4,200,671	10,048,793	42%
2013	4,602,581	10,056,463	46%
2014	5,291,461	11,275,982	47%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

SUPPLEMENTARY INFORMATION

CITY OF WEST ALLIS, WISCONSIN
 General Fund
 Schedule of Budgeted and Actual Revenues
 For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Taxes			
General City property taxes	\$ 33,342,813	\$ 33,342,426	\$ (387)
Delinquent personal property taxes	40,000	28,190	(11,810)
Omitted taxes	2,500	-	(2,500)
Mobile home and trailer taxes	80,000	73,399	(6,601)
Hotel and motel taxes	42,000	64,510	22,510
State sales taxes	-	390	390
Tax equivalents			
Medical office	612,000	696,541	84,541
HOLIE	76,595	83,044	6,449
Other	81,405	91,260	9,855
Tax delinquencies and penalties	335,000	438,099	103,099
Total Taxes	34,612,313	34,817,859	205,546
Intergovernmental			
State shared revenues	7,263,567	7,268,863	5,296
Expenditure restraint program	1,548,236	1,548,237	1
Transportation aid	2,209,379	2,208,565	(814)
Exempt computer aid	187,000	177,631	(9,369)
Fire insurance	145,000	166,003	21,003
Municipal services payment	322,500	8,314	(314,186)
Milwaukee County Library	270,000	264,667	(5,333)
State fair service contract	30,000	230,000	200,000
Total Intergovernmental	11,975,682	11,872,280	(103,402)
Licenses and Permits			
Liquor/tavern licenses	97,400	99,042	1,642
Business operators license	174,800	119,596	(55,204)
Permits			
Construction	715,000	979,309	264,309
Parking	370,400	376,103	5,703
Engineering	81,500	82,831	1,331
Health	15,760	16,057	297
Other licenses and permits	22,300	24,249	1,949
Total Licenses and Permits	1,477,160	1,697,187	220,027

(Continued)

CITY OF WEST ALLIS, WISCONSIN
 General Fund
 Schedule of Budgeted and Actual Revenues (Continued)
 For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Charges for Services			
General government	20,750	23,814	3,064
Building inspection	49,900	59,726	9,826
Police	296,450	353,406	56,956
Ambulance	1,475,000	1,506,282	31,282
Fire	45,050	81,466	36,416
Milwaukee County paramedic aid	180,000	47,711	(132,289)
Health	261,850	321,652	59,802
Senior center	6,700	6,821	121
Public works	338,000	960,539	622,539
Library	90,000	84,537	(5,463)
Total Public Charges for Services	2,763,700	3,445,954	682,254
Fines, Forfeitures and Penalties			
Court fines, costs and fees	971,799	1,126,739	154,940
Parking violations	1,100,000	912,005	(187,995)
Judgments and damages	-	80,608	80,608
Total Fines, Forfeitures and Penalties	2,071,799	2,119,352	47,553
Interest			
Interest on investments	715,000	710,744	(4,256)
Interest on special assessments	2,000	3,271	1,271
Total Interest	717,000	714,015	(2,985)
Miscellaneous			
Rental of City buildings	177,000	202,663	25,663
Sale of material and equipment	102,000	98,680	(3,320)
Contributions	350,000	300,000	(50,000)
Miscellaneous	250,700	281,891	31,191
Total Miscellaneous	879,700	883,234	3,534
TOTAL GENERAL FUND REVENUES	\$ 54,497,354	\$ 55,549,881	\$ 1,052,527

CITY OF WEST ALLIS, WISCONSIN
 General Fund
 Schedule of Budgeted and Actual Expenditures
 For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government				
Common council	\$ 100,200	\$ 261,559	\$ 263,394	\$ (1,835)
Mayor	84,288	128,916	129,355	(439)
City attorney	482,750	686,802	675,652	11,150
Municipal court	324,807	388,437	479,217	(90,780)
City assessor	370,345	549,058	536,182	12,876
Administration	156,857	195,722	134,560	61,162
Information technology	845,458	1,368,585	1,246,324	122,261
Purchasing/central services	595,040	711,463	515,645	195,818
Human resources	333,743	472,135	461,178	10,957
Finance	336,380	502,612	515,710	(13,098)
City clerk/treasurer	463,143	680,449	643,138	37,311
Promotions, celebrations and awards	120,425	145,425	100,815	44,610
Other general government	16,641,990	2,402,582	1,700,081	702,501
Total General Government	20,855,426	8,493,745	7,401,251	1,092,494
Public Safety				
Police department	11,816,890	17,645,001	17,412,222	232,779
Fire department	9,035,819	12,858,855	12,175,669	683,186
Police and fire commission	20,000	20,000	24,826	(4,826)
Building inspections and zoning	824,545	1,183,481	1,181,662	1,819
Planning	230,247	359,900	427,054	(67,154)
Total Public Safety	21,927,501	32,067,237	31,221,433	845,804
Health	1,602,594	2,118,934	1,937,402	181,532
Public Works				
Engineering	916,944	1,266,875	1,206,071	60,804
Public works administration office	269,345	383,122	347,904	35,218
Building and electrical division	2,651,131	3,376,613	3,101,490	275,123
Sanitation and street division	2,542,496	3,517,230	3,568,329	(51,099)
Forestry division	1,092,944	1,444,992	1,395,409	49,583
Fleet services	1,665,057	2,261,201	1,315,135	946,066
Inventory services	172,377	233,416	255,729	(22,313)
Total Public Works	9,310,294	12,483,449	11,190,067	1,293,382
Culture and Recreation				
Senior center	174,712	226,332	223,401	2,931
Library	1,895,327	2,324,529	2,096,033	228,496
Total Culture and Recreation	2,070,039	2,550,861	2,319,434	231,427
Conservation and development				
Neighborhood grants	-	30,000	1,064	28,936
TOTAL GENERAL FUND EXPENDITURES	\$ 55,765,854	\$ 57,744,226	\$ 54,070,651	\$ 3,673,575

CITY OF WEST ALLIS, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Library Endowment	Cable Communications
ASSETS							
Cash and investments	\$ 5,240	\$ 29,893	\$ 35,938	\$ 423,858	\$ 248,773	\$ 91,378	\$ 595,621
Receivables							
Accounts	475	-	-	-	3,123	-	121,290
Notes and loans	1,925,180	112,505	2,665,290	-	341,804	-	-
Special assessments	-	-	-	-	-	-	-
Interest	-	-	7,180	-	57	-	-
Due from other governmental units	192,988	-	172,225	-	-	-	-
TOTAL ASSETS	\$ 2,123,883	\$ 142,398	\$ 2,880,633	\$ 423,858	\$ 593,757	\$ 91,378	\$ 716,911

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities							
Accounts payable	\$ 130,622	\$ -	\$ 53,658	\$ -	\$ 12,008	\$ -	\$ 79
Accrued liabilities	14,811	-	1,682	-	20,032	-	9,381
Due to other funds	53,270	-	124,039	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Unearned revenues	-	-	7,180	-	-	-	-
Total Liabilities	198,703	-	186,559	-	32,040	-	9,460

Deferred Inflows of Resources

Special assessments	-	-	-	-	-	-	-
Notes and loans	1,925,180	112,505	2,665,290	-	341,804	-	-
Total Deferred Inflows of Resources	1,925,180	112,505	2,665,290	-	341,804	-	-

Fund Balance (Deficit)

Restricted	-	-	-	-	-	-	-
Grants	-	29,893	28,784	423,858	219,913	91,378	-
Committed	-	-	-	-	-	-	707,451
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	-	29,893	28,784	423,858	219,913	91,378	707,451

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

\$ 2,123,883	\$ 142,398	\$ 2,880,633	\$ 423,858	\$ 593,757	\$ 91,378	\$ 716,911
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(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds (Continued)
 December 31, 2014

	Health Grants	Police Grants	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	EPA Revolving Loan	Total Special Revenue Funds
\$	134,739	3,343	72,185	48,438	33,818	2,000	1,725,224
	-	-	-	720	-	-	125,608
	-	-	-	-	-	-	5,044,779
	-	-	-	-	-	-	-
	-	-	-	-	-	-	7,237
	99,852	576,300	3,438	-	305,244	-	1,350,047
TOTAL ASSETS	\$ 234,591	\$ 579,643	\$ 75,623	\$ 49,158	\$ 339,062	\$ 2,000	\$ 8,252,895

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities	Accounts payable	Accrued liabilities	Due to other funds	Customer deposits	Unearned revenues	Total Liabilities
\$	29,871	124,662	11,978	-	-	368,887
	21,225	5,268	-	267	-	72,666
	-	449,713	-	301,530	-	928,552
	183,495	-	-	-	-	224,492
	234,591	579,643	11,978	-	33,817	1,594,597

Deferred Inflows of Resources
 Special assessments
 Notes and loans
 Total Deferred Inflows of Resources

-	-	-	-	-	-	-
-	-	-	-	-	-	5,044,779
-	-	-	-	-	-	5,044,779

Fund Balance (Deficit)

Restricted	Grantors	Committed	Assigned	Unassigned (deficit)	Total Fund Balance (Deficit)
-	63,645	-	-	-	857,471
-	-	49,158	-	-	758,609
-	-	-	-	-	-
-	-	-	-	(2,561)	(2,561)
-	63,645	49,158	-	(2,561)	1,613,519

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

\$	234,591	579,643	75,623	49,158	339,062	2,000	8,252,895
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(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds (Continued)
 December 31, 2014

	Public Works Improvements	Tax Increment Districts				
		No. 2	No. 3	No. 5	No. 6	No. 7
\$	-	\$ 282,827	\$ 442,450	\$ -	\$ -	\$ 2,016,177
Accounts Receivables	581,031	-	-	-	-	-
Notes and loans	-	1,273,127	555,000	-	-	4,754,794
Special assessments	1,868,642	-	-	-	-	-
Interest	-	-	-	-	-	225,734
Due from other governmental units	354,806	-	-	-	-	-
TOTAL ASSETS	\$ 2,804,479	\$ 282,827	\$ 1,715,577	\$ 555,000	\$ -	\$ 6,996,705

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities						
Accounts payable	\$ 298,288	\$ -	\$ 442,539	\$ 7,452	\$ -	\$ 10,348
Accrued liabilities	1,951	-	-	258	-	54
Due to other funds	1,716,741	-	-	2,187,769	308,037	-
Customer deposits	41,261	-	-	-	-	-
Unearned revenue	150,000	-	-	-	-	-
Total Liabilities	2,208,241	-	442,539	2,195,479	308,091	10,451

Deferred Inflows of Resources

Special assessments	1,868,642	-	-	-	-	-
Notes and loans	-	1,273,127	555,000	-	-	4,883,135
Total Deferred Inflows of Resources	1,868,642	1,273,127	555,000	-	-	4,883,135

Fund Balance (Deficit)

Restricted	-	-	-	-	-	-
Grantors	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	282,827	-	-	-	2,103,119
Unassigned (deficit)	(1,272,404)	-	(89)	(2,195,479)	(308,091)	-
Total Fund Balance (Deficit)	(1,272,404)	282,827	(89)	(2,195,479)	(308,091)	2,103,119

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

\$	2,804,479	\$ 282,827	\$ 1,715,577	\$ 555,000	\$ -	\$ 6,996,705
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(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

	Tax Increment Districts (Continued)					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12	No. 13		
ASSETS							
Cash and investments	\$ 88,013	\$ -	\$ -	\$ -	\$ -	\$ 2,829,467	\$ 4,554,691
Receivables	-	-	31,097	-	-	612,128	737,736
Accounts	-	-	-	-	-	6,582,921	11,627,700
Notes and loans	-	-	-	-	-	1,868,642	1,868,642
Special assessments	-	-	-	-	-	225,734	232,971
Interest	-	-	-	-	-	354,806	1,704,853
Due from other governmental units	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 88,013	\$ -	\$ 31,097	\$ -	\$ -	\$ 12,473,698	\$ 20,726,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 4,831	\$ -	\$ 14,300	\$ 777,758	\$ 1,146,645
Accrued liabilities	-	35	2	-	50	2,453	75,119
Due to other funds	-	768,393	43,935	25,710	129,950	5,180,535	6,109,087
Customer deposits	-	-	-	-	-	41,261	41,261
Unearned revenue	-	-	-	-	-	150,000	374,492
Total Liabilities	-	768,428	48,768	25,710	144,300	6,152,007	7,746,604
Deferred Inflows of Resources							
Special assessments	-	-	-	-	-	1,868,642	1,868,642
Notes and loans	-	-	-	-	-	6,711,262	11,756,041
Total Deferred Inflows of Resources	-	-	-	-	-	8,579,904	13,624,683
Fund Balance (Deficit)							
Restricted	-	-	-	-	-	-	857,471
Grantors	-	-	-	-	-	-	758,609
Committed	88,013	-	-	-	-	2,473,959	2,473,959
Assigned	-	(768,428)	(17,671)	(25,710)	(144,300)	(4,732,172)	(4,734,733)
Unassigned (deficit)	-	(768,428)	(17,671)	(25,710)	(144,300)	(2,258,213)	(644,694)
Total Fund Balance (Deficit)	88,013	(768,428)	(17,671)	(25,710)	(144,300)	(2,258,213)	(644,694)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 88,013	\$ -	\$ 31,097	\$ -	\$ -	\$ 12,473,698	\$ 20,726,593

CITY OF WEST ALLIS, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2014

	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Library Endowment	Cable Commun-ications
Revenues							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,293,801	4,553	336,673	-	2,957,562	-	-
Public charges for services	186,130	-	-	-	-	-	688,120
Loan repayments	-	-	26,496	-	-	-	-
Interest	-	-	101	-	311	24	-
Miscellaneous	-	-	-	-	-	35,402	-
Total Revenues	1,479,931	4,553	363,270	-	2,957,873	35,426	688,120
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	25,097	-
Conservation and development	-	-	-	-	-	-	-
Capital outlay	1,479,931	-	375,269	8,851	3,097,855	-	406,258
Total Expenditures	1,479,931	-	375,269	8,851	3,097,855	25,097	406,258
Excess of Revenues Over (Under) Expenditures	-	4,553	(11,999)	(8,851)	(139,982)	10,329	281,862
Other Financing Sources (Uses)							
General obligation debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(350,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(350,000)
Net Change in Fund Balances	-	4,553	(11,999)	(8,851)	(139,982)	10,329	(68,138)
Fund Balances (Deficits) - January 1	-	25,340	40,783	432,709	359,895	81,049	775,589
Fund Balances (Deficits) - December 31	\$ -	\$ 29,893	\$ 28,784	\$ 423,858	\$ 219,913	\$ 91,378	\$ 707,451

(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, 2014

	Health Grants	Police Grants	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	EPA Revolving Loan	Total Special Revenue Funds
Revenues							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	667,711	1,762,726	26,807	-	624,750	-	7,674,583
Public charges for services	-	-	-	-	-	2,000	876,250
Loan repayments	-	-	-	-	-	-	26,496
Interest	-	-	-	-	-	-	436
Miscellaneous	2	-	-	22,215	-	-	57,619
Total Revenues	667,713	1,762,726	26,807	22,215	624,750	2,000	8,635,384
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	1,762,726	43,091	-	-	-	1,805,817
Health	667,713	-	-	-	-	-	667,713
Culture and recreation	-	-	-	-	-	-	431,355
Conservation and development	-	-	-	-	621,153	-	5,583,059
Capital outlay	-	-	-	49,525	-	-	49,525
Total Expenditures	667,713	1,762,726	43,091	49,525	621,153	-	8,537,469
Excess of Revenues Over (Under) Expenditures	-	-	(16,284)	(27,310)	3,597	2,000	97,915
Other Financing Sources (Uses)							
General obligation debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(350,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(350,000)
Net Change in Fund Balances	-	(16,284)	(27,310)	3,597	2,000	(252,085)	1,865,604
Fund Balances (Deficits) - January 1	-	-	79,929	76,468	(6,158)	-	-
Fund Balances (Deficits) - December 31	\$ -	\$ -	\$ 63,645	\$ 49,158	\$ (2,561)	\$ 2,000	\$ 1,613,519

(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, 2014

	Public Works Improvements	Tax Increment Districts					No. 7
		No. 2	No. 3	No. 5	No. 6	No. 7	
Revenues							
Special assessments	\$ 940,064	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	984,569	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	216,976
Loan repayments	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Miscellaneous	29	-	-	-	7,000	-	-
Total Revenues	1,924,662	-	-	-	7,000	-	216,976
Expenditures							
Current							
General government	2,195	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	150	89	2,642,329	13,673	-	1,671,816
Capital outlay	5,407,124	-	-	-	-	-	-
Total Expenditures	5,409,319	150	89	2,642,329	13,673	-	1,671,816
Excess of Revenues Over (Under) Expenditures	(3,484,657)	(150)	(89)	(2,642,329)	(6,673)	(1,454,840)	(1,454,840)
Other Financing Sources (Uses)							
General obligation debt issued	3,255,000	-	-	-	-	-	-
Transfers in	387,650	67,962	-	-	-	-	398,123
Transfers out	-	-	-	(664,949)	(84,448)	-	-
Total Other Financing Sources (Uses)	3,642,650	67,962	-	(664,949)	(84,448)	-	398,123
Net Change in Fund Balances	157,993	67,812	(89)	(3,307,278)	(91,121)	(1,056,717)	(1,056,717)
Fund Balances (Deficits) - January 1	(1,430,397)	215,015	-	1,111,799	(216,970)	3,159,836	3,159,836
Fund Balances (Deficits) - December 31	\$ (1,272,404)	\$ 282,827	\$ (89)	\$ (2,195,479)	\$ (308,091)	\$ 2,103,119	\$ 2,103,119

(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2014

	Tax Increment Districts (Continued)				Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12		
Revenues						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 940,064	\$ 940,064
Intergovernmental	-	-	-	-	984,569	8,659,152
Public charges for services	-	842,324	-	-	1,059,300	1,935,550
Loan repayments	-	-	-	-	-	26,496
Interest	-	-	-	-	-	436
Miscellaneous	-	-	64,830	-	71,859	129,478
Total Revenues	-	842,324	64,830	-	3,055,792	11,691,176
Expenditures						
Current						
General government	-	-	-	-	2,195	2,195
Public safety	-	-	-	-	-	1,805,817
Health	-	-	-	-	-	667,713
Culture and recreation	-	-	-	-	-	431,355
Conservation and development	2,359	286,630	100,558	1,948	4,884,991	10,468,050
Capital outlay	-	-	-	-	5,407,124	5,456,649
Total Expenditures	2,359	286,630	100,558	1,948	10,294,310	18,831,779
Excess of Revenues Over (Under) Expenditures	(2,359)	555,694	(35,728)	(1,948)	(7,238,518)	(7,140,603)
Other Financing Sources (Uses)						
General obligation debt issued	-	-	-	-	3,255,000	3,255,000
Transfers in	2,312	-	-	305	856,352	856,352
Transfers out	-	(184,456)	(84,949)	-	(1,018,802)	(1,368,802)
Total Other Financing Sources (Uses)	2,312	(184,456)	(84,949)	305	3,092,550	2,742,550
Net Change in Fund Balances	(47)	371,238	(120,677)	(1,643)	(4,145,968)	(4,398,053)
Fund Balances (Deficits) - January 1	88,060	(1,139,666)	103,006	(24,067)	1,887,755	3,753,359
Fund Balances (Deficits) - December 31	\$ 88,013	\$ (768,428)	\$ (17,671)	\$ (25,710)	\$ (2,258,213)	\$ (644,694)

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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,093,964	\$ 1,293,801	\$ 199,837
Loan repayments	116,436	186,130	69,694
Total Revenues	<u>1,210,400</u>	<u>1,479,931</u>	<u>269,531</u>
Expenditures			
Conservation and development	<u>2,808,354</u>	1,479,931	1,328,423
Net Change in Fund Balance	(1,597,954)	-	1,597,954
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ (1,597,954)</u>	<u>\$ -</u>	<u>\$ 1,597,954</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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 492,000	\$ 336,673	\$ (155,327)
Loan repayments	285,000	26,496	(258,504)
Interest	-	101	101
Total Revenues	<u>777,000</u>	<u>363,270</u>	<u>(413,730)</u>
Expenditures			
Conservation and development	<u>771,528</u>	<u>375,269</u>	<u>396,259</u>
Net Change in Fund Balance	5,472	(11,999)	(17,471)
Fund Balance - January 1	<u>40,783</u>	<u>40,783</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 46,255</u>	<u>\$ 28,784</u>	<u>\$ (17,471)</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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 2,576,775	\$ 2,957,562	\$ 380,787
Interest	20,000	311	(19,689)
Total Revenues	<u>2,596,775</u>	<u>2,957,873</u>	<u>361,098</u>
Expenditures			
Conservation and development	<u>2,830,238</u>	<u>3,097,855</u>	<u>(267,617)</u>
Net Change in Fund Balance	(233,463)	(139,982)	93,481
Fund Balance - January 1	<u>359,895</u>	<u>359,895</u>	-
Fund Balance - December 31	<u>\$ 126,432</u>	<u>\$ 219,913</u>	<u>\$ 93,481</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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services	\$ 735,000	\$ 688,120	\$ (46,880)
Expenditures			
Culture and recreation	378,051	406,258	(28,207)
Excess of Revenues Over Expenditures	356,949	281,862	(75,087)
Other Financing Uses			
Transfers out	(350,000)	(350,000)	-
Net Change in Fund Balance	6,949	(68,138)	(75,087)
Fund Balance - January 1	775,589	775,589	-
Fund Balance - December 31	<u>\$ 782,538</u>	<u>\$ 707,451</u>	<u>\$ (75,087)</u>

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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 667,711	\$ 667,711
Miscellaneous	-	2	2
Total Revenues	<u>-</u>	<u>667,713</u>	<u>667,713</u>
Expenditures			
Health	<u>802,365</u>	<u>667,713</u>	<u>134,652</u>
Net Change in Fund Balance	(802,365)	-	802,365
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ (802,365)</u>	<u>\$ -</u>	<u>\$ 802,365</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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 1,762,726	\$ 1,762,726
Expenditures			
Public safety	101,806	1,762,726	(1,660,920)
Net Change in Fund Balance	(101,806)	-	101,806
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ (101,806)</u>	<u>\$ -</u>	<u>\$ 101,806</u>

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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 26,807	\$ 26,807
Expenditures			
Public safety	-	43,091	(43,091)
Net Change in Fund Balance	-	(16,284)	(16,284)
Fund Balance - January 1	79,929	79,929	-
Fund Balance - December 31	<u>\$ 79,929</u>	<u>\$ 63,645</u>	<u>\$ (16,284)</u>

CITY OF WEST ALLIS, WISCONSIN
Miscellaneous Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 624,750	\$ 624,750
Expenditures			
Conservation and development	122,398	621,153	(498,755)
Net Change in Fund Balance	(122,398)	3,597	125,995
Fund Balance (Deficit) - January 1	(6,158)	(6,158)	-
Fund Balance (Deficit) - December 31	<u>\$ (128,556)</u>	<u>\$ (2,561)</u>	<u>\$ 125,995</u>

CITY OF WEST ALLIS, WISCONSIN
 Information Technology Joint Ventures
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Years Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous	\$ 18,000	\$ 22,215	\$ 4,215
Expenditures			
General government	18,000	49,525	(31,525)
Net Change in Fund Balance	-	(27,310)	(27,310)
Fund Balance - January 1	76,468	76,468	-
Fund Balance - December 31	<u>\$ 76,468</u>	<u>\$ 49,158</u>	<u>\$ (27,310)</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, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 6,411,184	\$ 6,461,219	\$ 50,035
Intergovernmental	195,100	205,955	10,855
Miscellaneous			
Other	75,002	156,200	81,198
Total Revenues	<u>6,681,286</u>	<u>6,823,374</u>	<u>142,088</u>
Expenditures			
Debt service			
Principal retirement			
City purposes	5,450,475	5,450,475	-
Interest and fiscal charges			
City purposes	1,908,312	1,841,698	66,614
Debt issuance costs	30,000	66,372	(36,372)
Total Expenditures	<u>7,388,787</u>	<u>7,358,545</u>	<u>30,242</u>
Excess of Revenues Over (Under) Expenditures	<u>(707,501)</u>	<u>(535,171)</u>	<u>172,330</u>
Other Financing Sources (Uses)			
Transfers in	1,061,048	1,018,802	(42,246)
Transfers out	(428,547)	(468,702)	(40,155)
Total Other Financing Sources (Uses)	<u>632,501</u>	<u>550,100</u>	<u>(82,401)</u>
Net Change in Fund Balance	<u>(75,000)</u>	<u>14,929</u>	<u>89,929</u>
Fund Balance - January 1	<u>191,877</u>	<u>191,877</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 116,877</u>	<u>\$ 206,806</u>	<u>\$ 89,929</u>

CITY OF WEST ALLIS, WISCONSIN
 Public Works Improvements Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special assessments	\$ 1,626,000	\$ 940,064	\$ (685,936)
Intergovernmental	-	984,569	984,569
Miscellaneous	-	29	29
Total Revenues	<u>1,626,000</u>	<u>1,924,662</u>	<u>298,662</u>
Expenditures			
General government	-	2,195	(2,195)
Capital outlay	4,376,000	5,407,124	(1,031,124)
Total Expenditures	<u>4,376,000</u>	<u>5,409,319</u>	<u>(1,033,319)</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,750,000)</u>	<u>(3,484,657)</u>	<u>(734,657)</u>
Other Financing Sources			
General obligation debt issued	2,750,000	3,255,000	505,000
Transfers in	-	387,650	387,650
Total Other Financing Sources	<u>2,750,000</u>	<u>3,642,650</u>	<u>892,650</u>
Net Change in Fund Balance	-	157,993	157,993
Fund Balance (Deficit) - January 1	<u>(1,430,397)</u>	<u>(1,430,397)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (1,430,397)</u>	<u>\$ (1,272,404)</u>	<u>\$ 157,993</u>

CITY OF WEST ALLIS, WISCONSIN

Internal Service Funds

Combining Statement of Net Position

December 31, 2014

ASSETS

Cash and investments
 Receivables
 Taxes
 Accounts
 Prepaid items
 Deposit with CVMIC
 Total Assets

Insurance Management Fund	Health Insurance Fund	Total
\$ 95,166	\$ 10,535,289	\$ 10,630,455
-	2,000,000	2,000,000
-	110,789	110,789
-	378,000	378,000
3,244,299	-	3,244,299
<u>3,339,465</u>	<u>13,024,078</u>	<u>16,363,543</u>

LIABILITIES

Current Liabilities
 Accounts payable
 Accrued liabilities
 Deposits
 Unearned revenue
 Total Liabilities

-	3,149,817	3,149,817
-	1,811	1,811
-	30,316	30,316
-	183,385	183,385
-	<u>3,365,329</u>	<u>3,365,329</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes

-	2,000,000	2,000,000
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NET POSITION

Unrestricted

<u>\$ 3,339,465</u>	<u>\$ 7,658,749</u>	<u>\$ 10,998,214</u>
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CITY OF WEST ALLIS, WISCONSIN

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2014

	Insurance Management Fund	Health Insurance Fund	Totals
Operating Revenues			
Charges to City departments, employees and retirees	\$ -	\$ 14,169,760	\$ 14,169,760
Operating Expenses			
Insurance claims and estimate changes	-	16,852,395	16,852,395
Operating Loss	-	(2,682,635)	(2,682,635)
Nonoperating Revenues			
Property taxes	-	2,000,000	2,000,000
Interest income	100,011	-	100,011
Total Nonoperating Revenues	100,011	2,000,000	2,100,011
Income (Loss) Before Transfers	100,011	(682,635)	(582,624)
Transfers out	(100,011)	-	(100,011)
Change in Net Position	-	(682,635)	(682,635)
Net Position - January 1	3,339,465	8,341,384	11,680,849
Net Position - December 31	\$ 3,339,465	\$ 7,658,749	\$ 10,998,214

CITY OF WEST ALLIS, WISCONSIN
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2014

	Insurance Management Fund	Health Insurance Fund	Total
Cash Flows from Operating Activities			
Cash from interfund services provided	\$ -	\$ 14,116,539	\$ 14,116,539
Cash paid for insurance	-	(17,115,091)	(17,115,091)
Cash paid to consultants and suppliers	-	(88,104)	(88,104)
Net Cash Used by Operating Activities	-	(3,086,656)	(3,086,656)
Cash Flows from Noncapital Financing Activities			
Property taxes	-	2,000,000	2,000,000
Transfers to other funds	(100,011)	-	(100,011)
Net Cash Provided (Used) by Noncapital Financing Activities	(100,011)	2,000,000	1,899,989
Cash Flows from Investing Activities			
Interest received	100,011	-	100,011
Increase (Decrease) in Cash and Cash Equivalents	-	(1,086,656)	(1,086,656)
Cash and Cash Equivalents - January 1	95,166	11,621,945	11,717,111
Cash and Cash Equivalents - December 31	\$ 95,166	\$ 10,535,289	\$ 10,630,455
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating loss	\$ -	\$ (2,682,635)	\$ (2,682,635)
Adjustments to reconcile operating loss to net cash used by operating activities			
Changes in assets and liabilities			
Accounts receivable	-	(50,006)	(50,006)
Accounts payable	-	28,995	28,995
Accrued liabilities	-	(304)	(304)
Deposits	-	(1,491)	(1,491)
Prepaid items	-	(378,000)	(378,000)
Unearned revenues	-	(3,215)	(3,215)
Net Cash Used by Operating Activities	\$ -	\$ (3,086,656)	\$ (3,086,656)

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Governmental Capital Assets - By Source
 December 31, 2014

Governmental Capital Assets	
City Government	
Land	\$ 12,497,605
Construction in progress	287,859
Buildings	18,680,104
Machinery and equipment	21,697,146
Infrastructure	<u>156,797,835</u>
	<u>209,960,549</u>
West Allis Memorial Hospital	
Land	554,172
Construction in progress	185,609
Land improvements	2,019,315
Buildings	140,651,178
Machinery and equipment	<u>115,710,092</u>
	<u>259,120,366</u>
Total Governmental Capital Assets	 <u><u>\$ 469,080,915</u></u>
Investment in Governmental Capital Assets By Source	
General fund	\$ 167,114,541
Special revenue funds	
Federal and state grants	5,579,232
Capital projects funds	
General obligation debt	36,081,926
Hospital Funds	
Cash	201,175,216
Bonds	<u>59,130,000</u>
Total Investment in Governmental Capital Assets By Source	 <u><u>\$ 469,080,915</u></u>

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Governmental Capital Assets - By Function
 December 31, 2014

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
City Government							
General government	\$ 562,857	\$ -	\$ -	\$ 1,857,610	\$ 1,984,577	\$ -	\$ 4,405,044
Public safety	239,826	-	-	10,935,386	7,377,553	-	18,552,765
Public works	9,673,688	287,859	-	1,668,214	11,152,892	156,797,835	179,580,488
Health	74,500	-	-	796,605	65,868	-	936,973
Culture and recreation	1,093,379	-	-	3,422,289	1,045,007	-	5,560,675
Development	853,355	-	-	-	71,249	-	924,604
Total City Government	12,497,605	287,859	-	18,680,104	21,697,146	156,797,835	209,960,549
West Allis Memorial Hospital							
	554,172	185,609	2,019,315	140,651,178	115,710,092	-	259,120,366
Total	\$ 13,051,777	\$ 473,468	\$ 2,019,315	\$ 159,331,282	\$ 137,407,238	\$ 156,797,835	\$ 469,080,915

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Changes in Governmental Capital Assets - by Function
 For the Year Ended December 31, 2014

Function and Activity	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
City Government				
General government	\$ 4,428,163	\$ -	\$ 23,119	\$ 4,405,044
Public safety	18,503,091	190,438	140,764	18,552,765
Public works	177,663,956	3,731,010	1,814,478	179,580,488
Health	936,968	5	-	936,973
Culture and recreation	5,560,675	-	-	5,560,675
Development	924,604	-	-	924,604
Total City Government	208,017,457	3,921,453	1,978,361	209,960,549
West Allis Memorial Hospital	247,246,415	11,873,951	-	259,120,366
Total	<u>\$ 455,263,872</u>	<u>\$ 15,795,404</u>	<u>\$ 1,978,361</u>	<u>\$ 469,080,915</u>

CITY OF WEST ALLIS, WISCONSIN
 Component Units
 Combining Statement of Net Position
 December 31, 2014

ASSETS

Cash and investments
 Accounts receivable
 Due from City of West Allis
 Total Assets

Terchak Endowment Fund	FIRE	Total
\$ 1,154,791	\$ 5,021,450	\$ 6,176,241
-	8,431,791	8,431,791
-	83,955	83,955
<u>1,154,791</u>	<u>13,537,196</u>	<u>14,691,987</u>

LIABILITIES

Current Liabilities
 Accounts payable
 Accrued liabilities
 Unearned revenue
 Total Liabilities

-	5,186,902	5,186,902
-	43,141	43,141
-	2,501,114	2,501,114
<u>-</u>	<u>7,731,157</u>	<u>7,731,157</u>

NET POSITION

Unrestricted

<u>\$ 1,154,791</u>	<u>\$ 5,806,039</u>	<u>\$ 6,960,830</u>
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CITY OF WEST ALLIS, WISCONSIN

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2014

	Terchak Endowment Fund	FIRE	Totals
Revenues			
Service fees	\$ -	\$ 2,226,328	\$ 2,226,328
Interest	67,518	72,342	139,860
Total Revenues	<u>67,518</u>	<u>2,298,670</u>	<u>2,366,188</u>
Expenses			
Capital outlay	<u>46,471</u>	<u>517,948</u>	<u>564,419</u>
Change in Net Position	21,047	1,780,722	1,801,769
Net Position - January 1	<u>1,133,744</u>	<u>4,025,317</u>	<u>5,159,061</u>
Net Position - December 31	<u>\$ 1,154,791</u>	<u>\$ 5,806,039</u>	<u>\$ 6,960,830</u>

STATISTICAL SECTION

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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, Aurora Home Medical Services, Alterra, 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, the 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.

The City of West Allis operates and maintains ten parks of varying size throughout the City. In addition, the City also has several large and small county owned and operated parks and golf courses within its boundaries.

The City operates under the Council-Mayor form of government. The Common Council is composed of 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 for the Common Council. The City Administrative Officer assists the Council and Mayor in their overall and day-to-day role of 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 employs on a permanent, full-time basis a total of 514 people. At different times during the year West Allis also employs temporary and part-time help to do seasonal and other work. The City requires that all public safety employees reside within a thirty-minute drive radius of the West Allis city limits within eighteen months of employment. The City operates daily through thirteen departments, headed by ten appointed officials and two elected officials (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 5,352,438 gallons per day for 2011. Pumping capacity for the system is 15,000,000 gallons per day. The highest gallons pumped on any one day in 2011 were 7,297,000 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, auditing, water billing, issuance of debt, investment services, F.I.R.E. and other financial services. The Purchasing Division provides for acquisition of supplies, services and equipment. The Treasury Division acts as the depositor for all city funds. All funds are paid to the treasurer who is also responsible for all investments and 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.

The Data Processing/Information Services 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 and Zoning 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 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 F.I.R.E. 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.

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.

Contents	Page
General Information	113
Financial Trends	117
These schedules contain trend information to help the reader understand how West Allis' financial performance and well-being has changed over time.	
Revenue Capacity	123
These schedules contain information to help the reader assess West Allis' most significant local revenue source, the property tax.	
Debt Capacity	127
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	131
These schedules offer demographic and economic indicators to help the reader understand the environment within which West Allis' financial activities take place.	
Operating Information	133
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.

City of West Allis

Net Position by Component
Last ten fiscal years
Schedule 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 180,296,657	\$ 176,761,317	\$ 170,149,762	\$ 162,229,941	\$ 156,725,902	\$ 159,589,960	\$ 161,488,728	\$ 159,183,191	\$ 155,634,993	\$ 158,432,679
Restricted	1,193,095	1,567,709	1,226,225	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277
Unrestricted	(23,147,843)	(18,171,436)	(11,799,923)	39,160,362	28,848,960	25,632,400	22,854,223	22,955,014	22,718,355	18,663,636
Total governmental activities net assets	\$ 158,341,909	\$ 160,157,590	\$ 159,576,064	\$ 202,153,811	\$ 186,078,555	\$ 185,565,209	\$ 184,506,272	\$ 182,326,073	\$ 178,545,225	\$ 178,160,592
Business-type Activities										
Net investment in capital assets	\$ 45,788,584	\$ 47,447,540	\$ 48,933,047	\$ 50,148,025	\$ 52,695,082	\$ 53,470,013	\$ 54,610,687	\$ 56,114,749	\$ 60,047,142	\$ 64,492,416
Restricted	5,121,503	4,813,800	5,840,800	5,810,658	5,264,485	6,671,884	13,552,705	16,772,641	16,663,155	15,759,475
Unrestricted	\$ 50,910,087	\$ 52,261,340	\$ 54,773,847	\$ 55,958,683	\$ 57,959,567	\$ 60,141,897	\$ 68,163,392	\$ 72,887,390	\$ 76,710,297	\$ 80,251,891
Total business-type activities net assets	\$ 45,788,584	\$ 47,447,540	\$ 48,933,047	\$ 50,148,025	\$ 52,695,082	\$ 53,470,013	\$ 54,610,687	\$ 56,114,749	\$ 60,047,142	\$ 64,492,416
Primary government										
Net investment in capital assets	\$ 226,086,241	\$ 224,208,857	\$ 219,082,809	\$ 212,377,966	\$ 209,420,984	\$ 213,059,973	\$ 216,079,415	\$ 215,297,940	\$ 215,682,135	\$ 222,925,095
Restricted	1,193,095	1,567,709	1,226,225	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277
Unrestricted	(18,028,340)	(13,357,636)	(5,959,123)	44,971,020	34,113,445	32,304,284	36,406,928	39,727,655	39,381,510	34,423,111
Total primary government net assets	\$ 209,251,996	\$ 212,418,930	\$ 214,349,911	\$ 258,112,494	\$ 244,038,122	\$ 245,707,106	\$ 252,669,664	\$ 255,213,463	\$ 255,255,522	\$ 258,412,483

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 asset 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.

City of West Allis

Changes in Net Position
Last ten fiscal years
Schedule 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$ 5,894,021	\$ 8,650,622	\$ 9,158,568	\$ 7,931,317	\$ 8,584,181	\$ 7,806,361	\$ 8,586,090	\$ 7,601,000	\$ 10,920,556	\$ 12,683,740
Public Safety	32,016,133	31,527,661	32,209,833	35,322,808	38,122,733	37,491,260	37,815,973	38,805,269	37,790,154	37,249,881
Public Works	16,959,467	16,043,132	15,492,747	19,059,398	20,775,195	16,122,988	15,308,926	14,917,241	17,704,389	19,435,157
Health & Human Services	9,381,305	12,051,827	10,603,940	11,422,393	11,851,638	10,898,842	8,380,438	10,578,888	7,678,226	10,697,085
Culture, recreation & education	2,984,956	2,716,521	4,204,967	2,953,551	3,415,253	3,189,297	3,223,701	3,121,334	2,833,745	2,633,438
Conservation & development	11,706,621	9,383,343	7,639,845	5,225,216	8,867,397	12,187,021	7,583,983	6,309,345	5,701,550	7,490,488
Interest & Fiscal Charges	2,506,934	2,706,602	2,865,726	2,624,692	2,634,191	2,912,763	2,187,395	2,272,863	2,416,541	1,884,864
Total governmental activities expense	81,449,437	83,079,708	82,175,626	84,539,375	94,250,588	90,608,532	83,086,506	83,605,940	85,045,161	92,074,653
Business-type Activities:										
Water Utility	5,178,821	5,712,773	5,937,617	6,497,676	6,339,034	6,110,946	6,186,233	6,384,384	6,893,875	6,986,601
Sanitary Sewer Utility	4,432,519	4,167,597	4,305,675	4,866,936	5,147,842	5,695,049	5,902,207	5,925,361	5,542,622	5,845,286
Storm Water Utility	1,671,865	1,762,488	1,566,017	1,633,786	1,744,227	2,215,521	2,254,241	2,226,502	2,451,452	2,391,743
Solid Waste Utility	-	684,466	792,116	917,135	1,553,697	1,681,268	1,635,879	1,722,897	1,680,361	1,721,052
Parking Utility	42,955	83,259	58,847	86,878	53,062	42,601	64,651	38,123	86,781	76,664
Senior Citizen's Housing	339,568	245,991	250,681	358,993	281,149	335,881	395,877	254,464	188,573	190,632
Total business-type activities expense	11,665,728	12,656,574	12,910,953	14,361,404	15,119,011	16,081,266	16,439,088	16,551,731	16,843,664	17,211,978
Total Primary Government Expense	\$ 93,115,165	\$ 95,736,282	\$ 95,086,579	\$ 98,900,779	\$ 109,369,599	\$ 106,689,798	\$ 99,525,594	\$ 100,157,671	\$ 101,888,825	\$ 109,286,631
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 281,013	\$ 743,626	\$ 285,483	\$ 267,843	\$ 316,022	\$ 239,886	\$ 502,025	\$ 65,967	\$ 1,487,756	\$ 1,710,728
Public Safety	5,320,922	4,557,511	3,686,842	5,335,900	4,953,984	5,021,529	4,086,394	4,265,844	4,066,765	4,190,127
Public Works	455,930	613,372	1,770,323	629,056	437,743	397,319	884,235	1,635,627	767,356	960,539
Health & Human Services	229,657	239,713	238,583	237,879	287,905	301,641	276,256	281,228	274,581	337,709
Culture, recreation & education	627,549	97,710	105,208	687,370	717,577	817,404	816,763	868,005	897,605	885,714
Conservation & development	702,387	168,819	992,456	954,634	640,158	349,862	2,466,220	1,112,821	1,221,221	3,432,082
Interest & Fiscal Charges	720,953	580,360	492,999	476,460	319,909	187,563	128,860	739,957	372,881	302,206
Charges for Services	8,338,411	7,001,111	7,551,894	8,589,142	7,673,298	7,315,204	9,160,763	8,969,449	9,088,165	11,819,105
Operating Grants and Contributions	10,724,072	10,089,394	10,386,842	10,417,700	10,853,418	10,832,253	12,721,782	10,518,040	9,010,784	11,194,095
Capital Grants and Contributions	2,914,568	11,270,770	5,655,109	1,473,666	3,415,312	12,535,576	3,901,104	6,279,436	3,151,837	13,279,356
Total governmental activities program revenues	21,977,051	28,361,275	23,593,845	20,480,508	21,942,028	30,683,033	25,783,639	25,766,925	21,250,786	36,292,556

City of West Allis

Changes in Net Position
Last ten fiscal years
Schedule Z

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for Services	13,277,530	14,206,554	15,481,812	15,789,002	17,587,067	18,362,363	18,362,363	21,188,970	21,296,775	21,360,255
Operating Grants and Contributions	-	308,070	307,758	389,162	350,296	368,559	368,559	543,728	258,805	278,735
Capital Grants and Contributions	107,784	466,915	526,703	633,848	91,039	427,276	427,276	172,493	14,979	11,335
Total business-type activities program revenues	13,385,314	14,981,539	16,316,273	16,812,012	18,038,402	19,158,198	19,158,198	21,905,191	21,570,559	21,650,325
Total Primary Government Program Revenues	\$ 35,362,365	\$ 43,342,814	\$ 39,910,118	\$ 37,292,520	\$ 39,980,430	\$ 45,841,231	\$ 44,941,837	\$ 47,672,116	\$ 42,821,345	\$ 57,942,881
Net (Expense)/Revenue	\$ (59,472,366)	\$ (54,718,433)	\$ (58,581,781)	\$ (64,058,867)	\$ (72,308,560)	\$ (59,925,499)	\$ (57,302,867)	\$ (57,839,015)	\$ (63,794,375)	\$ (55,782,097)
Governmental Activities	1,719,586	2,324,965	3,405,320	2,450,608	2,919,391	3,076,932	2,719,110	5,353,460	4,726,895	4,438,347
Business-type Activities	\$ (57,752,800)	\$ (52,393,468)	\$ (55,176,461)	\$ (61,608,259)	\$ (69,389,169)	\$ (56,848,567)	\$ (54,583,757)	\$ (52,485,555)	\$ (59,067,480)	\$ (51,343,750)
Total Primary Government Net Expense										
(continued)										
General Revenues and Other changes in Net Assets										
Governmental Activities:										
Property Taxes	34,793,918	36,461,684	37,339,842	38,500,753	38,465,332	40,121,731	41,176,093	41,753,013	41,932,197	41,792,533
Other Taxes	1,019,110	729,680	713,241	736,287	852,851	927,282	881,385	1,246,701	1,520,503	1,677,243
Intergov'l revenues not restr to spec programs	11,009,228	11,050,357	11,112,106	11,277,255	11,139,189	10,359,503	10,311,505	9,626,541	9,480,878	9,206,794
Investment Income	1,954,222	3,283,220	4,144,656	4,495,730	1,561,576	1,257,250	1,124,538	886,889	681,258	814,462
Miscellaneous	3,769,828	3,963,486	3,723,817	2,756,598	3,247,009	5,742,633	1,550,448	804,940	4,474,689	148,689
Gain on sale/disposal of capital assets	-	-	-	-	-	-	-	804,940	662,684	98,680
Transfers	1,110,924	1,045,687	966,593	966,470	967,347	1,003,754	1,199,961	1,340,732	1,261,318	1,373,820
Total Governmental Activities	53,657,230	56,534,114	58,000,255	58,733,093	56,233,304	59,412,153	56,243,930	55,658,816	60,013,527	55,112,021
Business-type Activities:										
Investment Income	3	3,782	-	-	-	69,152	8,369	242,949	206,685	295,901
Property Taxes	10,000	10,000	20,000	22,000	22,000	40,000	43,000	43,000	43,000	43,000
Miscellaneous	-	58,193	43,013	12,698	26,840	-	419,891	425,321	107,645	137,966
Gain on sale/disposal of capital assets	-	-	10,767	-	-	-	4,904,003	-	-	-
Transfers	(1,110,924)	(1,045,687)	(966,593)	(966,470)	(967,347)	(1,003,754)	(1,199,961)	(1,340,732)	(1,261,318)	(1,373,820)
Total Business-type Activities	(1,100,921)	(873,712)	(892,813)	(931,772)	(918,507)	(894,602)	4,175,302	(629,462)	(903,988)	(896,753)
Total Primary Government	52,556,309	55,560,402	57,107,442	57,801,321	55,314,797	59,517,551	60,419,232	55,029,354	59,109,539	54,215,268
Change in Net Assets										
Governmental Activities	(5,815,156)	1,815,681	(581,526)	(5,325,774)	(16,075,256)	(513,346)	(1,058,937)	(2,180,199)	(3,780,848)	(670,076)
Business-type Activities	618,665	1,351,253	2,512,507	1,518,836	2,000,884	2,182,330	6,894,412	4,723,998	3,822,907	3,541,594
Total Primary Government	(5,196,491)	3,166,934	1,930,981	(3,806,938)	(14,074,372)	1,668,984	5,835,475	2,543,799	42,059	2,871,518

Data Source: City of West Allis Audited Financial Statements

City of West Allis

Fund Balances, Governmental Funds
Last Five Years
Schedule 3

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
General Fund					
Nonspendable	\$ 3,786,310	\$ 1,208,155	\$ 1,241,675	\$ 8,358,397	\$ 12,201,720
Restricted					
Special Revenue Funds	584,382	939,369	823,931	1,525,181	1,550,039
Debt Service Funds	19,983,386	20,232,002	21,300,823	22,338,441	21,347,336
Special Revenue Funds	6,439,209	10,024,801	11,436,142	6,265,317	6,303,452
Capital Projects Funds	30,793,287	32,404,327	34,802,571	38,487,336	41,402,547
Total General Fund					
All Other Governmental Funds					
Nonspendable					
Special Revenue Funds	202,242	195,688	230,900	218,966	-
Debt Service Funds	342,849	183,321	187,868	191,877	206,806
Special Revenue Funds	2,291,097	1,324,999	1,241,235	800,739	857,471
Capital Projects Funds	784,084	862,180	878,566	852,057	758,609
Unassigned	2,406,337	2,924,772	3,203,383	4,698,855	2,473,959
Special Revenue Funds	(4,367)	-	(95,248)	(6,158)	(2,561)
Capital Projects Funds	(1,083,707)	(2,640,693)	(2,353,722)	(2,811,100)	(4,732,172)
Total All Other Governmental Funds	4,938,535	2,850,127	3,292,982	3,945,236	(437,888)
Total Fund Balances	\$ 35,731,822	\$ 35,254,454	\$ 38,095,553	\$ 42,432,572	\$ 40,964,659

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 - prior to implementing GASB Statement No. 54
Five years prior to implementing GASB Statement No. 54
Supplemental Schedule 3

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund					
Reserved	\$ 1,858,235	\$ 1,730,286	\$ 1,910,061	\$ 1,874,891	\$ 2,034,916
Unreserved	16,615,079	20,590,669	24,143,723	26,884,171	27,072,815
Total General Fund	18,473,314	22,320,955	26,053,784	28,759,062	29,107,731
All Other Governmental Funds					
Reserved	4,687,860	2,293,023	1,744,129	1,366,129	1,131,817
Unreserved, reported in:					
Special Revenue Funds	1,543,844	2,147,186	2,135,942	2,230,086	2,495,048
Capital Projects Funds	293,067	1,739,546	3,039,808	440,270	2,015,882
Debt Service Funds					
Total All Other Governmental Funds	6,524,771	6,179,755	6,919,879	4,036,485	5,642,747
Total Fund Balances	\$ 24,998,085	\$ 28,500,710	\$ 32,973,663	\$ 32,795,547	\$ 34,750,478

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									
	2005	2007	2008	2009	2010	2011	2012	2013	2014	
Revenues:										
Taxes	\$ 32,995,348	\$ 35,607,427	\$ 36,961,227	\$ 36,796,445	\$ 38,579,707	\$ 39,606,747	\$ 40,177,449	\$ 41,223,666	\$ 41,279,078	
Special assessments	716,993	1,042,923	812,257	966,982	1,138,632	785,050	1,448,361	1,389,005	940,064	
Intergovernmental revenues	22,397,093	21,302,282	21,795,547	22,499,361	27,066,761	22,878,787	20,256,266	19,441,170	20,737,387	
Licenses & permits	1,789,784	1,533,882	1,517,233	1,366,852	1,443,159	1,409,206	1,530,672	1,461,698	1,697,187	
Fines, forfeits, & penalties	1,925,439	2,126,327	2,121,677	2,016,671	1,984,350	1,725,585	2,115,717	2,119,298	2,119,352	
Public charges for services	2,785,375	2,985,813	3,512,731	3,110,472	3,252,825	3,365,273	3,362,730	4,160,911	5,381,504	
Interdepartmental charges (effective 2004)	52,205	57,608	67,119	87,231	74,276	-	-	-	-	
Interest and loan repayments	585,904	770,737	280,063	457,430	357,949	296,005	255,921	143,010	26,496	
Received from hospital	3,301,166	2,542,999	2,534,341	2,544,909	2,499,951	700,238	551,492	858,988	300,000	
Interest (effective 2003)	1,586,216	3,472,435	2,401,617	1,150,572	855,044	681,312	712,434	586,075	714,451	
Miscellaneous revenues	1,558,381	1,975,751	1,686,852	1,400,971	3,547,633	1,591,544	1,733,379	3,948,963	868,912	
Total revenues	69,693,904	73,418,184	73,690,664	72,397,896	80,800,287	73,039,747	72,144,421	75,332,784	74,064,431	
Expenditures:										
Current:										
General government	5,711,014	5,027,547	5,627,880	5,658,712	5,966,552	6,375,030	5,556,431	7,067,623	7,403,446	
Public safety	29,587,580	30,091,482	31,369,218	33,253,377	34,029,635	33,517,452	34,162,923	32,779,243	33,027,250	
Public works and engineering	12,613,752	12,670,476	12,510,021	12,655,807	10,999,343	11,252,167	10,103,630	10,676,582	11,190,067	
Health & human services	2,232,919	2,372,616	2,447,441	2,522,597	2,585,138	2,531,757	2,295,555	2,381,467	2,605,115	
Culture & recreation	2,765,816	3,492,521	2,900,481	2,991,494	2,749,018	2,790,093	2,727,106	2,717,291	2,750,789	
Conservation & development	5,269,768	4,871,881	4,195,633	4,506,446	9,260,338	7,511,521	5,459,963	6,005,890	10,469,114	
Fringe benefits	370,532	407,448	756,071	820,134	326,782	552,288	968,511	-	-	
Debt Service:										
Principal	6,816,294	6,145,781	6,407,222	6,299,082	14,070,285	5,036,507	10,422,585	5,457,415	5,450,475	
Interest & fiscal charges	2,534,472	2,766,150	2,755,037	2,703,323	2,709,030	2,747,503	2,349,592	2,142,127	1,908,070	
Capital Projects:	13,338,958	5,058,638	9,616,221	9,500,536	7,115,930	5,224,038	5,450,263	5,758,906	5,456,649	
Total expenditures	81,241,105	72,904,540	78,585,225	80,911,508	89,782,051	77,538,356	79,496,559	74,986,544	80,260,975	
Excess of revenues	(11,547,201)	513,644	(4,894,561)	(8,513,612)	(8,981,764)	(4,498,609)	(7,352,138)	346,240	(6,196,544)	
Over/(under) expenditures										

(continued)

City of West Allis

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

	Fiscal Year									
	2005	2007	2008	2009	2010	2011	2012	2013	2014	
Other financing sources/(uses)										
Debt										
General obligation debt issued	12,770,000	2,992,716	3,749,975	9,336,961	4,465,000	2,735,000	8,760,000	2,750,000	3,255,000	
Refunded general obligation debt	-	-	-	5,505,000	19,600,000	-	-	2,520,000	-	
Premium on debt issued	49,787	-	-	95,912	-	-	-	-	-	
Payment to escrow agent	-	-	-	(5,505,000)	(15,173,966)	-	-	(2,540,539)	-	
Transfers in	1,946,719	4,369,537	5,525,469	4,164,840	6,460,046	3,520,100	3,029,627	4,035,764	3,698,785	
Transfers out	(835,795)	(3,402,944)	(4,558,999)	(3,129,170)	(5,387,972)	(2,233,859)	(1,596,389)	(2,774,446)	(2,225,154)	
Total other financing sources/(uses)	13,930,711	3,959,309	4,716,445	10,468,543	9,963,108	4,021,241	10,193,238	3,990,779	4,728,631	
Net change in fund balances	2,383,510	4,472,953	(178,116)	1,954,931	981,344	(477,368)	2,841,100	4,337,019	(1,467,913)	
Fund balances										
Beginning of year	22,614,575	28,500,710	32,973,663	32,795,547	34,750,478	35,731,822	35,254,454	38,095,554	42,432,573	
End of year	\$ 24,998,085	\$ 32,973,663	\$ 32,795,547	\$ 34,750,478	\$ 35,731,822	\$ 35,254,454	\$ 38,095,554	\$ 42,432,573	\$ 40,964,660	
Capital Outlay - (a)	\$ 9,083,803	\$ 7,982,293	\$ 10,089,678	\$ 5,354,789	\$ 10,142,319	\$ 9,571,461	\$ 8,933,223	\$ 5,977,570	\$ 15,795,404	
Debt Service as a percentage of noncapital exp	12.96%	13.73%	13.38%	11.91%	21.07%	11.45%	18.10%	11.01%	11.41%	

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
2005	\$ 2,350,470,100	\$ 1,078,474,900	\$ 90,130,159	\$ -	\$ 3,519,075,159	9.95	\$ 3,846,320,500	\$ 9.10	91.49%
2006	2,800,582,800	1,327,751,500	84,720,700	-	4,213,055,000	8.49	4,271,402,600	8.37	98.63%
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%

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	Direct Rates										Overlapping Rates						Net Tax Rate	
	Collection Year	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 Tax Credit	Milwaukee County	Milwaukee Metro Sewage Distr	Milwaukee County	Milwaukee Metro Sewage Distr		State of Wisconsin Tax Credit
2005	2006	\$ 8.12	\$ 0.96	\$ 0.66	\$ 0.01	\$ 0.20	\$ 9.95	\$ 7.86	\$ 2.06	\$ 4.65	\$ 1.55	\$ 0.21	\$ 4.65	\$ 1.55	\$ 4.65	\$ 1.55	\$ 0.21	\$ 26.28
2006	2007	6.65	0.96	0.66	0.01	0.21	8.49	6.97	1.79	3.98	1.32	0.18	3.98	1.32	3.98	1.32	0.18	22.73
2007	2008	6.75	0.96	0.66	0.02	0.26	8.65	7.43	1.87	4.09	1.35	0.18	4.09	1.35	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	4.17	1.36	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	4.23	1.35	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	4.49	1.45	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	5.53	1.46	5.53	1.46	0.17	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	4.62	1.49	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	5.09	1.69	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	5.08	1.71	5.08	1.71	0.17	27.16

Data source: City of West Allis Tax File

City of West Allis

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

Taxpayer	Type of Business	2014 Assessed Value			2005 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	\$ 38,635,100	1	1.0%	\$ 29,894,191	1	0.8%
William Blake	Lincoln Crest Apartments	20,592,900	2	0.6%	19,703,600	2	0.6%
Ramco-Gershenson Prop	Towne Center - Office	18,367,600	3	0.5%	17,184,660	3	0.5%
JDN West Allis Assoc	Strip Mall - Pick'n Save/Kohls	16,873,500	4	0.5%	17,002,900	4	0.5%
Renaissance Faire	Office - Warehouse	16,230,600	5	0.4%			N/05
Quad Graphics	Printing Facility	15,781,200	6	0.4%	16,910,700	5	0.5%
Toldt Development Inc.	Apartments	15,339,300	7	0.4%			N/05
Metropolitan Holding Company	The Hills Apartments	14,366,700	8	0.4%	12,821,551	6	0.4%
Sam's Real Estate	Sam's Club	12,181,800	9	0.3%	11,952,119	7	0.3%
Dayton-Hudson Corp.	Commercial - Target	11,341,100	10	0.3%			N/05
LBS Ltd Partnership	Apartments	10,987,800	11	0.3%	9,552,911	14	0.3%
Harold Wilde	Car Dealership	10,888,600	12	0.3%			N/05
Riverwood Associates	Apartments	10,678,500	13	0.3%			N/05
Heritage 6 LLC	Senior Apt Assisted Living	10,541,000	14	0.3%			N/05
Home Depot	Home Depot	10,423,700	15	0.3%	10,262,921	11	0.3%
SPTMNR Properties Trust	Senior Apt Assisted Living	9,863,500	16	0.3%			N/05
James Krahn	Various Apartments	9,785,300	17	0.3%	10,867,400	9	0.3%
Southtown Plaza LLC		9,150,600	18	0.2%			N/05
Veterans Park		8,955,900	19	0.2%			N/05
NDC LLC	Strip Mall - Pick'n Save/Kohls	8,876,800	20	0.2%	9,156,000	15	0.3%
1126 West Allis Operating	Commercial - Office			N/14	9,781,061	13	0.3%
Charles Benidt	Food Store/Storage/Gas Station			N/14	11,214,161	8	0.3%
Centerpoint Properties	Warehouses			N/14	10,800,000	10	0.3%
Centre Point Development	Office - Warehouse			N/14	10,002,326	12	0.3%
Total		\$279,861,500		7.5%	\$207,106,501		5.9%

Data Source: City of West Allis - Assessors Office

- (a) Based on total Assessed Value
1/1/2005 \$3,519,075,199
1/1/2014 \$3,724,450,300
- (b) This table represents the current year and ten years ago, 2005.
- (c) N/14 = Not a top 20 Principal Property Tax Payer in 2014
- (d) N/05 = Not a top 15 Principal Property Tax Payer in 2005

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
2005	2006	\$ 93,577,601	\$ 93,520,763	99.94%	\$ 42,546	\$ 93,563,309	99.98%
2006	2007	97,020,376	96,970,309	99.95%	38,131	97,008,440	99.98%
2007	2008	101,348,833	101,266,466	99.92%	63,950	101,330,416	99.97%
2008	2009	102,739,447	102,685,524	99.95%	39,845	102,725,369	99.97%
2009	2010	107,265,288	107,214,684	99.95%	30,298	107,244,982	99.97%
2010	2011	109,084,702	109,032,984	99.95%	29,397	109,062,381	99.97%
2011	2012	110,126,451	110,071,355	99.95%	34,454	110,105,809	99.98%
2012	2013	110,120,559	110,064,533	99.95%	25,872	110,090,405	99.97%
2013	2014	115,309,554	115,260,031	99.96%	11,502	115,271,533	99.97%
2014	2015	111,137,220	111,092,765	99.96%	*		

* Data for the 2015 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

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
2005	\$ 59,565,880	\$ 1,193,095	\$ 58,372,785	\$ 3,846,320,500	1.52%	\$ 3,519,075,159	1.66%	60,515	\$ 964.60
2006	59,421,446	1,567,709	57,853,737	4,271,402,600	1.35%	4,213,055,000	1.37%	60,300	959.43
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

Fiscal Year	Net General Bonded Debt	Bond Anticipation Notes	Bonded Debt and BAN's	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 and BAN Per Capita
2005	\$ 58,372,785	\$15,625,000	\$ 73,997,785	\$ 3,846,320,500	1.92%	\$ 3,519,075,159	2.10%	60,515	\$ 1,222.80
2006	57,853,737	17,965,000	75,818,737	4,271,402,600	1.78%	4,213,055,000	1.80%	60,300	1,257.36
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

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				
	General City	Tax Districts	West-Allis Hospital	General Obligation Bonds/Notes	BAN's General City Pension	BAN's Tax Districts Increment	Total Bond Anticipation Notes (BAN)	General Obligation Bonds/Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2005	\$ 21,026,073	\$ 13,681,183	\$ 15,380,000	\$ 50,087,256	\$ 2,790,000	\$ 12,835,000	\$ 15,625,000	\$ 9,478,624	\$ 75,190,880	0.88%	\$ 1,242.52
2006	20,713,243	15,067,662	12,645,000	48,425,905	2,100,000	15,865,000	17,965,000	10,995,541	77,386,446	0.98%	1,283.36
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	-	-	-	24,402,131	78,518,240	2.24%	1,292.86
2013	22,130,000	29,304,943	-	51,434,943	-	-	-	25,477,573	76,912,516	2.26%	1,275.50
2014	21,805,000	27,034,469	-	48,839,469	-	-	-	26,712,998	75,552,467	*	1,244.75

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 2014 Personal Income is not yet available.

City of West Allis

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

	Fiscal Years					
	2005	2006	2007	2008	2009	2010
Equalized Value of Real and Personal Property	\$ 3,846,320,500	\$ 4,271,402,600	\$ 4,458,719,600	\$ 4,477,791,900	\$ 4,361,120,200	\$ 4,112,421,800
General Obligation Debt Limit Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	192,316,025	213,570,130	222,935,980	223,889,595	218,056,010	205,621,090
Amount of Debt Applicable to Debt Limitation: General Obligation Bonds/Notes	59,565,880	59,421,446	58,285,695	59,264,073	69,732,577	79,299,669
Less: Amount Available for Financing GO Debt	(1,193,095)	(1,567,709)	(1,226,225)	(763,508)	(503,693)	(342,849)
Net O/S GO Debt Applicable to Debt Limitation	58,372,785	57,853,737	57,059,470	58,500,565	69,228,884	78,956,820
Legal margin for New Debt	\$ 133,943,240	\$ 155,716,393	\$ 165,876,510	\$ 165,389,030	\$ 148,827,126	\$ 126,664,270

Total net debt applicable to the limit as a percentage of debt limit

30.35%

27.09%

25.59%

26.13%

31.75%

38.40%

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

	Fiscal Years					
	2005	2006	2007	2008	2009	2010
Equalized Value of Real and Personal Property	\$ 3,846,320,500	\$ 4,271,402,600	\$ 4,458,719,600	\$ 4,477,791,900	\$ 4,361,120,200	\$ 4,112,421,800
General Obligation Debt Limit Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	192,316,025	213,570,130	222,935,980	223,889,595	218,056,010	205,621,090
Amount of Debt Applicable to Debt Limitation: General Obligation Bonds/Notes	59,565,880	59,421,446	58,285,695	59,264,073	69,732,577	79,299,669
Bond Anticipation Notes/Bonds	15,625,000	17,965,000	17,205,000	16,205,000	10,360,000	-
Less: Amount Available for Financing GO Debt	(1,193,095)	(1,567,709)	(1,226,225)	(763,508)	(503,693)	(342,849)
Net O/S GO Debt Applicable to Debt Limitation	73,997,785	75,818,737	74,264,470	74,705,565	79,588,884	78,956,820
Legal margin for New Debt	\$ 118,318,240	\$ 137,751,393	\$ 148,671,510	\$ 149,184,030	\$ 138,467,126	\$ 126,664,270

Total net debt applicable to the limit as a percentage of debt limit

36.48%

35.50%

33.31%

33.37%

36.50%

38.40%

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	12/31/2014 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt (schedule 11a)	\$ 75,644,914	100.00%	\$ 75,644,914
Milwaukee Area Technical College	83,120,000	5.27%	4,381,505
Milwaukee County	721,728,545	6.48%	46,761,514
West Allis/West Milwaukee School District	23,275,582	84.46%	19,659,441
Milwaukee Metropolitan Sewage District	972,948,617	6.61%	64,271,040
Total Overlapping	<u>1,801,072,744</u>		<u>135,073,500</u>
Total Direct and Overlapping Debt	<u>\$ 1,876,717,658</u>		<u>\$ 210,718,414</u>

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	12/31/2005 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt (schedule 11a)	\$ 73,997,848	100.00%	\$ 73,997,848
Milwaukee Area Technical College	51,035,000	5.55%	2,832,443
Milwaukee County	438,461,711	6.79%	29,771,550
West Allis/West Milwaukee School District	11,790,000	86.17%	10,159,443
Milwaukee Metropolitan Sewage District	678,620,338	6.94%	47,096,251
Total Overlapping	<u>1,179,907,049</u>		<u>89,859,687</u>
Total Direct and Overlapping Debt	<u>\$ 1,253,904,897</u>		<u>\$ 163,857,535</u>

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 & Associates, Inc. financial consultants form 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)	Adjusted Gross Income		Per Capita		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	
2005	60,515	\$ 1,075,412,065	\$ 17,771	\$ 19,372	\$ 22,214	4.9%	5.8%	4.8%	
2006	60,300	1,122,318,254	18,612	20,782	23,845	4.9%	5.6%	4.7%	
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	17,365	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	*	*	*	*	5.2%	6.0%	4.7%	

* : not available at this time

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

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

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

City of West Allis

Principal Employers
Current year and ten years prior
Schedule 14

Employer	Type of Business	2014			2005		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
West Allis Memorial Hospital	Regional Hospital	1,671	1	0.35%	1,203	1	0.28%
West Allis School District	Elementary/Secondary Education	1,400	2	0.29%	943	2	0.22%
Quad Graphics	Commercial Printer	914	3	0.19%	913	3	0.21%
Johnson Controls	Engineering and IT	700	4	0.15%	N/05	N/05	N/05
Brookdale Senior Living (previously Alterra)	Assisted Care Health Provider	600	5	0.12%	N/05	N/05	N/05
City of West Allis	Municipal Government	517	6	0.11%	524	4	0.12%
Covenant Health Systems	Nursing Home & Retirement Facility	332	7	0.07%	203	14	0.05%
Village of Manor Park	Health Care Services	287	8	0.06%	351	5	0.08%
Aurora Visiting Nurses Assn. Of Milwaukee	Social Service Agency	293	9	0.06%	226	8	0.05%
Milwaukee Technical Area College	Technical College	289	10	0.06%	229	7	0.05%
Chr. Hansen Lab, Inc.	Food Additive Manufacturer	285	11	0.06%	213	11	0.05%
US Bank	Banking Services	261	12	0.05%	N/05	N/05	N/05
Childrens Hospital	Health Care Services	250	13	0.05%	N/05	N/05	N/05
Sullivan/Schein Dental Products	Dental Equipment Distributor	220	14	0.05%	225	10	0.05%
Motor Castings Company	Foundry	225	15	0.05%	N/05	N/05	N/05
Wilde Toyota	Auto Dealership	209	16	0.04%	168	18	0.04%
ReGENco (Now Toshiba International Corp)	Fabrication/Repair Turbines	175	17	0.04%	N/05	N/05	N/05
C & H Distributors	Industrial Products Direct Marketer	173	18	0.04%	203	13	0.05%
Rogers Memorial Hospital	Psychiatric Hospital	173	19	0.04%	198	15	0.05%
Mitchell Manor/Meadowmere Campus	Assisted Living	170	20	0.04%	N/05	N/05	N/05
Unit Drop Forge Company	Iron, Steel Forgings	161	21	0.03%	140	23	0.03%
Grebes Bakery	Commercial Bakery	150	22	0.03%	180	17	0.04%
Poblocki & Sons	Custom Electrical Signs	130	23	0.03%	143	22	0.03%
Poblocki Paving Corp.	Paving Contractor	120	24	0.02%	N/05	N/05	N/05
International Auto's	Auto Dealership	118	25	0.02%	N/05	N/05	N/05
HM Graphics	Advertising/Marketing	110		0.02%	150	21	0.04%
Colders Furniture Showplace	Furniture/Appliance Dealership	116		0.02%	162	19	0.04%
Home Depot	Retail Hardware	N/14		N/14	153	20	0.04%
Gordon Flesch	Office Machines Sales/Services	N/14		N/14	130	24	0.03%
Milwaukee Ductile Iron, Inc	Foundry	N/14		N/14	296	6	0.07%
Motor Castings Co	Foundry	N/14		N/14	226	9	0.05%
SAI Speciality Assoc	Roofing Technologies	N/14		N/14	207	12	0.05%
Alterra	Assisted Care Health Provider				186	16	0.04%
Langer Roofing	Roofing/Construction				125	25	0.03%
		<u>10,049</u>		<u>2.18%</u>	<u>7,697</u>		<u>1.79%</u>

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

City of West Allis

Various Statistics
Last ten years
Schedule 15

General Government - City Employees - Full Time Equivalents

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Mayor	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Attorney	5.87	5.87	6.05	6.05	6.25	6.25	6.25
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75
City Assessor	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Administration							
Administrative Office	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Information Services	7.00	7.30	7.30	7.30	8.30	8.15	8.75
Purchasing/Central Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Human Resources	4.25	4.25	4.25	4.25	4.33	4.38	4.38
Finance	5.90	5.85	5.85	5.85	5.85	5.85	5.85
Clerk/Treasurer	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Police Department	159.00	168.00	154.00	165.00	157.25	157.25	157.25
Fire Department	113.00	113.00	110.00	110.00	110.00	110.00	110.00
Planning (Development)	1.78	1.78	1.78	1.78	1.88	2.10	2.40
Building Inspection & Zoning	12.00	12.00	11.50	11.50	12.00	12.50	12.05
Health Department	24.35	24.35	24.81	24.81	25.11	25.11	25.40
Senior Center	2.50	2.50	2.10	2.10	2.10	2.10	2.10
Public Library	22.80	22.30	22.30	22.30	22.30	21.30	21.00
Public Works							
Administrative Office	4.50	4.50	4.50	4.50	4.50	4.50	4.25
Building and Electrical	30.00	30.00	30.00	30.00	30.00	30.00	29.50
Street and Sanitation	57.00	56.25	56.00	56.00	56.00	56.00	56.00
Forestry	16.75	16.75	15.75	15.75	15.75	15.75	16.00
Equipment Repair	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Inventory Services Recycling	5.00	5.00	5.00	5.00	5.00	4.00	3.50
Engineering	18.00	18.00	18.00	17.00	17.00	17.00	16.50
Total	521.70	524.20	515.69	515.44	519.87	518.49	517.43

Public Safety							
Police Stations	1	1	1	1	1	1	1
Police Sub Station	0	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3
Public Works/Engineering							
Streets (miles)	194	194	194	194	194	194	194
Alleys (miles)	43	43	43	43	43	43	43
Side Walks (miles)	278	278	278	278	278	278	278
Sanitary Sewer (miles)	177	177	177	177	175	177	177
Storm Sewer (miles) (changed calc method 2009)	152	152	152	152	163	163	163
Street Lights (in 2010 added double lights)	7,086	7,086	7,086	7,086	7,322	7,322	7,322
Alley Lights	756	756	756	756	756	756	756
City owned parking lots	40	40	40	40	40	40	40
Parking Stalls	1,339	1,339	1,339	1,339	1,339	1,339	1,339
Water Utility							
Number of feet of Water Main	1,101,346	1,102,207	1,102,205	1,102,465	1,102,557	1,102,428	1,102,941
Number of Hydrants	2,622	2,622	2,623	2,619	2,619	2,620	2,621
Daily Average Used (gallons)	5,827,548	5,658,540	5,523,307	6,364,132	5,933,825	5,933,825	5,244,126
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
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
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

Data Source: City of West Allis - various departmental reports

City of West Allis

Operating Indicators by Program/Function
Ten Year Trend
Schedule 16

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Fire										
Alarm Data										
Fire	234	184	172	160	167	172	145	172	172	136
Rupture/Explosion	8	5	2	3	-	3	4	3	5	-
Hazardous Condition	254	245	231	243	283	259	248	214	243	239
Service	403	382	392	453	375	153	145	116	134	154
Good Intent	224	267	289	269	286	252	257	190	187	176
False Alarms	418	532	515	496	557	519	517	451	427	491
Weather	4	2	1	16	1	2	1	2	3	1
Other	4	5	1	3	5	2	2	2	1	3
Total Alarm	1,549	1,622	1,603	1,643	1,674	1,362	1,319	1,150	1,173	1,200
Emergency Medical Services Transport										
Paramedic Unit (Advance Life)	1,194	1,209	1,310	1,400	1,549	1,536	1,964	2,052	2,195	2,521
Fire Rescue Unit (Basic Life)	3,777	3,747	3,424	3,587	2,696	3,269	3,086	3,078	3,080	2,721
Other Units on Scene	50	60	92	80	51	78	44	22	36	69
Total Patient Transports	5,021	5,016	4,826	5,067	4,296	4,883	5,094	5,152	5,311	5,311
Bureau of Fire Prevention Activity										
Compliance Inspections	8,628	8,546	8,613	8,516	8,430	8,793	9,723	6,241	5,691	5,840
Plan Reviews	427	433	397	361	322	364	277	300	306	277
Site Inspections	211	286	214	273	263	226	150	137	116	140
General Government										
Building Permits Issued	1,919	1,811	1,648	1,649	1,480	1,673	1,592	1,586	1,588	1,616
Building Permit Value	\$62,729,841	\$38,452,724	\$50,101,452	\$39,108,752	\$20,636,858	\$23,791,748	\$32,812,843	\$29,295,073	\$32,246,059	\$55,627,260
Library										
Registered Borrowers	33,402	35,172	37,500	34,116	38,603	38,798	33,910	35,993	38,018	39,978
References	55,301	51,766	47,642	68,194	89,064	109,470	75,086	91,764	88,410	60,201
Library Visits	358,956	339,612	294,528	287,970	295,308	371,332	309,898	409,392	479,544	460,000
Circulation Transactions	745,932	764,674	718,185	688,048	735,736	778,409	774,833	743,520	727,740	688,953
Items Loaned	88,446	91,099	58,875	48,001	51,564	67,116	73,733	75,027	81,015	81,248
Items Received	46,166	49,513	54,709	51,005	60,832	78,309	83,118	77,027	74,244	74,175
Library Collection										
Books Owned	218,251	224,868	218,567	217,983	217,747	211,993	208,223	207,461	204,797	200,669
Audio Materials	13,225	13,526	14,200	14,611	15,181	15,547	16,401	17,355	18,204	19,519
Data Bases	10	8	10	19	21	18	67	66	66	66
Video Materials	14,270	14,859	14,883	14,114	15,346	16,198	16,019	17,415	20,070	21,025
Subscriptions	398	396	439	357	326	307	309	294	341	505
Other - Includes Electronic Format	984	1,001	985	1,044	799	760	865	917	869	862
Electronic Books/Audio/Video(new)	-	-	-	-	16,026	17,871	38,049	72,733	97,087	133,498
(continued)										
Water Utility										
Number of Metered Customers										
Residential	17,343	17,365	17,387	17,385	17,369	17,348	17,349	17,311	17,366	17,226
Multifamily (Residential) (New 2014)										641
Commercial	2,040	2,043	2,039	2,038	2,036	2,031	2,031	2,085	2,036	1,502
Industrial	80	75	73	70	65	64	64	63	63	61
Public Authority (new 2008)	N/A	N/A	N/A	79	78	78	78	81	81	77
Total	19,463	19,483	19,499	19,572	19,548	19,521	19,522	19,540	19,546	19,507
Gallons Sold (thousands)										
Residential	1,149,784	962,445	1,044,385	1,021,885	1,011,479	958,161	963,787	981,401	915,421	869,246
Multifamily (Residential) (New 2014)										214,208
Commercial	611,083	640,416	623,803	653,641	588,911	599,183	585,032	616,844	590,619	384,881
Industrial	254,734	266,289	222,001	177,749	143,208	82,047	86,900	94,007	76,163	79,498
Public Authority (new 2008)	N/A	N/A	N/A	128,421	131,863	132,134	123,465	124,470	124,093	131,184
Total	2,015,601	1,869,150	1,890,189	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722	1,706,296	1,679,017
Gallons Pumped into System (1,000)	2,503,403	2,314,713	2,295,387	2,322,908	2,165,846	1,953,640	1,914,106	1,978,427	1,821,724	1,959,773
Total Gallons Sold (1,000)	2,127,055	2,065,367	2,016,007	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722	1,706,296	1,679,017
Lost Water Unaccounted For (1,000)	325,442	208,324	206,585	213,365	160,385	155,115	154,922	134,705	86,628	280,756
Percent of water lost	13%	9%	9%	9%	7%	8%	8%	7%	6%	14%
Total KWH used for pumping	1,056,791	1,002,582	1,115,140	1,169,460	1,323,425	1,271,438	1,004,555	901,732	832,756	1,959,773

Data Source (Public Safety): 2014 City of West Allis Annual Fire Report
 Data Source (General Government): City of West Allis Building Inspection records
 Data Source (Library): 2014 City of West Allis Library Report
 Data Source (Water Utility): 2014 City of West Allis Public Service Commission Annual Report

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

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**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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Allis, Wisconsin, as of and for the year ended December 31, 2014, 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 June 30, 2015. Other auditors audited the financial statements of the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), as described in our report on 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 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
June 30, 2015

SINGLE AUDIT SECTION

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 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) Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, *OMB Circular A-133* 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 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 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, 2014.

Report on Internal Control Over Compliance

Management of 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 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 OMB Circular A-133 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 OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
June 30, 2015

CITY OF WEST ALLIS, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/14	Cash Receipts	Accrued (Deferred) 12/31/14	Total Revenues	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
Passed through Wisconsin Department of Health and Family Services						
Supplemental Food Program for Women, Infants and Children	10.557	\$ (46,223)	\$ 462,543	\$ 79,302	\$ 495,622	\$ 495,622
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	6,234	7,365	13,599	13,599
Total U.S. Department of Agriculture		(46,223)	468,777	86,667	509,221	509,221
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
<u>Direct Programs</u>						
Community Development Block Grants	14.218	(217,850)	1,318,663	192,988	1,293,801	1,293,801
<i>Section 8 Cluster</i>						
Section 8 Housing Choice Vouchers	14.871	-	2,624,786	-	2,624,786	2,624,786
Section 8 Management Fees	14.871	-	295,886	-	295,886	295,886
<i>Total Section 8 Cluster</i>		-	2,920,672	-	2,920,672	2,920,672
<i>Community Development Block Grant Cluster</i>						
Passed through Wisconsin Department of Commerce						
Community Development Block Grant - State's Program	14.228	(278)	353,241	30,818	383,781	383,781
Passed through the City of Milwaukee, Wisconsin						
Community Development Block Grant - State's Program	14.228	(56,876)	56,876	-	-	-
<i>Total Community Development Block Grant Cluster</i>		(57,154)	410,117	30,818	383,781	383,781
Passed through Milwaukee County						
HOME Investment Partnerships Program	14.239	(26,433)	26,433	107,642	107,642	107,642
Total U.S. Department of Housing and Urban Development		(301,437)	4,675,885	331,448	4,705,896	4,705,896
U.S. DEPARTMENT OF JUSTICE						
Passed through Milwaukee County						
Byrne Memorial Justice Assistance Grant	16.738	(35,995)	43,486	35,927	43,418	43,418

(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/14	Cash Receipts	Accrued (Deferred) 12/31/14	Total Revenues	Total Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Passed through Wisconsin Department of Transportation						
Highway Planning and Construction	20.205	-	427,088	354,806	781,894	781,894
Project #1693-43-70/71		-	35,000	-	35,000	35,000
Project #1009-00-22						
Highway Safety	20.600	-	2,000	-	2,000	2,000
Pedestrian Safety Grant		(3,086)	32,582	-	29,496	29,496
Alcohol Enforcement Grant		-	2,160	-	2,160	2,160
Bicycle Safety Program		-	4,407	-	4,407	4,407
Click it or ticket		-	4,800	-	4,800	4,800
TRACS project		94	-	-	94	94
Speed Enforcement Aggressive Driver		(2,992)	508,037	354,806	859,851	859,851
Total U.S. Department of Transportation						
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>						
Passed through the WI Department of Natural Resources						
Ready for Reuse Grant	66.469	(19,091)	41,647	58,354	80,910	80,910
<u>U.S. DEPARTMENT OF ENERGY</u>						
Direct Program						
Recovery Act - Energy Efficiency and Conservation Block Grant	81.128	(2,054)	2,054	-	-	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Public Health Emergency Preparedness	93.069	(6,283)	6,283	-	-	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	(4,972)	80,604	3,153	78,785	78,785
Immunization Cooperative Agreements	93.268	(1,907)	20,200	(1,337)	16,956	16,956
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507	(979)	979	-	-	-
Medical Assistance Program	93.778	(471)	1,551	354	1,434	1,434
Preventive Health and Health Services Block Grant	93.991	(16,792)	19,945	159	3,312	3,312
Maternal and Child Health Services Block Grant	93.994	(7,744)	25,518	5,816	23,590	23,590
Total U.S. Department of Health and Human Services		(39,148)	155,080	8,145	124,077	124,077

(Continued)

CITY OF WEST ALLIS, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/14	Cash Receipts	Accrued (Deferred) 12/31/14	Total Revenues	Total Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Direct Program						
Assistance to Firefighters Grant	97.044	-	-	3,438	3,438	3,438
Project #EMW-2008-FO-06640						
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
Direct Program						
High Intensity Drug Trafficking Area Program	95.001	(284,590)	1,223,592	569,355	1,508,357	1,508,357
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ (731,530)	\$ 7,118,558	\$ 1,448,140	\$ 7,835,168	\$ 7,835,168

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
Schedule of State Financial Assistance
For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency/Program Title	State I.D. Number	(Accrued) Deferred Revenue 1/1/14	Cash Receipts	Accrued (Deferred) Revenue 12/31/14	Total Revenues	Total Expenditures
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Brownfield Site Assessments	370.687	\$ -	\$ 40,308	\$ -	\$ 40,308	\$ 40,308
Direct Program						
Plate Engineering Site						
Passed through Wisconsin Economic Development Corporation						
SAG #WEDC BF SAG FY 13-21408	370.587	(37,749)	41,959	-	4,210	4,210
SAG # WEDC BF SAG FY 13-21909		(106,419)	19,460	127,000	127,000	127,000
Municipal Flood Control Program	370.unknown	(144,168)	101,727	213,959	171,518	171,518
Total Wisconsin Department of Natural Resources						
<u>WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES</u>						
WIC Farmers' Market	435.154720	(1,739)	2,834	2,283	3,378	3,378
Birth Defects - Children and Youths with Special Health Care Needs F	435.154790	-	1,183	-	1,183	1,183
WWWP-GPR	435.157000	(25,035)	57,176	(14,808)	17,333	17,333
CONS CONTRACTS CHHD LD	435.157720	(4,110)	10,684	1,168	7,742	7,742
Maternal and Child Health Services	435.159320	(471)	1,551	354	1,434	1,434
Total Wisconsin Department of Health and Family Services		(31,355)	73,428	(11,003)	31,070	31,070
<u>WISCONSIN DEPARTMENT OF ADMINISTRATION</u>						
Beat Patrol Grant #2009-BP-01-1579-3	505.603	-	121,434	-	121,434	121,434
TOTAL STATE FINANCIAL ASSISTANCE		\$ (175,523)	\$ 296,589	\$ 202,956	\$ 324,022	\$ 324,022

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, 2014

NOTE A - BASIS OF PRESENTATION

In accordance with the audit requirements issued by the Office of Management and Budget (OMB) Circular A-133 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 2014 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.

Federal Programs: The City of West Allis qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 25% 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 \$100,000 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, 2014

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 Section 510(a) of Circular A-133?	No
Audit threshold used to determine between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee	Yes

Identification of major federal programs:

CFDA Number	Name of Federal Program
	<i>Housing Voucher Cluster</i>
14.871	Section 8 Housing Choice Vouchers
	<i>CDBG - State-Administered CDBG Cluster</i>
14.228	Community Development Block Grants/Special Purpose Grants/Insular Areas
	<i>Highway Planning and Construction Cluster</i>
20.205	Highway Planning and Construction
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children

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:	\$100,000
Auditee qualified as low-risk auditee	Yes

Identification of major state programs:

CFDA Number	Name of State Program
370.587	Site Assessment Grant FY13-21909

CITY OF WEST ALLIS, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2014

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, 2014.

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, 2014.

CITY OF WEST ALLIS, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2014

Prior Year Audit Findings

There were no findings or questioned costs for federal awards or state financial assistance for the year ended December 31, 2013.

Corrective Action Plan

There were no findings or questioned costs for federal awards and state financial assistance for the year ended December 31, 2014.