

2017 City of West Allis



Comprehensive Annual Financial Report

For the year ending December 31, 2017



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF WEST ALLIS, WISCONSIN
for the year ended December 31, 2017



PREPARED BY THE FINANCE DEPARTMENT

Peggy Steeno, CPA
Finance Director/Comptroller

Kris Moen, CPA
Deputy Finance Director

Nicole O'Connor
Senior Accountant

Corinne Zurad
Deputy Treasurer

Christine Phinney
Accounting Specialist

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City of West Allis, Wisconsin

DECEMBER 31, 2017

Table of Contents

INTRODUCTORY SECTION

Title Page	1
Table of Contents	2
Letter of Transmittal	5
GFOA Certificate of Achievement	12
Elected City Officials	13
Organizational Chart	14

INDEPENDENT AUDITORS' REPORT

15

MANAGEMENT'S DISCUSSION AND ANALYSIS

18

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements	
Balance Sheet - Governmental Funds	34
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	36
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	39
Statement of Net Position - Proprietary Funds	40
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	44
Statement of Cash Flows - Proprietary Funds	46
Notes to Basic Financial Statements	50

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in OPEB Liability and Related Ratios - Other Postemployment Benefit Plan	86
Schedule of Employer Contributions - Other Postemployment Benefit Plan	87
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	88
Schedule of Contributions - Wisconsin Retirement System	88
Notes to Required Supplementary Information	88

City of West Allis, Wisconsin

DECEMBER 31, 2017

SUPPLEMENTARY INFORMATION

General Fund	
Detailed Comparison of Budgeted and Actual Revenues	89
Detailed Comparison of Budgeted and Actual Expenditures	91
Combining Balance Sheet - Nonmajor Governmental Funds	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	98
Combining Statement of Net Position - Nonmajor Enterprise Funds	103
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	104
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	105
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Block Grant Special Revenue Fund	106
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - H.O.M.E. Program Special Revenue Fund	107
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Housing Programs Special Revenue Fund	108
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Cable Communications Special Revenue Fund	109
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Health Grants Special Revenue Fund	110
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Police Grants Special Revenue Fund	111
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Information Technology Joint Ventures Special Revenue Fund	112
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Miscellaneous Grants Special Revenue Fund	113
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tourism Special Revenue Fund	114
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	115
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Works Improvements Capital Projects Fund	116
Combining Statement of Net Position - Internal Service Funds	117
Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds	118
Combining Statement of Cash Flows - Internal Service Funds	119
Schedule of Governmental Capital Assets - By Source	121
Schedule of Governmental Capital Assets - By Function	122
Schedule of Changes in Governmental Capital Assets - By Function	123

City of West Allis, Wisconsin

DECEMBER 31, 2017

STATISTICAL SECTION

General Information	124
Net Position by Component	126
Changes in Net Position	127
Fund Balances, Governmental Funds	129
Changes in Fund Balance, Governmental Funds	130
Assessed Value and Actual Value of all Taxable Property	131
Direct and Overlapping Property Tax Rates	132
Principal Property Tax Payers	133
Property Tax Levies and Collections	134
Ratios of General Bonded Net Debt Outstanding	135
Ratios of Outstanding Debt by Type	136
Legal Debt Margin Information - Required Debt	137
Computation of Direct, Overlapping, and Underlying Debt	138
Demographic and Economic Statistics	139
Principal Employers	140
Various Statistics	141
Operating Indicators by Program/Function	142

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	143
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FEDERAL AND STATE AWARDS

Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	145
Schedule of Expenditures of Federal Awards	147
Schedule of Expenditures of State Awards	149
Notes to the Schedules of Expenditures of Federal and State Awards	151
Schedule of Findings and Questioned Costs	152

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INTRODUCTORY SECTION

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Peggy Steeno
Finance Director
Finance Department
414.302.8252
psteeno@westalliswi.gov

June 29, 2018

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, 2017. This report has been prepared by the City's Finance Department. The Financial Statements contained within the report were examined by the independent auditors Schenck SC, and their opinion is that all financial statements present fairly, in all material respects, the City's position at December 31, 2017; the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all necessary disclosures to enable the reader to gain maximum understanding of the City's financial affairs have been included. This letter of transmittal is designed to complement the Management Discussion and Analysis Section and should be read in conjunction with it.

This financial report is divided into four major sections. The Introductory Section begins with this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2016, 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 schedules of expenditures of federal and state awards. Completing the Financial Section is Management's Discussion and Analysis, the basic financial statements, required supplementary information, and other supplementary information.

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

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

The Supplementary information section includes the auditors' report on internal control, the report on federal and state awards (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 2017 population is 59,652.

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

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

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

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

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

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis retains approximately 577 full-time equivalent employees, on a permanent basis. At different times during the year, West Allis also employs temporary and part-time help to perform seasonal and other time-specific work. The City requires that all emergency-workers reside within a thirty-minute drive radius of the West Allis city limits, within eighteen months of employment. The City operates daily through sixteen departments, headed by fourteen appointed officials and two elected officials in the roles of City Attorney & Municipal Judge.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITIONS

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

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

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

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

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

Another financial element in TID #11 was a Tri-City Bank loan of \$2,500,000 secured through a first mortgage loan. The City-affiliated First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) provided a \$1,500,000 leveraged loan, and the TID provided a \$350,000 loan which was personally guaranteed by the property owners, in order to facilitate a \$900,000 state-of-the-art 100-year underground storm water facility, designed to retain storm water on site and not spill out into the neighboring properties. Redevelopment of the 84th and Greenfield area included a combination of TID, grants and creative financing. Together, these programs contributed to the development of a \$13 million Hampton Inn and Suites Hotel and Conference Center, which opened in October of 2015.

Other recent highlights in the City's TIF Districts included the 2015 completion of a \$14 million industrial building in TID #10 (Yellow Freight) on a former trucking terminal site, the cleanup of neighborhood blight into the completion of a \$1.2 million office space in TID #13 (Home Juice), and the creation of TID #15, in 2016, a blighted area district, with plans for mixed use redevelopment. Planning is well underway for these improvements, with the start of construction expected in 2018.

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 was recently reconfirmed.

First-Ring Industrial Redevelopment Enterprise (FIRE)

FIRE is a Community Development Entity formed to provide gap financing to mixed-use developments and business expansions throughout the Southeast Wisconsin industrial corridor. From 2007 through 2017, FIRE was awarded \$238 Million, in six different allocation periods, of New Market Tax Credits, and an additional \$35 Million in credits was awarded in the beginning of 2018. 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 nine industrial/manufacturing real estate projects, eleven commercial/retail real estate developments, and two community facilities. The projects have helped improve a substantial amount of development, including 2.5 million square feet of improvements, of which 1.5 million square feet were improvements on brownfield sites. These developments attracted well over 3,000 permanent jobs, and helped foster more than 1,500 construction jobs.

FIRE has also made six economic development loans, effectively reinvesting proceeds from fees collected from eighteen 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. 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 more than 100 small and diverse retail/service businesses.

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

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

Wisconsin State Fair Grounds

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

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

Park Improvements

The City kicked off a \$2.9 Million Neighborhood Park Revitalization Initiative in 2016, which was based on a recently completed Comprehensive Park and Outdoor Recreation Plan. Specific parks that were improved in 2016 include: Reservoir Park, Liberty Heights Park, and Veteran's Park. Improvements included: improved facilities, a substantial amount of new playground equipment, rubber surfacing, new basketball hoops, new tennis courts, pickle ball courts, a skateboard area, and other general improvements. In addition, Klentz Park was substantially improved in 2017, including: a paved path within the park, the first of its kind in the City; extensive improvements on the two baseball diamonds in the park; park shelter and restroom improvements; the addition of recreational games on site; and the addition of other typical park amenities including benches, swings, bike racks, and a water fountain.

Cash Management and Investment Policy

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

The investment of City funds is done in accordance with Secs. 34.01(5) and 66.04 (2), of the Wisconsin State Statutes. The Statutes permit investments in Certificates of Deposit, Government Bonds and Securities, Corporate Bonds, Government Pool and Repurchase Agreements. In 2017, the highest concentrations of the City's cash portfolio were maintained in the American Deposit Corporation, Tri-City Investment account, and corporate and municipal securities through various suppliers. These investment vehicles continued to provide some of the highest rates of return available with low risk for liquid cash holdings.

Local Economy

The City, over the past 10 years, has experienced an overall growth in terms of residential and commercial value. Although the City is land locked and fully developed, West Allis has continually increased its value through redevelopment as was outlined earlier in this letter. The City's equalized value has increased from \$3.5 billion in 2005 to over \$3.7 billion in 2017.

As of the writing of this transmittal, unemployment in West Allis of 2.9% is slightly above the state-wide average of 2.8%, which is a substantial improvement from the 6.5% rate in 2016.

Relevant Financial Policies

The budgetary philosophy of the City has been one of stability in budget, taxes and user charges. The City has a formal policy of maintaining an unassigned fund balance in the General Fund of at least 5% of expenditures, but in practice the City has maintained a much healthier level of reserves. In 2017, unassigned fund balance was 21% of expenditures and, total spendable fund balance was 59% of expenditures. The City maintains such balances to provide a cushion against unforeseen budget events, to save for future capital items, and for cash flow purposes.

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

Major initiatives

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City of West Allis, Wisconsin, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements

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

ACKNOWLEDGMENT

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

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

Respectfully submitted,

Peggy Steeno

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



Government Finance Officers Association

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

Presented to

**City of West Allis
Wisconsin**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

December 31, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF WEST ALLIS, WISCONSIN
General Information

ELECTED CITY OFFICIALS

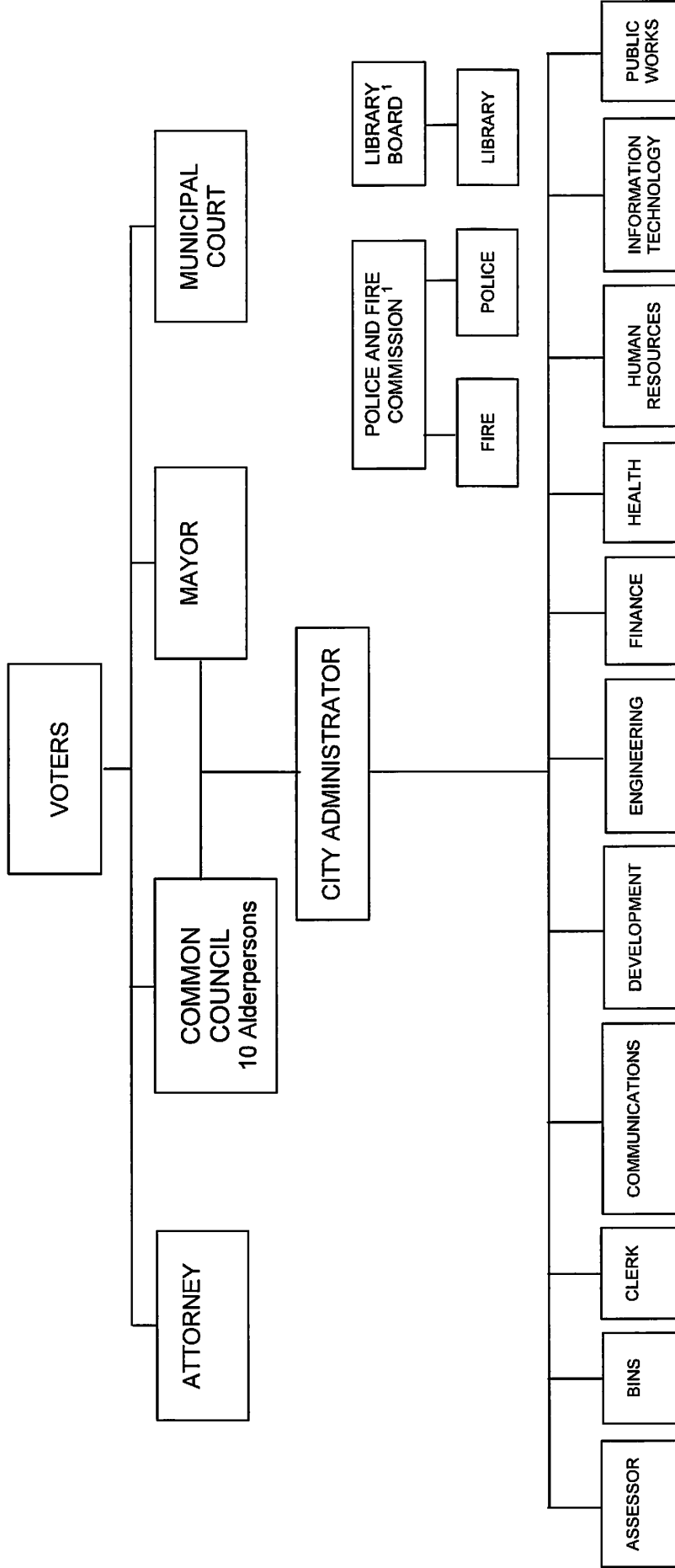
Mayor and Council

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

Elected Official

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

**ORGANIZATIONAL CHART
CITY OF WEST ALLIS**



¹ Appointed by the Mayor and confirmed by the Common Council, with policy responsibility.

TOTAL 2017 FTE POSITIONS: 747.075

General Fund Benefitted FTE: 521.600

Other Funding Sources Benefitted FTE: 54.675

General Fund Misc. PT Non-Benefitted FTE: 170.800

FINANCIAL SECTION

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Independent auditors' report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Allis, Wisconsin (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 4.G., the City recorded a prior period adjustment of \$832,080 in the governmental funds and government-wide financial statements to properly adjust liabilities in the financial statements. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 30 and the schedules relating to pensions and other postemployment benefits on pages 86 through 88 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards 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 and state awards 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 ON SUMMARIZED FINANCIAL INFORMATION

We have previously audited the City's 2016 financial statements, and our report dated July 26, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, 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

Sheboygan, Wisconsin

June 29, 2018

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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, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-11 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$166,164,572 (*net position*). This is an increase of \$2,538,560, mainly due to a net increase in assets from 2017 operations.
- The City's net position for the governmental activities decreased by \$1,997,066, per page 33 of the financial statements. The primary reasons for the decrease include: a decrease in the Capital Grants and Contributions in 2017 and an increase in the gain on sale of assets for the previous year, offset by an overall reduction in 2017 expenses as well as an increase in interest and investment earnings. The OPEB obligation, which has been reduced from 2016 to 2017, is calculated in accordance with GASB Statement #75.
- As of the close of the year, the City's governmental funds reported combined 2017 ending fund balances of \$47,582,715 as compared to \$40,439,820 at the end of 2016. The increase of \$7,142,895 is favorable and is due to a net increase in cash and investments. Of the total fund balance, approximately 54%, or \$25,681,197, is classified as spendable fund balance.
- At the end of 2017, the unassigned fund balance for the general fund was \$11,485,571 or approximately 21% of total general fund expenditures compared to \$8,029,584 or approximately 14% at the end of 2016. Revenues from Taxes, Public Charges for Services, and Miscellaneous Revenues did not meet budget expectations, causing overall revenues to miss projections by \$1,016,376, or 1.77%, in 2017. However, 2017 expenditures came in below the final budgeted amount by \$5,603,220, which were the main drivers in the overall unassigned fund balance being more favorable than final budget to actual projections by \$4,856,364.

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

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

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

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

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

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

The government-wide financial statements can be found on pages 31-33 of this report.

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

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

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

The City maintained approximately 41 individual governmental funds during 2017. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the debt service fund, both of which are considered major funds. Data from the other approximately 39 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the combining statements found elsewhere in this report.

The City adopts annual appropriation budgets for the general, certain special revenue, debt service, and 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 34 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the functions of the Water Utility, Sanitary Sewer Utility, Storm Water Utility, Solid Waste Fund, Parking Utility, and the Senior Citizen's Housing 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 40 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 50-85 of this report.

Required supplementary information (RSI). RSI includes the schedule of changes in OPEB liability and related ratios, schedule of proportionate share of the net pension liability (asset) and schedules of contributions for the other postemployment benefit and pension plans. These schedules can be found starting on page 86 of this report.

Supplementary information. The combining statements referred to in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 89 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 \$166,164,572 at the close of 2017. This compares to \$163,626,012 at the close of 2016. Although the City's net position is positive, a major portion is due to the investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure), less any related outstanding indebtedness used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt and deferred outflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

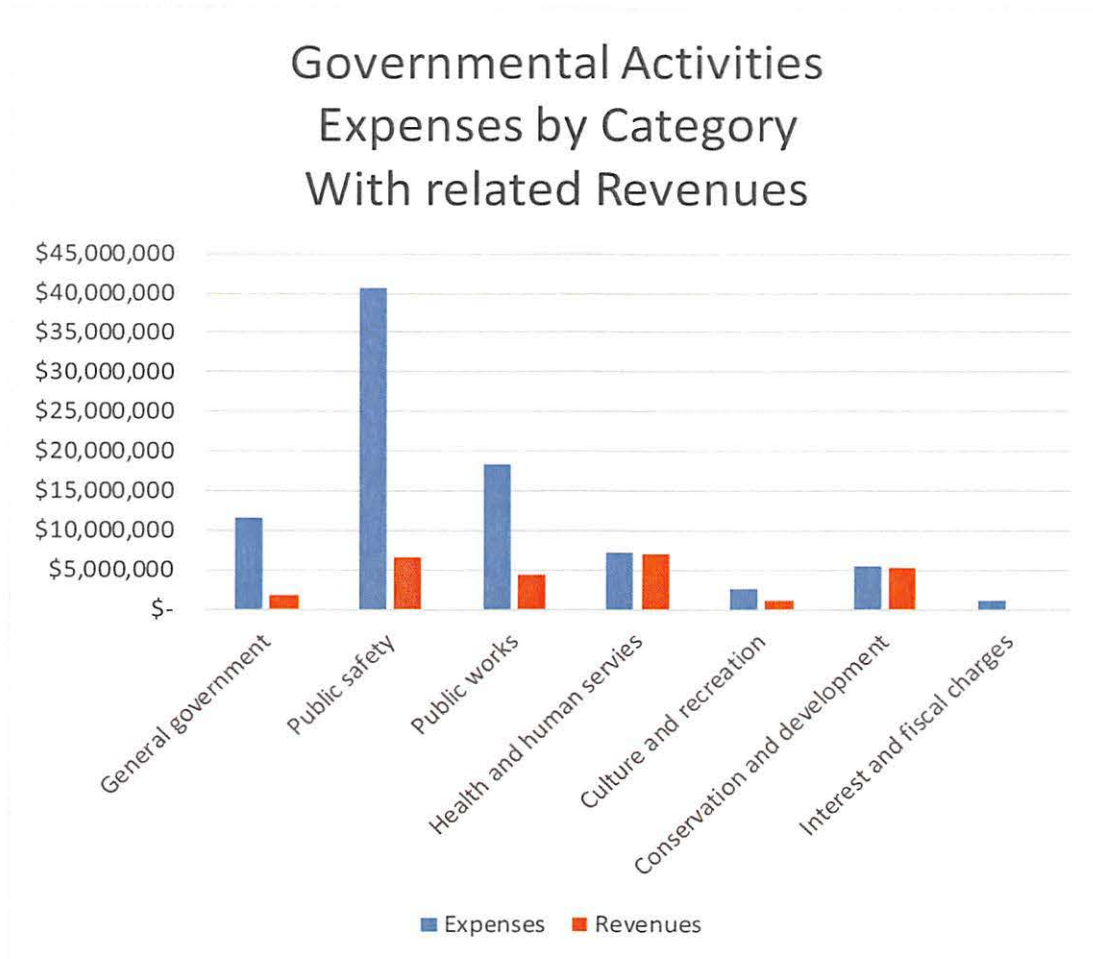
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 194,244	\$ 188,246	\$ 20,744	\$ 23,070	\$ 214,988	\$ 211,316
Capital assets	205,216	204,585	105,268	98,914	310,484	303,499
Total assets	399,460	392,831	126,012	121,984	525,472	514,815
Deferred outflows						
Loss on debt refunding	1,510	1,637	99	125	1,609	1,762
Pension	20,809	33,762	1,218	1,924	22,027	35,686
OPEB	5,141	-	124	-	5,265	-
Total deferred outflows	27,460	35,399	1,441	2,049	28,901	37,448
Long-term liabilities						
Outstanding	190,112	187,168	32,187	32,605	222,299	219,773
Other liabilities	80,541	80,295	3,425	2,880	83,966	83,175
Total liabilities	270,653	267,463	35,612	35,485	306,265	302,948
Deferred inflows						
Property taxes	44,093	43,280	43	43	44,136	43,323
Pension	8,508	40,868	511	1,498	9,019	42,366
OPEB	28,212	-	576	-	28,788	-
Total deferred inflows	80,813	84,148	1,130	1,541	81,943	85,689
Net position						
Net investment in capital assets	164,865	161,610	76,280	70,467	241,145	232,077
Restricted	4,062	2,227	-	-	4,062	2,227
Unrestricted	(93,473)	(87,218)	14,431	16,540	(79,042)	(70,678)
Total net position	\$ 75,454	\$ 76,619	\$ 90,711	\$ 87,007	\$ 166,165	\$ 163,626

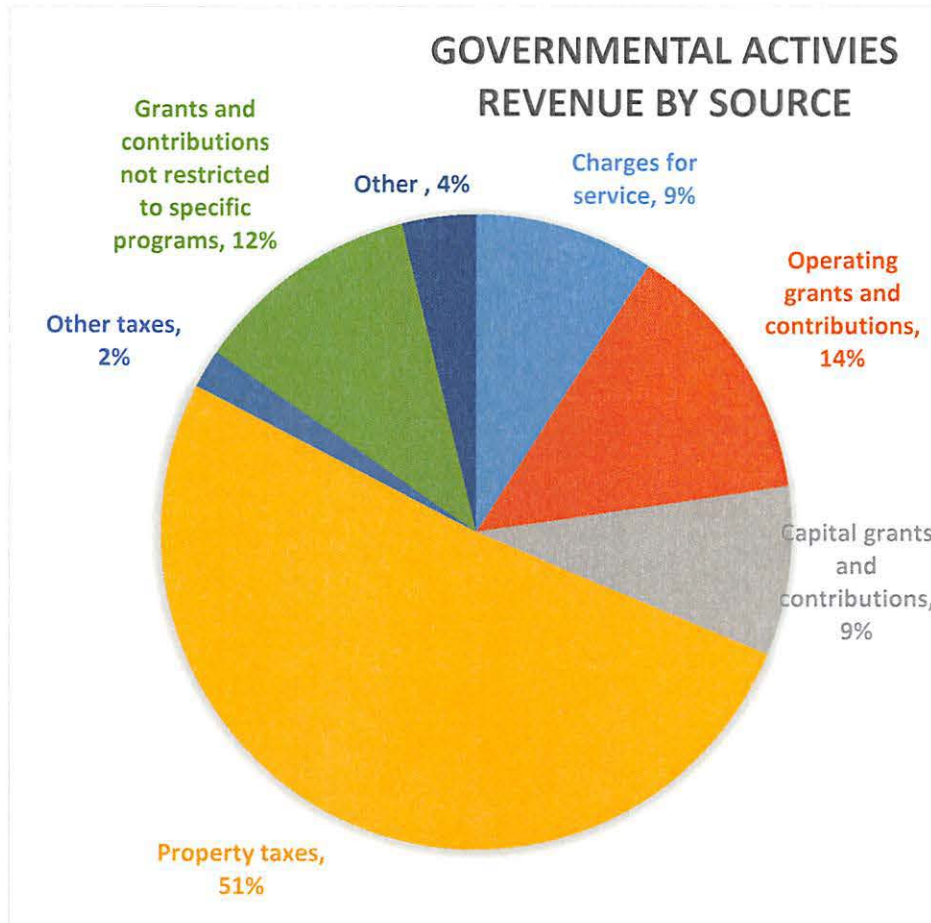
A portion of the City's overall net position represents resources that are subject to external restrictions on how they may be used. Due to the recognition of the other postemployment benefit liability as of January 1, 2017, there is a deficit in the unrestricted net position, of \$79,042,507.

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for service	\$ 7,700,986	\$ 8,081,682	\$ 21,935,871	\$ 21,827,894	\$ 29,636,857	\$ 29,909,576
Operating grants and contributions	11,348,940	11,414,432	394,572	287,300	11,743,512	11,701,732
Capital grants and contributions	7,223,174	22,966,696	906,208	9,700	8,129,382	22,976,396
General revenues						
Property taxes	43,092,925	41,766,514	43,000	43,000	43,135,925	41,809,514
Other taxes	1,668,745	1,481,705	-	-	1,668,745	1,481,705
Grants and contributions not restricted to specific programs	9,738,619	9,404,027	-	-	9,738,619	9,404,027
Other	3,214,097	2,264,121	210,238	477,744	3,424,335	2,741,865
Total revenues	83,987,486	97,379,177	23,489,889	22,645,638	107,477,375	120,024,815
Expenses						
General government	11,672,021	12,805,585	-	-	11,672,021	12,805,585
Public safety	40,766,743	39,785,333	-	-	40,766,743	39,785,333
Public works	18,449,732	20,174,501	-	-	18,449,732	20,174,501
Health and human services	7,347,903	12,272,953	-	-	7,347,903	12,272,953
Culture and recreation	2,631,146	2,769,342	-	-	2,631,146	2,769,342
Conservation and development	5,587,700	8,086,314	-	-	5,587,700	8,086,314
Interest and fiscal charges	1,134,465	1,436,617	-	-	1,134,465	1,436,617
Water utility	-	-	6,583,882	6,752,393	6,583,882	6,752,393
Sanitary sewer utility	-	-	6,337,577	5,632,642	6,337,577	5,632,642
Storm water utility	-	-	2,235,979	2,830,547	2,235,979	2,830,547
Solid waste utility	-	-	2,811,106	1,601,840	2,811,106	1,601,840
Parking utility	-	-	73,705	70,787	73,705	70,787
Senior citizen housing	-	-	138,936	168,937	138,936	168,937
Total expenses	87,589,710	97,330,645	18,181,185	17,057,146	105,770,895	114,387,791
Increase (decrease) in net position before transfers	(3,602,224)	48,532	5,308,704	5,588,492	1,706,480	5,637,024
Transfers	1,605,155	1,501,635	(1,605,155)	(1,501,635)	-	-
Change in net position	(1,997,069)	1,550,167	3,703,549	4,086,857	1,706,480	5,637,024
Net position - January 1	76,619,017	75,068,850	87,006,995	82,920,138	163,626,012	157,988,988
Prior period adjustment	832,080	-	-	-	832,080	-
Net position - January 1	77,451,097	75,068,850	87,006,995	82,920,138	164,458,092	157,988,988
Net position - December 31	<u>\$ 75,454,028</u>	<u>\$ 76,619,017</u>	<u>\$ 90,710,544</u>	<u>\$ 87,006,995</u>	<u>\$166,164,572</u>	<u>\$163,626,012</u>

Governmental activities: Governmental activities decreased the City's net position by \$1,997,066 during 2017 compared to an increase of \$1,550,167 in 2016. Key elements of this net decrease are as follows:

- Governmental fund revenues that are earned but not available to pay current obligations decreased by \$1,242,028 in 2017.
- The change in net position of the internal services funds decreased by \$691,763 in 2017 compared to 2016.

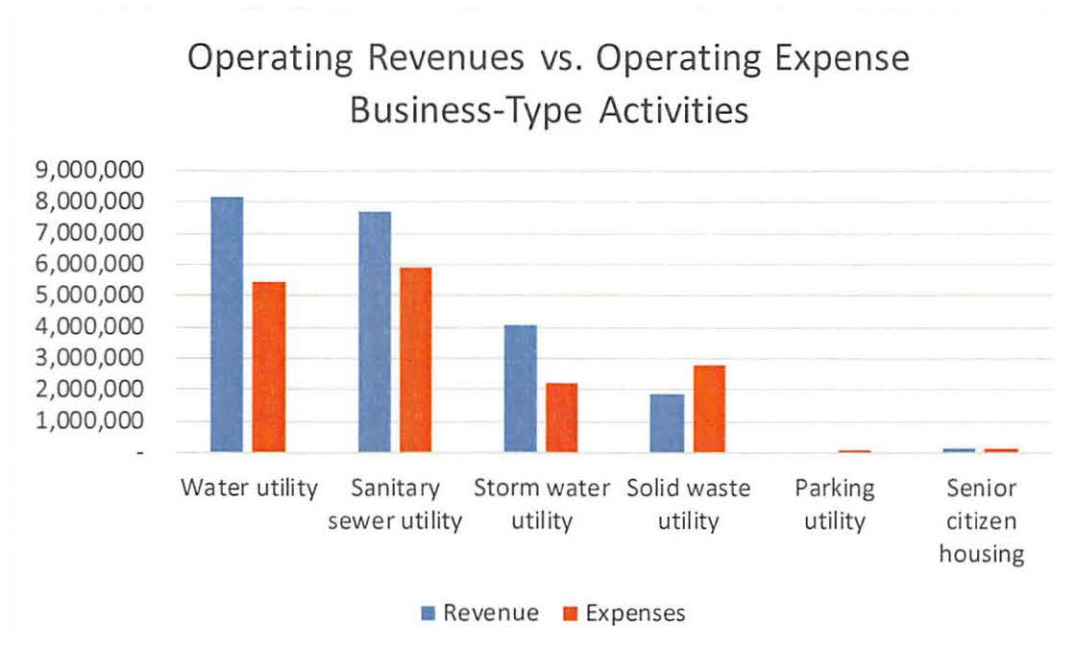


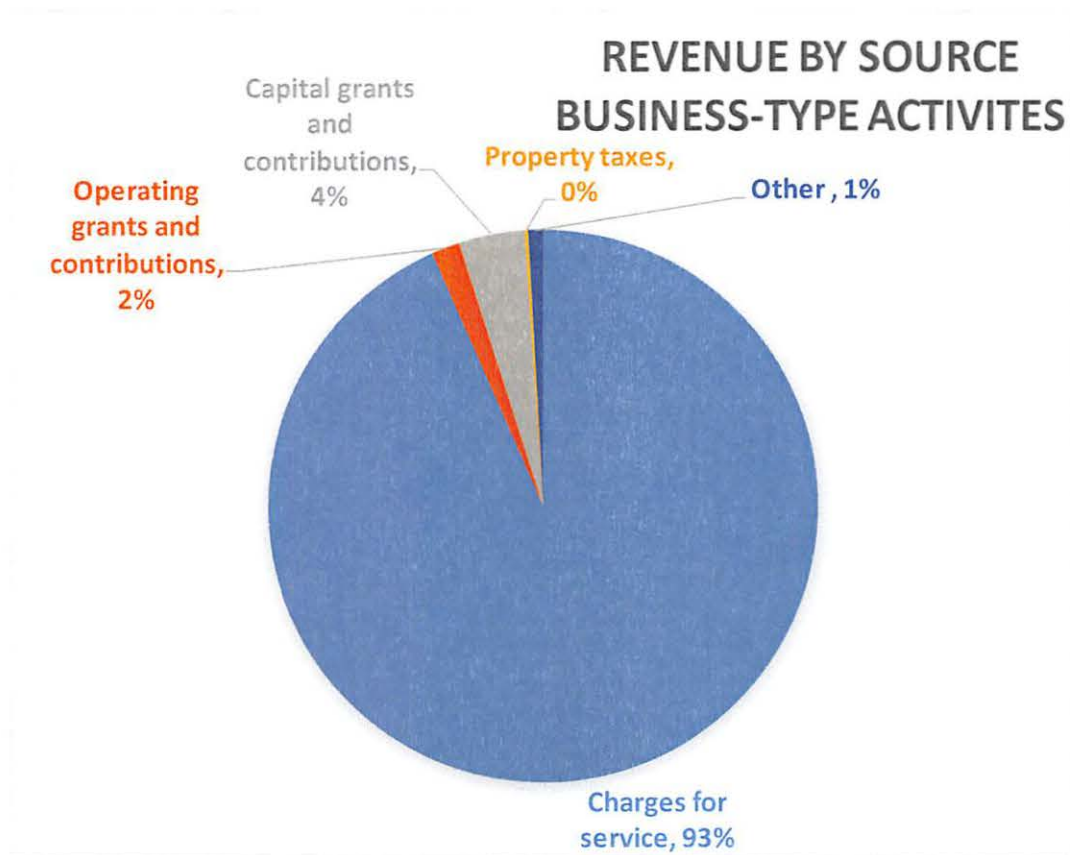


Business-type activities. Business-type activities increased the City's net position by \$3,703,549. Key elements of this net increase in assets are as follows:

- The Water Utility's net position increased by \$1,448,636 in 2017 as compared to an increase of \$539,312 in 2016. The utility realized a 4.25% rate of return in 2017 as compared to 5.00% in 2016 based on the Public Service Commission of Wisconsin (PSC) calculation. In addition, there was a rate increase authorized by the PSC and West Allis Common Council for service on and after October 1, 2017.
- The Sanitary Sewer Utility increased net position by \$1,292,707 in 2017 as compared to an increase of \$1,934,977 in 2016. The rate was maintained at \$1.75 per ccf (750 gallons) during 2017. The rate is designed to allow for sufficient cash flow for bond principal and interest payment needs and to fund additional maintenance needs of the city's aging sewer system on a cash basis. Over the past several years the amount of required repairs has risen significantly because of new DNR regulations related to clear water inflow into the sanitary system. Rates are reviewed annually during the budget process.

- The Storm Water Utility's net position increased by \$1,624,964 in 2017 as compared to an increase of \$925,441 in 2016. The rate was not increased in 2017. 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's net position decreased by \$717,465 in 2017, as planned due to the purchase of recycling carts for all eligible properties, as compared to an increase of \$613,808 in 2016. The rate was unchanged from 2016.
- The Parking Utility's net position decreased by \$8,036 in 2017 as compared to an increase of \$966 in 2016. The utility continues to face the challenge of maintaining the parking lots despite the drop off in the collection of parking permit revenue, which is related to the loss of some retailers in the area.
- The Beloit Road Housing Management Fund's net position increased by \$62,743 in 2017 as compared to an increase of \$72,353 in 2016. 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.

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

As of December 31, 2017 the City's governmental funds reported combined ending fund balances of \$47,582,715; an increase of \$7,142,895 compared to the balance at the end of 2016. The change includes an increase of \$6,310,815 due to operations and \$832,080 due to a prior period adjustment. Of the total fund balance, the Non-Spendable portion is \$11,444,651, while the total Spendable Fund Balance is \$36,138,064. The Spendable portion of total fund balance includes \$5,074,190 of Restricted Funds, which are restricted as to their use by granting agencies or for debt service purposes. The remaining \$31,063,874 of Spendable Fund Balance consists of various amounts either committed or assigned for specific purposes by action of the Common Council, or unassigned. Details of these commitments and assignments as they relate to the General Fund may be found on pages 78-81 – Note 3 H.

General Fund: The general fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$11,485,571 while total fund balance was \$45,210,773. 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 21.3% of total general fund expenditures, while total fund balance represents 83.8% of total general fund expenditures. The fund balance increased by \$3,018,930 due to lower than expected revenues and transfers in, a shortage of \$1,031,221, which were more than offset by under spending of all main expenditure categories, including budget adjustments authorized by the Common Council throughout the course of 2017. Overall, expenditures, combined with transfers, were underspent by \$5,887,585 compared to the final budget. Regarding the budget adjustments, accounting for the difference between the original and final expenditure budgets, the Common Council specifically authorized \$1,837,434 for approximately \$1,164,000 of carryover requests and approximately \$673,000 of encumbrances.

Debt Service Funds. The debt service fund continues to be maintained with a low fund balance level 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 (deficits) for these funds can be seen in the table below.

	<u>2017</u>	<u>2016</u>
Unrestricted position:		
Water utility	\$ (1,337,503)	\$ (1,213,283)
Sanitary sewer utility	2,282,067	3,387,510
Storm water utility	2,698,998	2,699,416
Solid waste utility	3,480,031	4,414,048
Parking utility	154,024	162,060
Senior citizen housing	7,153,170	7,090,427
Total unrestricted net position	<u>\$ 14,430,787</u>	<u>\$ 16,540,178</u>

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$1,837,434 with the major items being as follows:

- Carry-over requests from 2016 for budgeted projects and expenditures that were unfinished at the end of the year totaled \$1,164,182.
- Encumbrances carried over from 2016 for budgeted projects and expenditures that were still open at the end of the year totaled \$673,252.

Revenues were less than budgetary estimates – explanation:

During 2017, revenues were lower than budget by \$1,016,376. The biggest individual item was a decrease in miscellaneous revenues, in the amount of approximately \$934,300, due to not needing to use the budgeted use of fund balance, and a decrease in public charges for services, in the amount of approximately \$155,300, due to a variation in the amount of service provided versus budgeted.

Expenditures were less than budgetary estimates – explanation:

Actual operating expenditures and transfers were less than the final budget by \$5,603,220. Approximately \$419,000 of encumbrances at the end of the year and another \$2.1 million in carry-over requests for initiatives that were not completed in 2017 account for the underspent amounts when compared to budget in addition to various expense accounts that were underspent due to staffing vacancies. Also, the planned use of fund balance, as noted above, was not needed to balance the 2017 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, 2017, net of accumulated depreciation amounts to \$310,484,199. Total investment in capital assets prior to accumulated depreciation was \$597,228,168. 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 \$6,985,170 or a 2.30% increase (a 0.31% increase for governmental activities and a 6.42% increase for business-type activities).

Major capital asset events during the year included the following:

Governmental Activities:

- Construction in progress decreased by \$13,449,491.
- A reduction in Machinery and Equipment decreased capital assets by \$5,026,041.
- Infrastructure improvements added \$3,829,924 to capital assets.
- Building improvements added \$19,197,415 to capital assets.

Business Type Activities:

- The Water Utility increased capital assets by \$2,226,506 for water distribution mains, services, hydrants, and meters.
- The Storm Water Utility increased assets by \$1,549,646. The majority was for infrastructure replacement.
- The Sanitary Sewer Utility increased assets by \$2,361,663 for main replacement.

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 13,051,777	\$ 13,051,777	\$ 963,716	\$ 963,716	\$ 14,015,493	\$ 14,015,493
Construction in progress	3,784,549	17,234,040	54,300	32,970	3,838,849	17,267,010
Buildings and improvements	181,316,382	162,118,967	496,728	496,728	181,813,110	162,615,695
Land improvements	373,539	415,882	-	-	373,539	415,882
Machinery and equipment	88,213,375	93,239,416	6,163,213	5,350,335	94,376,588	98,589,751
Infrastructure	167,314,134	163,484,210	135,496,455	128,448,543	302,810,589	291,932,753
Total capital assets	454,053,756	449,544,292	143,174,412	135,292,292	597,228,168	584,836,584
Less: Accumulated depreciation	(248,837,919)	(244,959,258)	(37,906,050)	(36,378,297)	(286,743,969)	(281,337,555)
Net capital assets	<u>\$ 205,215,837</u>	<u>\$ 204,585,034</u>	<u>\$ 105,268,362</u>	<u>\$ 98,913,995</u>	<u>\$ 310,484,199</u>	<u>\$ 303,499,029</u>

Additional information on the City's capital assets can be found in the footnote 1 f 9 (page 54) and footnote 3 B (pages 63-64).

Long-term debt. At the end of fiscal year 2017, the City had total bonded debt outstanding of \$71,139,165 backed by the city's general obligation unlimited tax pledge. Moody's rating on the general obligation debt is Aa2.

The City's total net general-obligation debt outstanding decreased by \$1,069,861 or 1.5% during the current year. The City issued \$8,825,000 in debt while paying down \$9,894,861. New debt issued in 2017 was for the following purposes: the Water Utility issued \$1,750,000, the Sewer Utility issued \$1,750,000, and the General Fund issued \$2,750,000 for new streets projects and \$1,845,000 for fire apparatus. An additional \$730,000 was issued to refund TID 5 debt solely for the purpose of saving on future interest costs.

State Statutes limit the amount of general obligation debt a City may issue to 5% of its total equalized value. The City's current debt level is 38.10% of its limitation of \$186,118,050 compared to 38.66% in 2016. The City's net total indebtedness for business-type activities increased by \$456,557.

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation notes	\$ 1,028,005	\$ 1,439,423	\$ 64,043	\$ 83,675	\$ 1,092,048	\$ 1,523,098
General obligation bonds	41,640,000	42,755,000	28,407,117	27,930,928	70,047,117	70,685,928
Total outstanding debt	\$ 42,668,005	\$ 44,194,423	\$ 28,471,160	\$ 28,014,603	\$ 71,139,165	\$ 72,209,026

Additional information on the City's long-term debt can be found in footnote 3 D on pages 66-68 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City, like others, experienced several years of decreasing market values of property within the city, with newer TIF Districts being the exception because of new construction. However, as of the past few years, property values have begun to stabilize, and even slightly increase. This stabilization is expected to continue.
- The general fund finished the year with an unassigned fund balance of \$11,485,571, an increase of \$3,455,987 from the previous year.
- The pension contribution rates for 2017 increased from 13.2% for general city employees to 13.6%, however WI Acts 10 & 32 require employees to contribute half of this (6.8%). Subject to contract negotiations, City Police Officers began paying the full employee contribution rate at the end of 2015 and Firefighters began paying the full employee contribution rate as of the end of 2017.
- While interest rates remain low, staff has been able to ladder out investment instruments in an effort to reduce the impact of lower rates on overall earnings. Investment earnings have been on the upswing since 2012. The City has also generated interest income by making two loans to its component unit, First-Ring Industrial Redevelopment Enterprise (FIRE), obtaining an interest rate of 4.5% on those loans.

- The City continues to be affected by legislation at the state level. In 2011, a significant change to the collective bargaining rights of unions provided the City with greater flexibility to address some budget pressures. However, since public safety unions remain outside of the legislation, there are still significant budget pressures due to levy restrictions and a stagnant local economy.
- On September 21, 2017, the State of Wisconsin adopted its biennial budget for 2017 -2019. That budget held to the strict levy limits that have been in place since 2011, which allow a levy increase by the percentage of equalized value net new construction. The state budget retained funding for Shared Revenues and Transportation Aid.

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

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of West Allis for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of West Allis – Attn: Peggy Steeno, Finance Director, 7525 West Greenfield Ave, West Allis, WI 53214, or (414) 302-8252, or psteeno@westalliswi.gov.

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

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BASIC FINANCIAL STATEMENTS

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City of West Allis, Wisconsin

**STATEMENT OF NET POSITION
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Governmental Activities	Business-type Activities	Totals		Component Unit
			2017	2016	FIRE
ASSETS					
Cash and investments	\$ 113,929,293	\$ 8,827,625	\$ 122,756,918	\$ 116,261,896	\$ 9,297,491
Receivables					
Taxes and special charges	51,899,401	43,000	51,942,401	51,607,317	-
Delinquent taxes	350,350	-	350,350	308,546	-
Accounts	746,689	8,028,774	8,775,463	8,515,344	202,108
Special assessments	2,122,245	-	2,122,245	2,105,377	-
Loans, net	13,825,239	5,544,993	19,370,232	20,800,787	5,022,047
Other	223,262	94,140	317,402	422,222	43,417
Internal balances	3,201,771	(3,201,771)	-	-	-
Due from other governments	1,385,596	590,404	1,976,000	1,773,513	-
Inventories and prepaid items	1,652,788	815,432	2,468,220	3,242,010	-
Investment in CVMIC	3,244,299	-	3,244,299	3,244,299	-
Other assets	-	-	-	-	165,529
Capital assets, nondepreciable	16,836,326	1,018,016	17,854,342	31,282,503	175,047
Capital assets, depreciable, net	188,379,511	104,250,346	292,629,857	272,216,526	-
Total assets	<u>397,796,770</u>	<u>126,010,959</u>	<u>523,807,729</u>	<u>511,780,340</u>	<u>14,905,639</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	1,510,168	98,863	1,609,031	1,761,034	-
Pension related amounts	20,808,878	1,218,395	22,027,273	30,964,657	-
Other postemployment related amounts	5,140,749	124,883	5,265,632	4,721,586	-
Total deferred outflows of resources	<u>27,459,795</u>	<u>1,442,141</u>	<u>28,901,936</u>	<u>37,447,277</u>	<u>-</u>
LIABILITIES					
Accounts payable	2,544,106	1,044,830	3,588,936	3,509,977	36,449
Accrued and other current liabilities	4,398,577	124,632	4,523,209	5,031,075	16,157
Due to other governments	69,074,836	1,447,034	70,521,870	67,130,052	-
Accrued interest payable	255,281	194,870	450,151	470,534	-
Special deposits	2,100,877	88,293	2,189,170	3,089,008	49,955
Unearned revenues	503,680	525,823	1,029,503	909,532	90,602
Long-term obligations					
Due within one year	6,662,261	3,259,126	9,921,387	9,318,332	-
Due in more than one year	36,777,728	25,828,342	62,606,070	64,031,962	3,554,197
Net pension liability	2,677,551	160,908	2,838,459	5,479,834	-
Other postemployment benefits	143,994,983	2,938,673	146,933,656	140,942,518	-
Total liabilities	<u>268,989,880</u>	<u>35,612,531</u>	<u>304,602,411</u>	<u>299,912,824</u>	<u>3,747,360</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	44,093,237	43,000	44,136,237	43,323,156	-
Pension related amounts	8,507,773	511,277	9,019,050	11,532,218	-
Other postemployment related amounts	28,211,647	575,748	28,787,395	30,833,407	-
Total deferred inflows of resources	<u>80,812,657</u>	<u>1,130,025</u>	<u>81,942,682</u>	<u>85,688,781</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	164,864,990	76,279,757	241,144,747	232,077,220	-
Restricted	4,062,332	-	4,062,332	2,226,660	-
Unrestricted	(93,473,294)	14,430,787	(79,042,507)	(70,677,868)	11,158,279
Total net position	<u>\$ 75,454,028</u>	<u>\$ 90,710,544</u>	<u>\$ 166,164,572</u>	<u>\$ 163,626,012</u>	<u>\$ 11,158,279</u>

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, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 11,672,021	\$ 1,678,033	\$ 129,792	\$ -
Public safety	40,766,743	4,175,046	2,390,067	-
Public works	18,449,732	561,363	2,374,071	1,475,250
Health and human services	7,347,903	425,033	942,413	5,747,924
Culture and recreation	2,631,146	759,661	327,141	-
Conservation and development	5,587,700	101,850	5,185,456	-
Interest and fiscal charges	1,134,465	-	-	-
Total governmental activities	<u>87,589,710</u>	<u>7,700,986</u>	<u>11,348,940</u>	<u>7,223,174</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	6,583,882	8,141,702	-	838,604
Sanitary sewer utility	6,337,577	7,705,762	31,140	-
Storm water utility	2,235,979	3,974,805	110,205	67,604
Solid waste utility	2,811,106	1,931,578	253,227	-
Parking utility	73,705	22,669	-	-
Senior citizen housing	138,936	159,355	-	-
Total business-type activities	<u>18,181,185</u>	<u>21,935,871</u>	<u>394,572</u>	<u>906,208</u>
Total primary government	<u>\$ 105,770,895</u>	<u>\$ 29,636,857</u>	<u>\$ 11,743,512</u>	<u>\$ 8,129,382</u>
Component Unit				
FIRE	<u>\$ 3,763,664</u>	<u>\$ 3,214,475</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes				
Sales tax				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
Gain on sale of asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1, as originally stated				
Prior period adjustment				
Net position - January 1, restated				
Net position - December 31				

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

Net (Expense) Revenue and Changes in Net Position				Component Unit
Governmental Activities	Business-type Activities	Totals		FIRE
		2017	2016	
\$ (9,864,196)	\$ -	\$ (9,864,196)	\$ (11,178,756)	\$ -
(34,201,630)	-	(34,201,630)	(33,263,996)	-
(14,039,048)	-	(14,039,048)	(15,328,101)	-
(232,533)	-	(232,533)	10,323,766	-
(1,544,344)	-	(1,544,344)	(1,572,671)	-
(300,394)	-	(300,394)	(2,195,951)	-
(1,134,465)	-	(1,134,465)	(1,436,617)	-
(61,316,610)	-	(61,316,610)	(54,652,326)	-
-	2,396,424	2,396,424	1,416,284	-
-	1,399,325	1,399,325	2,031,921	-
-	1,916,635	1,916,635	1,205,818	-
-	(626,301)	(626,301)	545,075	-
-	(51,036)	(51,036)	(42,034)	-
-	20,419	20,419	27,877	-
-	5,055,466	5,055,466	5,184,941	-
(61,316,610)	5,055,466	(56,261,144)	(49,467,385)	-
-	-	-	-	(549,189)
43,092,925	43,000	43,135,925	41,809,514	-
150	-	150	306	-
1,668,595	-	1,668,595	1,481,399	-
9,738,619	-	9,738,619	9,404,027	-
1,824,084	162,324	1,986,408	1,115,377	326,519
1,322,638	15,570	1,338,208	1,216,775	4,300
67,375	32,344	99,719	77,011	-
1,605,155	(1,605,155)	-	-	-
59,319,541	(1,351,917)	57,967,624	55,104,409	330,819
(1,997,069)	3,703,549	1,706,480	5,637,024	(218,370)
76,619,017	87,006,995	163,626,012	157,988,988	11,376,649
832,080	-	832,080	-	-
77,451,097	87,006,995	164,458,092	157,988,988	11,376,649
<u>\$ 75,454,028</u>	<u>\$ 90,710,544</u>	<u>\$ 166,164,572</u>	<u>\$ 163,626,012</u>	<u>\$ 11,158,279</u>

City of West Allis, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	General	Debt Service	Other Governmental Funds	Totals	
				2017	2016
ASSETS					
Cash and investments	\$ 92,276,714	\$ 237,184	\$ 14,189,980	\$ 106,703,878	\$ 96,956,422
Receivables					
Taxes and special charges	42,726,052	6,697,687	475,662	49,899,401	49,564,317
Delinquent taxes	350,350	-	-	350,350	308,546
Accounts	532,657	-	179,200	711,857	711,286
Special assessments	-	-	2,122,245	2,122,245	2,105,377
Loans, net	3,555,572	-	10,269,667	13,825,239	15,346,154
Other	215,865	-	7,397	223,262	290,157
Due from other funds	15,886,837	-	-	15,886,837	14,076,200
Due from other governments	6,061	-	1,379,535	1,385,596	1,496,509
Inventories and prepaid items	1,486,862	-	-	1,486,862	1,644,432
Total assets	\$157,036,970	\$ 6,934,871	\$ 28,623,686	\$ 192,595,527	\$182,499,400
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 657,425	\$ -	\$ 1,502,404	\$ 2,159,829	\$ 1,168,615
Accrued and other current liabilities	4,307,199	-	91,378	4,398,577	4,878,840
Due to other funds	-	-	12,685,066	12,685,066	12,451,732
Due to other governments	69,074,836	-	-	69,074,836	65,705,664
Special deposits	1,963,377	-	110,982	2,074,359	2,781,636
Unearned revenues	76,710	-	246,214	322,924	346,925
Total liabilities	76,079,547	-	14,636,044	90,715,591	87,333,412
Deferred inflows of resources					
Property taxes levied for subsequent year	35,395,550	6,697,687	-	42,093,237	41,280,156
Delinquent property taxes	350,350	-	-	350,350	308,546
Loans receivable	750	-	9,730,639	9,731,389	11,032,089
Special assessments	-	-	2,122,245	2,122,245	2,105,377
Total deferred inflows of resources	35,746,650	6,697,687	11,852,884	54,297,221	54,726,168
Fund balances					
Nonspendable	11,444,651	-	-	11,444,651	11,602,221
Restricted	-	237,184	4,837,006	5,074,190	2,229,128
Committed	2,124,819	-	3,257,858	5,382,677	3,968,436
Assigned	20,155,732	-	2,766,927	22,922,659	25,244,324
Unassigned	11,485,571	-	(8,727,033)	2,758,538	(2,604,289)
Total fund balances	45,210,773	237,184	2,134,758	47,582,715	40,439,820
Total liabilities, deferred inflows of resources, and fund balances	\$157,036,970	\$ 6,934,871	\$ 28,623,686	\$ 192,595,527	\$182,499,400

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

City of West Allis, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	2017	2016
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 47,582,715	\$ 40,439,820
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	205,215,837	204,585,034
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	12,203,984	13,446,012
Net position of the internal service fund is reported in the statement of net position as governmental activities	10,088,520	11,075,308
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on advance refunding	1,510,168	1,636,476
Deferred outflows related to pensions	20,789,813	29,117,568
Deferred inflows related to pensions	(8,500,573)	(10,832,814)
Deferred outflows related to other postemployment benefits	5,140,749	4,613,100
Deferred inflows related to other postemployment benefits	(28,211,647)	(30,022,488)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(42,668,005)	(44,194,423)
Premium on debt	(517,684)	(306,747)
Net pension liability	(2,675,285)	(5,147,494)
Other postemployment benefit	(143,994,983)	(137,235,730)
Prior service pension liability	(164,584)	(180,427)
Workers compensation	(89,716)	(96,961)
Accrued interest on long-term obligations	(255,281)	(277,217)
Net position of governmental activities as reported on the Statement of Net Position (see page 31)	\$ 75,454,028	\$ 76,619,017

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, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
REVENUES			
Taxes	\$ 35,668,175	\$ 6,770,540	\$ 214,502
Special assessments	-	-	1,222,764
Intergovernmental	11,921,870	578,405	8,667,291
Licenses and permits	1,620,511	-	-
Fines and forfeits	2,185,342	-	-
Public charges for services	3,029,001	-	1,963,106
Miscellaneous	2,109,592	36,299	1,336,544
Total revenues	<u>56,534,491</u>	<u>7,385,244</u>	<u>13,404,207</u>
EXPENDITURES			
Current			
General government	8,145,700	-	-
Public safety	31,645,955	-	2,837,034
Public works	9,761,023	-	-
Health and human services	2,112,197	-	955,600
Culture and recreation	2,253,850	-	1,155,283
Conservation and development	3,172	-	5,855,318
Debt service			
Principal	-	6,096,418	-
Interest and fiscal charges	-	1,053,639	-
Capital outlay	-	-	5,547,576
Total expenditures	<u>53,921,897</u>	<u>7,150,057</u>	<u>16,350,811</u>
Excess of revenues over (under) expenditures	<u>2,612,594</u>	<u>235,187</u>	<u>(2,946,604)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	730,000	4,595,000
Premium on debt issued	-	234,483	-
Payment to current noteholder	-	(755,000)	-
Transfers in	1,605,155	1,393,426	6,575,522
Transfers out	(1,198,819)	(1,603,380)	(5,166,749)
Total other financing sources (uses)	<u>406,336</u>	<u>(471)</u>	<u>6,003,773</u>
Net change in fund balances	<u>3,018,930</u>	<u>234,716</u>	<u>3,057,169</u>
Fund balances - January 1, as originally reported	42,191,843	2,468	(1,754,491)
Prior period adjustment	-	-	832,080
Fund balance - January 1, restated	<u>42,191,843</u>	<u>2,468</u>	<u>(922,411)</u>
Fund balances - December 31	<u>\$ 45,210,773</u>	<u>\$ 237,184</u>	<u>\$ 2,134,758</u>

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

Totals	
2017	2016
\$ 42,653,217	\$ 41,282,246
1,222,764	1,401,376
21,167,566	20,938,589
1,620,511	1,624,947
2,185,342	2,121,543
4,992,107	4,535,884
3,482,435	2,001,419
<u>77,323,942</u>	<u>73,906,004</u>
8,145,700	8,150,179
34,482,989	34,118,535
9,761,023	11,837,057
3,067,797	2,967,994
3,409,133	2,765,021
5,858,490	8,508,770
6,096,418	5,845,467
1,053,639	1,501,322
5,547,576	4,177,946
<u>77,422,765</u>	<u>79,872,291</u>
<u>(98,823)</u>	<u>(5,966,287)</u>
5,325,000	19,195,000
234,483	96,353
(755,000)	(16,548,869)
9,574,103	7,758,971
(7,968,948)	(6,167,417)
<u>6,409,638</u>	<u>4,334,038</u>
<u>6,310,815</u>	<u>(1,632,249)</u>
40,439,820	42,072,069
<u>832,080</u>	<u>-</u>
<u>41,271,900</u>	<u>42,072,069</u>
<u>\$ 47,582,715</u>	<u>\$ 40,439,820</u>

City of West Allis, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 6,310,815	\$ (1,632,249)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	6,237,164	26,012,216
Contributed capital assets	5,747,924	-
Depreciation expense reported in the statement of activities	(11,354,285)	(16,078,505)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(1,242,028)	418,923
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(5,325,000)	(19,195,000)
Amortization of loss on debt refunding	(126,308)	(126,308)
Premium on debt issued	(234,483)	(72,807)
Principal repaid	6,851,418	20,845,467
Unfunded pension liability payment	15,843	86,820
Workers compensation payment	7,245	63,771
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	21,936	159,406
Amortization of premiums, discounts	23,546	1,543,870
Net pension liability	2,472,209	(12,978,522)
Deferred outflows of resources related to pensions	(8,327,755)	20,993,495
Deferred inflows of resources related to pensions	2,332,241	(10,832,814)
Other postemployment benefits	(6,759,253)	22,852,883
Deferred outflows of resources related to other postemployment benefits	527,649	(192,966)
Deferred inflows of resources related to other postemployment benefits	1,810,841	(30,022,488)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>(986,788)</u>	<u>(295,025)</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 32 - 33)	<u>\$ (1,997,069)</u>	<u>\$ 1,550,167</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 BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Taxes	\$ 35,701,113	\$ 35,701,113	\$ 35,668,175	\$ (32,938)	\$ 34,953,946
Intergovernmental	11,885,439	11,885,439	11,921,870	36,431	11,855,686
Licenses and permits	1,552,660	1,552,660	1,620,511	67,851	1,624,947
Fines and forfeits	2,183,500	2,183,500	2,185,342	1,842	2,121,543
Public charges for services	3,184,265	3,184,265	3,029,001	(155,264)	3,308,616
Miscellaneous	3,043,890	3,043,890	2,109,592	(934,298)	1,386,144
Total revenues	<u>57,550,867</u>	<u>57,550,867</u>	<u>56,534,491</u>	<u>(1,016,376)</u>	<u>55,250,882</u>
EXPENDITURES					
Current					
General government	9,538,206	10,024,865	8,145,700	1,879,165	8,150,174
Public safety	32,111,279	32,298,598	31,645,955	652,643	32,133,329
Public works	11,874,417	12,546,102	9,761,023	2,785,079	11,837,057
Health and human services	2,043,347	2,105,982	2,112,197	(6,215)	2,005,038
Culture and recreation	2,469,253	2,521,558	2,253,850	267,708	2,344,297
Conservation and development	-	28,012	3,172	24,840	38
Total expenditures	<u>58,036,502</u>	<u>59,525,117</u>	<u>53,921,897</u>	<u>5,603,220</u>	<u>56,469,933</u>
Excess of revenues over (under) expenditures	<u>(485,635)</u>	<u>(1,974,250)</u>	<u>2,612,594</u>	<u>4,586,844</u>	<u>(1,219,051)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,620,000	1,620,000	1,605,155	(14,845)	1,941,554
Transfers out	<u>(1,134,365)</u>	<u>(1,483,184)</u>	<u>(1,198,819)</u>	<u>284,365</u>	<u>(3,088,530)</u>
Total other financing sources (uses)	<u>485,635</u>	<u>136,816</u>	<u>406,336</u>	<u>269,520</u>	<u>(1,146,976)</u>
Net change in fund balance	-	(1,837,434)	3,018,930	4,856,364	(2,366,027)
Fund balance - January 1	<u>42,191,843</u>	<u>42,191,843</u>	<u>42,191,843</u>	-	<u>44,557,870</u>
Fund balance - December 31	<u>\$ 42,191,843</u>	<u>\$ 40,354,409</u>	<u>\$ 45,210,773</u>	<u>\$ 4,856,364</u>	<u>\$ 42,191,843</u>

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

City of West Allis, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds
ASSETS				
Current assets				
Cash and investments	\$ -	\$ 1,938,139	\$ 1,817,455	\$ 5,072,031
Receivables				
Taxes and special charges	-	-	-	43,000
Customer accounts	4,276,115	2,126,667	1,000,661	625,331
Other	-	-	-	94,140
Due from other governments	590,404	-	-	-
Inventories and prepaid items	815,432	-	-	-
Total current assets	5,681,951	4,064,806	2,818,116	5,834,502
Other assets				
Loans receivable	-	-	-	5,544,993
Investment in CVMIC	-	-	-	-
Total other assets	-	-	-	5,544,993
Capital assets				
Nondepreciable	82,465	10,950	18,875	905,726
Depreciable, net	29,489,619	36,985,571	37,298,232	476,924
Total capital assets	29,572,084	36,996,521	37,317,107	1,382,650
Total assets	35,254,035	41,061,327	40,135,223	12,762,145
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	30,260	59,115	9,488	-
Pension related amounts	593,622	142,985	256,923	224,865
Other postemployment related amounts	124,883	-	-	-
Total deferred outflows of resources	748,765	202,100	266,411	224,865

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 8,827,625	\$ 9,947,453	\$ 7,225,415	\$ 9,358,021
43,000	43,000	2,000,000	2,000,000
8,028,774	8,041,486	34,832	39,576
94,140	132,065	-	-
590,404	-	-	-
815,432	1,076,094	165,926	521,484
<u>18,399,375</u>	<u>19,240,098</u>	<u>9,426,173</u>	<u>11,919,081</u>
5,544,993	5,454,633	-	-
-	-	3,244,299	3,244,299
<u>5,544,993</u>	<u>5,454,633</u>	<u>3,244,299</u>	<u>3,244,299</u>
1,018,016	996,686	-	-
104,250,346	97,917,309	-	-
<u>105,268,362</u>	<u>98,913,995</u>	<u>-</u>	<u>-</u>
<u>129,212,730</u>	<u>123,608,726</u>	<u>12,670,472</u>	<u>15,163,380</u>
98,863	124,558	-	-
1,218,395	1,815,401	19,065	31,688
124,883	108,486	-	-
<u>1,442,141</u>	<u>2,048,445</u>	<u>19,065</u>	<u>31,688</u>

City of West Allis, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds
LIABILITIES				
Current liabilities				
Accounts payable	\$ 383,384	\$ 255,770	\$ 222,126	\$ 183,550
Accrued and other current liabilities	117,017	4,193	1,652	1,770
Due to other funds	3,201,771	-	-	-
Due to other governments	-	1,447,034	-	-
Special deposits	60,063	28,230	-	-
Unearned revenue	62,629	-	-	463,194
Current portion of long-term debt	1,255,334	1,927,326	76,466	-
Accrued interest payable	75,077	110,935	8,858	-
Total current liabilities	5,155,275	3,773,488	309,102	648,514
Long-term obligations, less current portion				
General obligation debt	10,139,913	14,525,843	1,162,586	-
Net pension liability	77,463	19,046	34,328	30,071
Other postemployment benefits	2,938,673	-	-	-
Total long-term liabilities	13,156,049	14,544,889	1,196,914	30,071
Total liabilities	18,311,324	18,318,377	1,506,016	678,585
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	-	-	-	43,000
Pension related amounts	246,134	60,516	109,077	95,550
Other postemployment related amounts	575,748	-	-	-
Total deferred inflows of resources	821,882	60,516	109,077	138,550
NET POSITION				
Net investment in capital assets	18,207,097	20,602,467	36,087,543	1,382,650
Unrestricted	(1,337,503)	2,282,067	2,698,998	10,787,225
Total net position	\$ 16,869,594	\$ 22,884,534	\$ 38,786,541	\$ 12,169,875

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 1,044,830	\$ 555,621	\$ 384,277	\$ 1,891,460
124,632	152,190	-	45
3,201,771	1,624,468	-	-
1,447,034	1,424,388	-	-
88,293	157,524	26,518	44,129
525,823	396,860	180,756	165,747
3,259,126	3,098,368	-	-
194,870	193,317	-	-
<u>9,886,379</u>	<u>7,602,736</u>	<u>591,551</u>	<u>2,101,381</u>
25,828,342	25,473,368	-	-
160,908	326,420	2,266	5,920
<u>2,938,673</u>	<u>3,706,788</u>	<u>-</u>	<u>-</u>
<u>28,927,923</u>	<u>29,506,576</u>	<u>2,266</u>	<u>5,920</u>
<u>38,814,302</u>	<u>37,109,312</u>	<u>593,817</u>	<u>2,107,301</u>
43,000	43,000	2,000,000	2,000,000
511,277	686,945	7,200	12,459
<u>575,748</u>	<u>810,919</u>	<u>-</u>	<u>-</u>
<u>1,130,025</u>	<u>1,540,864</u>	<u>2,007,200</u>	<u>2,012,459</u>
76,279,757	70,466,817	-	-
<u>14,430,787</u>	<u>16,540,178</u>	<u>10,088,520</u>	<u>11,075,308</u>
<u>\$ 90,710,544</u>	<u>\$ 87,006,995</u>	<u>\$ 10,088,520</u>	<u>\$ 11,075,308</u>

City of West Allis, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds
OPERATING REVENUES				
Charges for services	\$ 7,990,204	\$ 7,705,762	\$ 4,085,010	\$ 2,064,381
Parking fees and permits	-	-	-	22,669
Other	136,988	-	-	-
Total operating revenues	<u>8,127,192</u>	<u>7,705,762</u>	<u>4,085,010</u>	<u>2,087,050</u>
OPERATING EXPENSES				
Operation and maintenance	4,664,532	5,413,847	1,517,029	2,973,596
Insurance claims and estimate changes	-	-	-	-
Depreciation	809,211	510,184	683,807	50,151
Total operating expenses	<u>5,473,743</u>	<u>5,924,031</u>	<u>2,200,836</u>	<u>3,023,747</u>
Operating income (loss)	<u>2,653,449</u>	<u>1,781,731</u>	<u>1,884,174</u>	<u>(936,697)</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	-	-	43,000
Interest income	-	-	-	162,324
Nonoperating grants	-	31,140	-	253,227
Gain (loss) on disposal of capital assets	27,464	(596)	-	-
Interest and fiscal charges	(273,335)	(412,950)	(35,143)	-
Other	17,794	1	8,329	35,388
Total nonoperating revenues (expenses)	<u>(228,077)</u>	<u>(382,405)</u>	<u>(26,814)</u>	<u>493,939</u>
Income (loss) before contributions and transfers	2,425,372	1,399,326	1,857,360	(442,758)
Capital contributions	1,800	-	67,604	-
Transfers out	(978,536)	(106,619)	(300,000)	(220,000)
Change in net position	<u>1,448,636</u>	<u>1,292,707</u>	<u>1,624,964</u>	<u>(662,758)</u>
Net position - January 1	<u>15,420,958</u>	<u>21,591,827</u>	<u>37,161,577</u>	<u>12,832,633</u>
Net position - December 31	<u>\$ 16,869,594</u>	<u>\$ 22,884,534</u>	<u>\$ 38,786,541</u>	<u>\$ 12,169,875</u>

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 21,845,357	\$ 21,654,073	\$ 11,803,563	\$ 11,645,843
22,669	28,753	-	-
136,988	107,306	-	-
<u>22,005,014</u>	<u>21,790,132</u>	<u>11,803,563</u>	<u>11,645,843</u>
14,569,004	14,383,439	-	-
-	-	14,882,381	13,940,868
<u>2,053,353</u>	<u>1,890,533</u>	<u>-</u>	<u>-</u>
<u>16,622,357</u>	<u>16,273,972</u>	<u>14,882,381</u>	<u>13,940,868</u>
<u>5,382,657</u>	<u>5,516,160</u>	<u>(3,078,818)</u>	<u>(2,295,025)</u>
43,000	43,000	2,000,000	2,000,000
162,324	164,471	92,030	89,919
284,367	289,224	-	-
26,868	(10,534)	-	-
(721,428)	(772,640)	-	-
<u>61,512</u>	<u>349,111</u>	<u>-</u>	<u>-</u>
<u>(143,357)</u>	<u>62,632</u>	<u>2,092,030</u>	<u>2,089,919</u>
5,239,300	5,578,792	(986,788)	(205,106)
69,404	9,700	-	-
<u>(1,605,155)</u>	<u>(1,501,635)</u>	<u>-</u>	<u>(89,919)</u>
3,703,549	4,086,857	(986,788)	(295,025)
<u>87,006,995</u>	<u>82,920,138</u>	<u>11,075,308</u>	<u>11,370,333</u>
<u>\$ 90,710,544</u>	<u>\$ 87,006,995</u>	<u>\$ 10,088,520</u>	<u>\$ 11,075,308</u>

City of West Allis, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 8,080,464	\$ 7,699,297	\$ 4,291,559	\$ 2,382,340
Cash from interfund services provided	-	-	-	-
Cash paid for employee wages and benefits	(1,884,099)	(479,562)	(801,664)	(698,439)
Cash paid to suppliers	(3,262,475)	(4,832,220)	(568,975)	(2,061,312)
Net cash provided (used) by operating activities	<u>2,933,890</u>	<u>2,387,515</u>	<u>2,920,920</u>	<u>(377,411)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Private lead service replacements	(836,804)	-	-	-
Sale of recyclables	-	-	-	26,552
General property taxes	-	-	-	43,000
Nonoperating grants	-	31,140	-	253,227
Collection of long-term receivable	-	-	-	(90,360)
Due to/from other funds	1,577,303	-	-	-
Miscellaneous revenues	17,794	-	8,329	8,836
Transfer in (out)	(978,536)	(106,619)	(300,000)	(220,000)
Net cash provided (used) by noncapital financing activities	<u>(220,243)</u>	<u>(75,479)</u>	<u>(291,671)</u>	<u>21,255</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(3,126,750)	(2,872,443)	(2,233,453)	(266,703)
Capital contributions	1,800	-	67,604	-
Sale of capital assets	27,464	-	-	-
Proceeds from debt issued	1,750,000	1,750,000	-	-
Premium on debt issued	61,131	61,131	-	-
Debt issuance costs paid	-	-	-	-
Principal paid on long-term debt	(1,140,000)	(1,826,977)	(76,466)	-
Interest paid on long-term debt	(287,292)	(435,186)	(34,788)	-
Net cash used by capital and related financing activities	<u>(2,713,647)</u>	<u>(3,323,475)</u>	<u>(2,277,103)</u>	<u>(266,703)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	-	162,324
Change in cash and cash equivalents	-	(1,011,439)	352,146	(460,535)
Cash and cash equivalents - January 1	-	2,949,578	1,465,309	5,532,566
Cash and cash equivalents - December 31	<u>\$ -</u>	<u>\$ 1,938,139</u>	<u>\$ 1,817,455</u>	<u>\$ 5,072,031</u>

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 22,453,660	\$ 21,954,916	\$ -	\$ -
-	-	11,823,316	11,598,095
(3,863,764)	(2,908,677)	(176,520)	-
<u>(10,724,982)</u>	<u>(10,933,271)</u>	<u>(15,871,432)</u>	<u>(15,482,479)</u>
7,864,914	8,112,968	(4,224,636)	(3,884,384)
(836,804)	-	-	-
26,552	-	-	-
43,000	43,000	2,000,000	2,000,000
284,367	287,300	-	-
(90,360)	-	-	-
1,577,303	371,850	-	-
34,959	-	-	-
<u>(1,605,155)</u>	<u>(1,501,635)</u>	-	<u>(89,919)</u>
<u>(566,138)</u>	<u>(799,485)</u>	<u>2,000,000</u>	<u>1,910,081</u>
(8,499,349)	(5,646,485)	-	-
69,404	9,700	-	-
27,464	-	-	-
3,500,000	3,500,000	-	-
122,262	102,924	-	-
-	(46,728)	-	-
(3,043,443)	(2,745,890)	-	-
<u>(757,266)</u>	<u>(759,353)</u>	-	-
<u>(8,580,928)</u>	<u>(5,585,832)</u>	-	-
162,324	121,368	92,030	89,919
(1,119,828)	1,849,019	(2,132,606)	(1,884,384)
<u>9,947,453</u>	<u>8,098,434</u>	<u>9,358,021</u>	<u>11,242,405</u>
<u>\$ 8,827,625</u>	<u>\$ 9,947,453</u>	<u>\$ 7,225,415</u>	<u>\$ 9,358,021</u>

City of West Allis, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Nonmajor Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,653,449	\$ 1,781,731	\$ 1,884,174	\$ (936,697)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	809,211	510,184	683,807	50,151
Depreciation charged to operating accounts	91,033	-	-	-
Miscellaneous nonoperating income (expense)	-	-	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	125,338	25,190	54,102	51,196
Other postemployment benefits	(1,019,683)	-	-	-
Change in operating assets and liabilities				
Accounts receivables	(44,908)	(29,111)	206,549	164,507
Inventories and prepaid items	260,662	-	-	-
Accounts payable	64,129	158,398	99,551	167,131
Accrued and other current liabilities	(11,779)	(4,034)	(7,263)	(4,482)
Special deposits	8,258	(77,489)	-	-
Unearned revenue	(1,820)	-	-	130,783
Due to other governments	-	22,646	-	-
Net cash provided (used) by operating activities	<u>\$ 2,933,890</u>	<u>\$ 2,387,515</u>	<u>\$ 2,920,920</u>	<u>\$ (377,411)</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ -</u>	<u>\$ 1,938,139</u>	<u>\$ 1,817,455</u>	<u>\$ 5,072,031</u>
Noncash capital and related financing activities				
None				

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 5,382,657	\$ 5,516,160	\$ (3,078,818)	\$ (2,295,025)
2,053,353	1,890,533	-	-
91,033	77,401	-	-
-	180,378	-	-
255,826	146,666	3,710	2,182
(1,019,683)	214,982	-	-
297,037	(82,551)	4,744	149
260,662	60,673	355,558	(143,484)
489,209	17,705	(1,507,183)	(1,416,047)
(27,558)	7,937	(45)	(1,547)
(69,231)	(20,981)	(17,611)	17,285
128,963	116,120	15,009	(47,897)
22,646	(12,055)	-	-
<u>\$ 7,864,914</u>	<u>\$ 8,112,968</u>	<u>\$ (4,224,636)</u>	<u>\$ (3,884,384)</u>
<u>\$ 8,827,625</u>	<u>\$ 9,947,453</u>	<u>\$ 7,225,415</u>	<u>\$ 9,358,021</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and ten member Council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

B. INDIVIDUAL COMPONENT UNIT

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

Included within the reporting entity:

First-Ring Industrial Redevelopment Enterprise (FIRE)

FIRE is a community development entity created by the City of West Allis to spur development within a three county area in southeastern Wisconsin, partially through the distribution of new market tax credits to qualifying business enterprises. FIRE is managed by an independent board appointed by the City Council. FIRE provides specific financial benefits to the City, such as to provide the Tax Increment Districts with the availability to use new market tax credits and contributions to enhance community infrastructure. FIRE financial information is provided for the year ended December 31, 2017 utilizing the accrual basis of accounting. Separate financial statements are available for FIRE.

C. RELATED ORGANIZATIONS

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.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 the governmental funds.

The City reports the following major enterprise funds:

Water Utility Fund

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

Sanitary Sewer Utility Fund

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

Storm Water Utility Fund

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

The City reports the following nonmajor enterprise funds:

Solid Waste Fund

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

Parking Utility Fund

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

Beloit Road Housing Management Fund

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

Additionally, the City reports the following fund types:

- ▶ *Internal service fund* accounts for insurance services provided to other departments or agencies of the City on a cost reimbursement basis.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Cash and Investments

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, March 31 and 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. Special charges not paid by May 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

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.

3. Accounts Receivable

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2017 tax roll are recognized as revenue in 2018. Special assessments are subject to collection procedures.

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. Loans receivable has been shown net of allowance for uncollectible accounts of \$245,902. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. 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.

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

7. 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 to indicate that they do not represent spendable available financial resources.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

8. Prepaid Items

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

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

9. 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 a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

Annual depreciation expense for the enterprise funds reported on the statement of cash flows may exceed depreciation expense reported on the statement of revenues, expenses and change 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.

10. 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. 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.

11. Deferred Outflows/Inflows of Resources

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

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

12. Long-term Obligations

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

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.

13. Pensions

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

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and inflows of resources related to OPEB, and OPEB expense, information about the net position of the City of West Allis OPEB Plan (the "Plan") and additions to/deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

15. Fund Equity

Governmental Fund Financial Statements

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

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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.

G. USE OF ESTIMATES

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

H. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

I. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to November, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted at the function level by City Council action. This action is completed prior to December each year.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

2. 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 , Rental Energy Loans, TID No. 7 Rehab Loans, TID No. 11 Rehab Loans, TID No. 14 Rehab Loans, Fire Grants, Library Endowment, EPA Revolving Loan, Art Scape, Christmas Parade, Fire Miscellaneous, Police Miscellaneous, Library Miscellaneous, Senior Center Miscellaneous special revenue funds and all Tax Incremental Districts, Zombie Property Abatement, Capital Accumulation, Parks and Open Spaces, Buildings and Facilities, and Miscellaneous Non-operating Projects capital project funds.
3. During the year, formal budgetary integration is employed as a management control device for the general funds, certain special revenue funds, debt service and public works improvements capital projects funds. Amendments to the budget during the year are initially reviewed by the Administration and Finance Committee and are subsequently authorized by the City Council. Supplemental amendments were necessary during the year but were not material in relation to the original appropriation. Over-expenditure of budget accounts at year-end was approved by the City Council.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is utilized in the general and special revenue funds. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. General Fund encumbrances at year end totaled \$419,009.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2017.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2017 as follows:

Fund/Department	Function	Excess Expenditures
General fund		
Municipal court	General government	\$ 135,200
Administration	General government	3,445
Information technology	General government	15,923
Finance	General government	17,989
Planning	Public safety	54,455
Health	Health and human services	6,215
Special revenue fund		
H.O.M.E. program	Conservation and development	88,946
Housing programs	Conservation and development	204,950
Health grants	Health and human services	11,913
Police grants	Public safety	116,628
Debt service fund		
	Principal	1

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

C. DEFICIT FUND EQUITY

The following funds had deficit fund balance as of December 31, 2017:

Funds	Deficit Fund Balance
Nonmajor Special Revenue Funds	
Health grants	\$ 3
Miscellaneous grants	6,279
Nonmajor Capital Projects Funds	
Public works improvements	1,555,511
Tax Incremental District No. 5	1,073,780
Tax Incremental District No. 6	861,042
Tax Incremental District No. 10	968,946
Tax Incremental District No. 11	1,115,789
Tax Incremental District No. 12	43,333
Tax Incremental District No. 13	284,911
Tax Incremental District No. 14	2,596,008
Tax Incremental District No. 15	221,431
Total deficit fund balance	<u>\$ 8,727,033</u>

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

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2017 and 2018 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2017 budget was 0.66%. The actual limit for the City for the 2018 budget was 0.23%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

The carrying amount of the City's cash and investments totaled \$122,756,918 on December 31, 2017 as summarized below:

Primary government:

Petty cash and cash on hand	\$ 22,596
Deposits with financial institutions	66,423,701
Investments	56,310,621
	<u>\$ 122,756,918</u>

Component unit:

Deposits with financial institutions	<u>\$ 9,297,491</u>
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Reconciliation to the basic financial statements:

Government-wide statement of net position

Primary government - cash and investments	<u>\$ 122,756,918</u>
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Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Corporate bonds & notes	\$ -	\$ 17,885,909	\$ -
State & municipal bonds	-	11,471,734	-
Negotiable certificates of deposit	-	3,464,747	-
Beneficial interest in investments held by			
Greater Milwaukee Community Foundation	-	-	1,307,019
Federal Home Loan Bank	-	742,121	-
Federal National Mortgage	-	250,014	-
Freddie Mac	-	308,615	-
	<u>\$ -</u>	<u>\$ 34,123,140</u>	<u>\$ 1,307,019</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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

<u>Investment Type</u>	<u>Valuation Method</u>
Corporate bonds & notes	Institutional bond quotes - evaluations based on various market and industry inputs
State & municipal bonds	Institutional bond quotes - evaluations based on various market and industry inputs
Negotiable certificates of deposit	Net asset value
Beneficial interest in investments held by Greater Milwaukee Community Foundation	Net asset value
Federal Home Loan Mortgage	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Federal Home Loan Bank	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Federal National Mortgage	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Freddie Mac	Mortgage backed securities pricing - evaluations based on various market and industry inputs

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

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

As of December 31, 2017, \$9,386,836 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All uninsured deposits were collateralized with securities held by the pledging financial institution or its trust department or agent in the City's name.

As of December 31, 2017, the carrying amount of the component unit's cash and investments was \$11,116,866 and exceeded the federal depository insurance limits by \$10,616,866. No amounts were collateralized.

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	AA	A	Not Rated
Federal National Mortgage	\$ 250,014	\$ -	\$ 250,014	\$ -	\$ -	\$ -
Federal Home Loan Bank	742,121	-	742,121	-	-	-
Freddie Mac	308,615	-	308,615	-	-	-
Corporate bonds & notes	17,885,909	-	481,987	10,648,156	4,045,261	2,710,505
State & municipal bonds	11,471,734	-	332,799	6,243,365	839,134	4,056,436
Negotiable certificates of deposit	3,464,747	-	-	-	-	3,464,747
Beneficial interest in investments held by Greater Milwaukee Community Foundation	1,307,019	-	-	-	-	1,307,019
Wisconsin local government investment pool	20,880,462	-	-	-	-	20,880,462
Totals	\$ 56,310,621	\$ -	\$ 2,115,536	\$ 16,891,521	\$ 4,884,395	\$ 32,419,169

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 Investments
Royal Bank of Canada	Bond	\$ 4,300,726	8%

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, 2017

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal National Mortgage	\$ 250,014	\$ -	\$ -	\$ 250,014	\$ -
Federal Home Loan Bank	742,121	-	-	742,121	-
Freddie Mac	308,615	-	-	308,615	-
Corporate bonds & notes	17,885,909	3,051,543	3,437,615	10,027,490	1,369,261
State & municipal bonds	11,471,734	1,787,848	4,575,296	4,836,655	271,935
Negotiable certificates of deposit	3,464,747	1,681,886	1,782,861	-	-
Beneficial interest in investments held by Greater Milwaukee Community Foundation	1,307,019	1,307,019	-	-	-
Wisconsin local government investment pool	20,880,462	20,880,462	-	-	-
Totals	<u>\$ 56,310,621</u>	<u>\$ 28,708,758</u>	<u>\$ 9,795,772</u>	<u>\$ 16,164,895</u>	<u>\$ 1,641,196</u>

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	\$ 250,014
Federal Home Loan Bank	742,121
Freddie Mac	308,615

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$20,880,462 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 Council. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Beneficial Interest in Assets Held by Greater Milwaukee Community Foundation

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 13,051,777	\$ -	\$ -	\$ 13,051,777
Construction in progress	17,234,040	-	13,449,491	3,784,549
Total capital assets, nondepreciable	<u>30,285,817</u>	<u>-</u>	<u>13,449,491</u>	<u>16,836,326</u>
Capital assets, depreciable:				
Land improvements	415,882	-	42,343	373,539
Buildings and improvements	162,118,967	19,197,415	-	181,316,382
Machinery and equipment	93,239,416	2,407,240	7,433,281	88,213,375
Infrastructure	163,484,210	3,829,924	-	167,314,134
Subtotals	<u>419,258,475</u>	<u>25,434,579</u>	<u>7,475,624</u>	<u>437,217,430</u>
Less accumulated depreciation for:				
Land improvements	227,592	20,251	42,343	205,500
Buildings and improvements	90,739,786	4,066,967	-	94,806,753
Machinery and equipment	64,877,070	1,326,289	7,433,281	58,770,078
Infrastructure	89,114,810	5,940,778	-	95,055,588
Subtotals	<u>244,959,258</u>	<u>11,354,285</u>	<u>7,475,624</u>	<u>248,837,919</u>
Total capital assets, depreciable, net	<u>174,299,217</u>	<u>14,080,294</u>	<u>-</u>	<u>188,379,511</u>
Governmental activities capital assets, net	<u>\$ 204,585,034</u>	<u>\$ 14,080,294</u>	<u>\$ 13,449,491</u>	205,215,837
Less: Capital related debt				41,343,331
Less: Debt premium				517,684
Add: Deferred charge on refunding				<u>1,510,168</u>
Net investment in capital assets				<u>\$ 164,864,990</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component unit:				
Capital assets, nondepreciable:				
Land	<u>\$ 133,167</u>	<u>\$ 41,880</u>	<u>\$ -</u>	<u>\$ 175,047</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 963,716	\$ -	\$ -	\$ 963,716
Construction in progress	32,970	53,866	32,536	54,300
Total capital assets, nondepreciable	<u>996,686</u>	<u>53,866</u>	<u>32,536</u>	<u>1,018,016</u>
Capital assets, depreciable:				
Buildings and improvements	496,728	-	-	496,728
Machinery and equipment	5,350,335	976,341	163,463	6,163,213
Infrastructure	128,448,543	7,501,680	453,768	135,496,455
Subtotals	<u>134,295,606</u>	<u>8,478,021</u>	<u>617,231</u>	<u>142,156,396</u>
Less accumulated depreciation for:				
Buildings and improvements	457,594	12,269	-	469,863
Machinery and equipment	4,174,285	266,258	163,463	4,277,080
Infrastructure	31,746,418	1,865,859	453,170	33,159,107
Subtotals	<u>36,378,297</u>	<u>2,144,386</u>	<u>616,633</u>	<u>37,906,050</u>
Total capital assets, depreciable, net	<u>97,917,309</u>	<u>6,333,635</u>	<u>598</u>	<u>104,250,346</u>
Business-type activities capital assets, net	<u>\$ 98,913,995</u>	<u>\$ 6,387,501</u>	<u>\$ 33,134</u>	105,268,362
Less: Capital related debt				28,471,160
Less: Debt premium				616,308
Add: Deferred charge on refunding				<u>98,863</u>
Net investment in capital assets				<u>\$ 76,279,757</u>

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

Governmental activities	
General government	\$ 50,718
Public safety	695,426
Public works	6,614,267
Health and human services	3,916,046
Culture and recreation	77,828
Total depreciation expense - governmental activities	<u>\$ 11,354,285</u>
Business-type activities	
Water utility	\$ 809,211
Sanitary sewer utility	510,184
Storm water management	683,807
Solid waste	50,151
Depreciation charged to operating accounts	91,033
Total depreciation expense - business-type activities	<u>\$ 2,144,386</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

C. 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, 2017 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General	\$ 15,886,837	\$ -
Nonmajor governmental funds		
Special revenue funds		
Block grant	-	91,803
Health grants	-	65,856
Capital projects funds		
Public works improvements	-	1,550,746
Tax Incremental District No. 5	-	4,593,077
Tax Incremental District No. 6	-	861,042
Tax Incremental District No. 10	-	968,946
Tax Incremental District No. 11	-	1,441,079
Tax Incremental District No. 12	-	42,053
Tax Incremental District No. 13	-	284,911
Tax Incremental District No. 14	-	2,581,916
Tax Incremental District No. 15	-	203,637
Enterprise fund		
Water utility	-	3,201,771
Totals	<u>\$ 15,886,837</u>	<u>\$ 15,886,837</u>

Interfund transfers for the year ended December 31, 2017 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds		
General	\$ 1,605,155	\$ 1,198,819
Debt service	1,393,426	1,603,380
Nonmajor governmental funds	6,575,522	5,166,749
Enterprise funds		
Water utility	-	978,536
Sanitary sewer utility	-	106,619
Beloit Road Housing management	-	120,000
Storm water utility	-	300,000
Solid waste	-	100,000
	<u>\$ 9,574,103</u>	<u>\$ 9,574,103</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water and sanitary sewer utilities to general fund	\$ 1,035,155
Tax incremental district transfers for debt retirement related to the districts	1,393,426
Increment collected in debt service for tax incremental districts	1,603,380
Tax incremental district #7 transfer out to district #5 per project plan budget	3,523,323
Transfer to move revenues collected in general fund to capital project funds	1,198,819
Transfer to move revenues collected to the correct funds	820,000
	<u>\$ 9,574,103</u>

D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt					
Bonds	\$ 42,755,000	\$ 5,325,000	\$ 6,440,000	\$ 41,640,000	\$ 6,110,000
Notes	1,439,423	-	411,418	1,028,005	407,399
Total general obligation debt	<u>44,194,423</u>	<u>5,325,000</u>	<u>6,851,418</u>	<u>42,668,005</u>	<u>6,517,399</u>
Debt premium	306,747	234,483	23,546	517,684	44,862
Prior service pension liability					
Municipal police and firefighters	180,427	-	15,843	164,584	50,000
Workers compensation	96,961	-	7,245	89,716	50,000
Governmental activities Long-term obligations	<u>\$ 44,778,558</u>	<u>\$ 5,559,483</u>	<u>\$ 6,898,052</u>	<u>\$ 43,439,989</u>	<u>\$ 6,662,261</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 27,930,928	\$ 3,500,000	\$ 3,023,811	\$ 28,407,117	\$ 3,175,571
Notes	83,675	-	19,632	64,043	20,466
Total general obligation debt	<u>28,014,603</u>	<u>3,500,000</u>	<u>3,043,443</u>	<u>28,471,160</u>	<u>3,196,037</u>
Debt premium	557,133	122,262	63,087	616,308	63,089
Business-type activities Long-term obligations	<u>\$ 28,571,736</u>	<u>\$ 3,622,262</u>	<u>\$ 3,106,530</u>	<u>\$ 29,087,468</u>	<u>\$ 3,259,126</u>

Total interest paid during the year on long-term debt totaled \$1,724,879.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
2006C G.O. Refunding Bonds	10/1/06	10/1/21	4.00%	\$ 3,695,000	\$ 955,000
2006 Land Redemtion Note	11/22/06	12/23/26	0.50%	1,402,118	671,374
2008A G.O. Corporate Bonds	6/1/08	6/1/23	3.50% - 4.25%	6,600,000	1,715,000
2009 Taxable Corporate Bond	3/27/09	3/27/19	5.00% - 5.375%	7,105,000	1,195,000
2009 G.O. Corporate Bonds	3/27/09	3/27/24	3.75% - 4.35%	2,945,000	1,440,000
2009 G.O. Promissory Note	4/1/09	4/1/18	3.50%	6,885,000	310,000
2009 State Trust Fund Note	9/24/09	9/24/19	4.50%	177,372	46,630
2010B G.O. Refunding Bonds	3/29/10	3/29/18	3.00%	2,445,000	50,000
2010A G.O. Refunding Bonds	3/29/10	3/29/18	4.00%	17,605,000	1,310,000
2010 State Trust Fund Note	7/2/10	7/2/20	4.25%	188,018	64,043
2010 G.O. Bonds	10/27/10	10/27/30	2.40%	1,554,765	1,137,118
2011 G.O. Corporate Bonds	5/19/11	5/19/26	3.00% - 3.50%	5,635,000	2,815,000
2012A G.O. Refunding Bonds	4/5/12	4/5/29	1.60% - 4.10%	6,015,000	3,810,000
2012 G.O. Corporate Bonds	4/5/12	4/5/27	2.00% - 3.00%	6,205,000	3,685,000
2013A G.O. Corporate Bonds	6/13/13	3/13/28	1.25% - 2.50%	8,140,000	5,670,000
2013B G.O. Corporate Bonds	6/25/13	6/15/30	2.00% - 3.50%	5,560,000	3,655,000
2014A G.O. Corporate Bonds	6/12/14	6/12/30	2.00% - 3.00%	6,800,000	5,100,000
2015A G.O. Corporate Bonds	5/1/15	5/1/30	2.50% - 3.00%	8,355,000	6,905,000
2016B G.O. Refunding Bonds	5/25/16	5/25/29	0.75% - 3.00%	16,445,000	16,125,000
2016A G.O. Corporate Bonds	5/25/16	5/25/31	2.00% - 2.50%	6,250,000	5,655,000
2017A G.O. Corporate Bonds	10/12/17	4/1/32	2.00% - 3.00%	8,825,000	<u>8,825,000</u>

Total outstanding general obligation debt \$ 71,139,165

Annual principal and interest maturities of the outstanding general obligation debt of \$71,139,165 on December 31, 2017 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 6,517,399	\$ 921,264	\$ 3,196,037	\$ 732,732	\$ 9,713,436	\$ 1,653,996
2019	5,743,425	758,173	3,073,721	651,068	8,817,146	1,409,241
2020	5,234,597	639,952	3,036,482	567,216	8,271,079	1,207,168
2021	5,049,597	533,315	2,696,143	487,026	7,745,740	1,020,341
2022	4,919,597	426,877	2,423,091	415,370	7,342,688	842,247
2023 - 2027	13,553,390	858,059	9,961,342	1,177,315	23,514,732	2,035,374
2028 - 2032	1,650,000	64,307	4,084,344	194,417	5,734,344	258,724
	<u>\$ 42,668,005</u>	<u>\$ 4,201,947</u>	<u>\$ 28,471,160</u>	<u>\$ 4,225,144</u>	<u>\$ 71,139,165</u>	<u>\$ 8,427,091</u>

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2017 was \$115,216,069 as follows:

Equalized valuation of the City		\$ 3,722,361,000
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>186,118,050</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 71,139,165	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>237,184</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>70,901,981</u>
Legal margin for new debt		<u>\$ 115,216,069</u>

Advance Refunding

In prior years, the City advance refunded \$4,990,000 of a 2009 general obligation bond issue, \$810,000 of a 2007 general obligation bond issue and \$10,015,000 of a 2010 general obligation refunding issue. As a result, the refunded bonds are also considered to be defeased and the liability have been removed from the financial statements. At December 31, 2017, \$15,815,000 of outstanding general obligation bonds are considered defeased.

Current Refunding

During 2017, the City currently refunded a general obligation bond issue from 2010. The City issued \$730,000 of general obligation purpose bonds to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next 11 years by \$87,870 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$9,189.

Unfunded Pension Liability

The City's unfunded pension liability on December 31, 2017 consists of an unfunded liability of \$164,584 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 3.F.

E. CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2017, 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, 2017

F. PENSION PLANS

1. Plan Description

Wisconsin Retirement System (WRS)

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

3. Contributions

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

During the reporting period ending December 31, 2016, the WRS recognized \$3,386,637 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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

At December 31, 2017, the City reported a liability of \$2,838,459 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City's proportion was 0.34437336%, which was an increase of 0.00714875% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$7,365,669.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,082,305	\$ 8,926,707
Net differences between projected and actual earnings on pension plan investments	14,128,948	-
Changes in assumptions	2,967,718	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	217,834	92,343
Employer contributions subsequent to the measurement date	3,630,468	-
Total	<u>\$ 22,027,273</u>	<u>\$ 9,019,050</u>

\$3,630,468 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Expense
2017	\$ 3,825,923
2018	3,825,923
2019	2,590,716
2020	(868,640)
2021	3,833
Total	<u>\$ 9,377,755</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

5. Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2015
Measurement date of net pension liability:	December 31, 2016
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>				
Global equities	50%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8%	7%	6.5%	3.6%
Private equity/debt	8%	7%	9.4%	6.5%
Multi-asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. equities	70%	70%	7.6%	4.7%
International equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 37,341,744	\$ 2,838,459	\$ (23,730,634)

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

6. Payables to the Pension Plan

At December 31, 2017, the City reported a payable of \$714,134 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

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 \$164,584 and is included in the Statement of Net Position. The Total City contribution to the Fund during 2017 was \$15,843.

G. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

1. Plan Description

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

2. Benefits Provided

The City shall make contributions for retiree premiums.

3. Employees Covered by Benefit Terms

At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	516
Active employees	480
	<u>996</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

4. Contributions

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

5. OPEB Liability

The City's total OPEB liability was measured as of December 31, 2016, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

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

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

6. Changes In The OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2016	<u>\$ 140,942,518</u>
Changes for the year:	
Service cost	4,258,286
Interest	6,456,327
Changes of assumptions or other inputs	521,047
Benefit payments	<u>(5,244,522)</u>
Net changes	5,991,138
Balance at 12/31/2017	<u><u>\$ 146,933,656</u></u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	<u>1% Decrease to Discount Rate (3.52%)</u>	<u>Current Discount Rate (4.52%)</u>	<u>1% Increase to Discount Rate (5.52%)</u>
OPEB liability	\$ 164,497,637	\$ 146,933,656	\$ 127,835,940

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

	<u>Healthcare Cost Trend Rates</u>		
	<u>1% Decrease (8% decreasing to 4.0%)</u>	<u>(9% decreasing to 5.0%)</u>	<u>1% Increase (10% decreasing to 6.0%)</u>
OPEB liability	\$ 134,802,123	\$ 146,933,656	\$ 162,760,143

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

For the year ended December 31, 2017, the City recognized OPEB expense of \$11,235,660. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 521,047	\$ -
Changes in assumptions	-	28,787,395
City contributions subsequent to the measurement date	4,744,585	-
Total	<u>\$ 5,265,632</u>	<u>\$ 28,787,395</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

\$4,744,585 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2018. Other amounts reported as deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31,</u>	<u>Expense</u>
2017	\$ 2,011,437
2018	2,011,437
2109	2,011,437
2020	2,011,437
2021	2,011,437
Thereafter	18,209,163
	<u>\$ 28,266,348</u>

8. Payable To The OPEB Plan

At December 31, 2017, the City reported a payable of \$-0- for the outstanding amount of contributions to the Plan required for the year ended December 31, 2017.

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2017, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 1,486,862
Long-term receivables	9,957,789
Total Nonspendable Fund Balance	<u>\$ 11,444,651</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2017, restricted fund balance was as follows:

Debt Service Fund	
Restricted for	
Debt service payments	<u>\$ 237,184</u>
Special Revenue Funds	
Restricted for	
Block grant	13
Stimulus programs	110,005
H.O.M.E. program	404,638
Rental energy loans	181,967
Housing programs	524,654
Library endowment	1,509,778
Police grants	860,259
Fire grants	63,786
Subtotal	<u>3,655,100</u>
Capital Improvements Fund	
Restricted for	
Tax incremental district no. 7	345,332
Tax incremental district no. 9	61,900
Capital accumulation	774,674
Subtotal	<u>1,181,906</u>
Total Restricted Fund Balance	<u><u>\$ 5,074,190</u></u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Council action. At December 31, 2017, General Fund balance was committed as follows:

General Fund	
Committed for	
Subsequent year's budget	\$ 2,124,819
Special Revenue Funds	
Committed for	
Rehab Loans for	
Tax incremental district no. 7	754,822
Tax incremental district no. 11	500,047
Tax incremental district no. 14	463,584
Cable communications	734,742
Information technology joint ventures	101,738
EPA revolving loans	42,528
Art scape	134,800
Tourism	171,825
Christmas parade	3,500
Fire miscellaneous	23,906
Police miscellaneous	69,318
Library miscellaneous	100,441
Senior center miscellaneous	156,607
Subtotal	<u>3,257,858</u>
Total Committed Fund Balance	<u>\$ 5,382,677</u>

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2017, fund balance was assigned as follows:

General Fund

Assigned for

Subsequent years expenditures	\$ 2,211,357
Land/building acquisition	1,000,000
Insurance	1,200,000
Workers compensation	1,500,000
Dental insurance	50,000
Unfunded pension liability	8,850,000
Productivity/operation improvement	612,000
Public access	511,720
Tax levy reduction	1,590,000
Strategic planning	100,392
Capital replacement	988,864
Computer/technology improvement	736,399
Community and economic development investment	405,000
Tax refunds	200,000
Parks and open spaces	100,000
Zombie properties	100,000
Subtotal	<u>20,155,732</u>

Capital Projects Funds

Assigned for subsequent year's expenditures

Capital Improvements

Zombie property abatement	88,725
Capital accumulation	2,392,034
Parks and open spaces	162,022
Buildings and facilities	104,125
Miscellaneous nonoperating projects	20,021
Subtotal	<u>2,766,927</u>

Total

\$ 22,922,659

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Net Position

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2017 included the following:

Governmental activities

Net Investment in Capital Assets

Land	\$ 13,051,777
Construction in progress	3,784,549
Land improvements	373,539
Buildings and improvements	181,316,382
Machinery and equipment	88,213,375
Infrastructure	167,314,134
Less: Accumulated depreciation	(248,837,919)
Less: Related long-term debt outstanding and	(41,343,331)
Less: Debt premium outstanding on long-term debt	(517,684)
Add: Deferred loss on advance refunding	1,510,168
Total net investment in capital assets	<u>164,864,990</u>

Restricted for

Debt retirement	237,184
Grantors	4,062,332
Less: interest payable	(237,184)
Total restricted net position	<u>4,062,332</u>

Unrestricted

(93,473,294)

Total Governmental Activities Net Position

\$ 75,454,028

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

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

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Pertinent information for each of the City's TID's follows:

	<u>TID No. 5</u>	<u>TID No. 6</u>	<u>TID No. 7</u>	<u>TID No. 9</u>
Creation date	1/1/2001	1/1/2004	1/1/2004	1/1/2006
Date construction period ends	1/1/2008	1/1/2025	1/1/2025	1/1/2027
Date District terminates	12/31/2023	12/31/2030	12/31/2030	12/31/2032
Unreimbursed project costs	\$ 14,933,903	\$ 2,371,042	\$ 1,389,487	\$ 658,716
Outstanding debt	\$ 14,926,374	\$ 1,625,000	\$ 1,771,644	\$ 240,000
	<u>TID No. 10</u>	<u>TID No. 11</u>	<u>TID No. 12</u>	<u>TID No. 13</u>
Creation date	1/1/2008	1/1/2010	1/1/2011	1/1/2011
Date construction period ends	1/1/1930	1/1/2032	1/1/2033	1/1/2033
Date District terminates	12/31/2034	12/31/2036	12/31/2037	12/31/2037
Unreimbursed project costs	\$ 2,615,796	\$ 851,995	\$ 24,067	\$ -
Outstanding debt	\$ 1,130,000	\$ 720,000	\$ -	\$ -
	<u>TID No. 14</u>	<u>TID No. 15</u>		
Creation date	5/6/2014	5/6/2014		
Date construction period ends	5/6/2033	5/6/2033		
Date District terminates	5/6/2041	5/6/2041		
Unreimbursed project costs	\$ 2,596,008	\$ 221,431		
Outstanding debt	\$ -	\$ -		

B. MUTUAL INSURANCE COMPANY

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

CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned 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 an other asset in the insurance management internal service fund. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

C. RISK MANAGEMENT

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

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

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

Health Insurance Fund

City employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to City departments, employees and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2017, the fund had a balance of \$6,657,025.

The claims liability of \$384,277 reported in the fund at December 31, 2017 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2017	\$ 1,891,460	\$ 12,623,047	\$ 14,130,230	\$ 384,277
2016	1,847,900	13,910,997	13,867,437	1,891,460

D. INTERMUNICIPAL AGREEMENT

The City is a member of the Milwaukee Area Domestic Animal Control Commission (Commission) along with eighteen other communities within the Milwaukee Area. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission is governed by a nineteen member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. The Commission currently has \$2,335,000 of debt of which the City would be responsible for 6.3552% if the Commission would be default on the debt.

City of West Allis, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

E. 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 annual as to the amount of Hospital funds which can, consistent with sound financial benefit, be turned over to the City. The City recognized miscellaneous general fund revenue of \$315,000 from the Hospital in 2017.

F. CONTINGENCIES

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

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City 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.

G. PRIOR PERIOD ADJUSTMENT

The City determined that liabilities were overstated in the nonmajor special revenue funds in the amount of \$832,080. As a result, liabilities decreased and fund balance/net position increased in both the fund financial statements and the government-wide financial statements.

H. SUBSEQUENT EVENT

On April 27th, 2018 the City entered into a trust fund loan with the Wisconsin Board of Commissioners of Public Lands in the amount of \$5,000,000. This loan is to be used in accordance with an approved development agreement. The loan will be repaid through March 15, 2037 and bears an interest rate of 4.0%.

I. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of West Allis, Wisconsin

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFIT PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2016</u>	<u>2017</u>
Total OPEB Liability		
Service cost	\$ 4,763,909	\$ 4,258,286
Interest	7,535,230	6,456,327
Changes of assumptions	(30,833,407)	521,047
Benefit payments	<u>(4,935,880)</u>	<u>(5,244,522)</u>
Change in total OPEB liability	(23,470,148)	5,991,138
Total OPEB liability - beginning	<u>164,412,666</u>	<u>140,942,518</u>
Total OPEB liability - ending	<u><u>\$140,942,518</u></u>	<u><u>\$146,933,656</u></u>
Covered-employee payroll	\$ 38,838,197	\$ 38,838,197
District's total OPEB liability as a percentage of covered-employee payroll	363%	378%

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

See Notes to Required Supplementary Information.

City of West Allis, Wisconsin

SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFIT PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

	2016	2017
Actuarially determined contribution (ADC)	\$ 8,668,600	\$ 8,668,600
Contributions in relation to the ADC	4,935,880	5,244,522
Contribution deficiency (excess)	<u>\$ 3,732,720</u>	<u>\$ 3,424,078</u>
Covered-employee payroll	\$ 38,838,197	\$ 38,838,197
Contributions as a percentage of covered-employee payroll	12.71%	13.50%

Key Methods and Assumption Used to Calculate ADC

Actuarial cost method	Entry Age	Entry Age
Asset valuation method	Market Value	Market Value
Amortization method	10 year Level Dollar	10 year Level Dollar
Discount rate	4.52%	4.52%

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

See Notes to Required Supplementary Information.

City of West Allis, Wisconsin

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

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered-Employee Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/15	0.33958233%	\$ (8,341,072)	\$ 35,558,481	23.46%	102.74%
12/31/16	0.33722461%	5,479,834	36,649,769	14.95%	98.20%
12/31/17	0.34437336%	2,838,459	37,575,344	7.55%	99.12%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/15	\$ 3,276,911	\$ 3,276,911	\$ -	\$ 36,649,769	8.94%
12/31/16	3,386,637	3,386,637	-	37,575,344	9.01%
12/31/17	3,630,468	3,630,468	-	35,368,863	10.26%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

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SUPPLEMENTARY INFORMATION

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City of West Allis, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Taxes					
General City property taxes	\$ 34,317,413	\$ 34,317,413	\$ 34,266,464	\$ (50,949)	\$ 33,595,775
Delinquent personal property taxes	40,000	40,000	9,143	(30,857)	5,932
Omitted taxes	2,500	2,500	4,975	2,475	-
Mobile home and trailer taxes	80,000	80,000	67,758	(12,242)	101,798
Hotel and motel taxes	55,000	55,000	83,397	28,397	63,929
State sales taxes	-	-	150	150	306
Tax equivalents					
Medical office	700,000	700,000	680,536	(19,464)	647,938
HIOLE	83,000	83,000	85,052	2,052	79,115
Other	88,200	88,200	93,174	4,974	86,928
Tax delinquencies and penalties	335,000	335,000	377,526	42,526	372,225
Total taxes	35,701,113	35,701,113	35,668,175	(32,938)	34,953,946
Intergovernmental					
State					
State shared revenues	7,280,986	7,280,986	7,297,983	16,997	7,184,998
Fire insurance	160,000	160,000	170,024	10,024	162,269
Tax exempt computer aid	192,000	192,000	175,071	(16,929)	189,550
Expenditure restraint program	1,498,668	1,498,668	1,498,668	-	1,574,913
Transportation	2,260,785	2,260,785	2,248,523	(12,262)	2,259,021
Municipal services payment	203,000	203,000	188,492	(14,508)	202,510
Milwaukee county library	260,000	260,000	276,459	16,459	282,425
State fair service contract	30,000	30,000	66,650	36,650	-
Total intergovernmental	11,885,439	11,885,439	11,921,870	36,431	11,855,686
Licenses and permits					
Licenses					
Liquor/tavern licenses	99,950	99,950	94,966	(4,984)	92,470
Business operators license	170,850	170,850	118,053	(52,797)	107,313
Permits					
Construction	796,000	796,000	831,078	35,078	869,553
Parking	380,000	380,000	458,097	78,097	425,364
Engineering	66,450	66,450	73,549	7,099	81,955
Health	16,660	16,660	21,725	5,065	18,341
Other licenses and permits	22,750	22,750	23,043	293	29,951
Total licenses and permits	1,552,660	1,552,660	1,620,511	67,851	1,624,947
Fines and forfeits					
Court fines and penalties	1,103,500	1,103,500	1,196,230	92,730	1,150,002
Parking violations	1,050,000	1,050,000	914,051	(135,949)	926,608
Judgments and damages	30,000	30,000	75,061	45,061	44,933
Total fines and forfeits	2,183,500	2,183,500	2,185,342	1,842	2,121,543

City of West Allis, Wisconsin County, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Public charges for services					
General government	24,465	24,465	18,671	(5,794)	27,206
Building inspection	65,200	65,200	122,001	56,801	100,451
Police	178,800	178,800	213,491	34,691	212,469
Ambulance	1,700,000	1,700,000	1,469,287	(230,713)	1,808,585
Fire	62,500	62,500	112,247	49,747	93,279
Milwaukee County paramedic aid	100,000	100,000	53,389	(46,611)	77,907
Health	313,300	313,300	403,308	90,008	284,408
Senior Center	9,000	9,000	8,302	(698)	8,430
Public works	641,000	641,000	561,363	(79,637)	619,490
Library	90,000	90,000	66,942	(23,058)	76,391
Total public charges for services	<u>3,184,265</u>	<u>3,184,265</u>	<u>3,029,001</u>	<u>(155,264)</u>	<u>3,308,616</u>
Miscellaneous					
Interest on investments	2,490	2,490	(1,858)	(4,348)	4,132
Insurance recoveries and dividends	780,000	780,000	1,311,448	531,448	565,975
Rent of city buildings	195,000	195,000	192,290	(2,710)	213,181
Sales of material and equipment contributions	100,000	100,000	67,375	(32,625)	65,464
Miscellaneous	1,700,000	1,700,000	323,250	(1,376,750)	313,250
Total miscellaneous	<u>266,400</u>	<u>266,400</u>	<u>217,087</u>	<u>(49,313)</u>	<u>224,142</u>
Total miscellaneous	<u>3,043,890</u>	<u>3,043,890</u>	<u>2,109,592</u>	<u>(934,298)</u>	<u>1,386,144</u>
Total Revenues	<u>\$ 57,550,867</u>	<u>\$ 57,550,867</u>	<u>\$ 56,534,491</u>	<u>\$ (1,016,376)</u>	<u>\$ 55,250,882</u>

City of West Allis, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance	2016 Actual
	Original	Final		Final Budget - Positive (Negative)	
General Government					
Common council	\$ 247,328	\$ 247,328	\$ 242,802	\$ 4,526	\$ 248,519
Mayor	121,872	122,957	122,048	909	344,554
City attorney	874,200	879,663	863,255	16,408	696,032
Municipal court	412,391	412,391	547,591	(135,200)	485,497
City assessor	1,108,190	1,298,751	884,424	414,327	889,101
Administration	210,650	210,650	214,095	(3,445)	262,906
Information technology	1,284,713	1,319,532	1,335,455	(15,923)	1,342,000
Purchasing/central services	190,250	190,750	106,164	84,586	194,062
Human resources	460,477	561,477	452,772	108,705	463,454
Finance	518,615	521,115	539,104	(17,989)	504,867
City clerk/treasurer	660,945	704,227	492,098	212,129	644,892
Promotions, celebrations, and awards	68,225	76,522	42,082	34,440	98,132
Other general government	3,380,350	3,479,502	2,303,810	1,175,692	1,976,158
Total general government	9,538,206	10,024,865	8,145,700	1,879,165	8,150,174
Public Safety					
Police department	17,915,211	17,948,464	17,927,251	21,213	17,204,542
Fire department	12,541,015	12,674,016	12,087,079	586,937	13,367,810
Police and fire commission	54,500	54,500	34,948	19,552	22,161
Building inspection and zoning	1,257,680	1,258,495	1,179,099	79,396	1,152,095
Planning	342,873	363,123	417,578	(54,455)	386,721
Total public safety	32,111,279	32,298,598	31,645,955	652,643	32,133,329
Public Works					
Engineering	1,297,636	1,313,194	1,102,370	210,824	1,191,350
Public works administration office	380,249	381,475	352,882	28,593	370,987
Building and electrical division	3,495,555	3,561,483	2,459,770	1,101,713	2,827,364
Sanitation and street division	3,524,236	3,588,415	3,036,042	552,373	3,527,636
Forestry division	1,569,856	1,575,359	1,373,248	202,111	1,391,836
Fleet services	1,397,650	1,916,941	1,271,018	645,923	2,290,881
Inventory services	209,235	209,235	165,693	43,542	237,003
Total public works	11,874,417	12,546,102	9,761,023	2,785,079	11,837,057
Health and Human Services					
Health	2,043,347	2,105,982	2,112,197	(6,215)	2,005,038

City of West Allis, Wisconsin County, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Culture and Recreation					
Library	2,250,985	2,302,834	2,036,161	266,673	2,067,098
Senior Center	218,268	218,724	217,689	1,035	217,199
State fair service contract	-	-	-	-	60,000
Total culture and recreation	<u>2,469,253</u>	<u>2,521,558</u>	<u>2,253,850</u>	<u>267,708</u>	<u>2,344,297</u>
Conservation and Development					
Economic development	-	28,012	3,172	24,840	38
Total Expenditures	<u><u>\$ 58,036,502</u></u>	<u><u>\$ 59,525,117</u></u>	<u><u>\$ 53,921,897</u></u>	<u><u>\$ 5,603,220</u></u>	<u><u>\$ 56,469,933</u></u>

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Special Revenue							
	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Incremental District No. 7 Rehab Loans	Incremental District No. 11 Rehab Loans	Incremental District No. 14 Rehab Loans
ASSETS								
Cash and investments	\$ 158	\$ 110,005	\$ 366,183	\$ 181,967	\$ 560,537	\$ 547,750	\$ 465,464	\$ 463,584
Receivables	-	-	-	-	-	-	-	-
Taxes and special charges	-	-	-	-	-	-	-	-
Accounts	475	-	125	-	508	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Loans	2,058,764	32,393	2,177,538	-	7,584	207,087	34,584	-
Other	-	-	7,397	-	-	-	-	-
Due from other governments	148,739	-	118,027	-	-	-	-	-
Total assets	\$ 2,208,136	\$ 142,398	\$ 2,669,270	\$ 181,967	\$ 568,629	\$ 754,837	\$ 500,048	\$ 463,584

	Special Revenue							
	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Incremental District No. 7 Rehab Loans	Incremental District No. 11 Rehab Loans	Incremental District No. 14 Rehab Loans
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 41,191	\$ -	\$ 133	\$ -	\$ 17,423	\$ 15	\$ 1	\$ -
Accrued and other current liabilities	16,365	-	580	-	18,968	-	-	-
Due to other funds	91,803	-	-	-	-	-	-	-
Special deposits	-	-	111	-	-	-	-	-
Unearned revenues	-	-	86,270	-	-	-	-	-
Total liabilities	149,359	-	87,094	-	36,391	15	1	-
Deferred inflows of resources								
Loans receivable	2,058,764	32,393	2,177,538	-	7,584	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Total deferred inflows of resources	2,058,764	32,393	2,177,538	-	7,584	-	-	-
Fund balances								
Restricted	13	110,005	404,638	181,967	524,654	-	-	-
Committed	-	-	-	-	-	754,822	500,047	463,584
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	13	110,005	404,638	181,967	524,654	754,822	500,047	463,584
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,208,136	\$ 142,398	\$ 2,669,270	\$ 181,967	\$ 568,629	\$ 754,837	\$ 500,048	\$ 463,584

City of West Allis, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Special Revenue							Information Technology Joint Ventures	Miscellaneous Grants	EPA Revolving Loan	Art Scope
	Library Endowment	Cable Communications	Health Grants	Police Grants	Fire Grants						
ASSETS											
Cash and investments	\$ 1,509,778	\$ 643,724	\$ 1,575	\$ 626,479	\$ 64,173	\$ 101,003	\$ 28,050	\$ 41,948	\$ 134,800		
Receivables	-	-	-	-	-	-	-	-	-	-	-
Taxes and special charges	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	120,060	13,185	-	-	735	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	339,170	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	225,226	357,914	-	-	5,458	580	-	-	-
Total assets	\$ 1,509,778	\$ 763,784	\$ 239,986	\$ 984,393	\$ 64,173	\$ 101,738	\$ 33,508	\$ 381,698	\$ 134,800		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ 13,587	\$ 17,284	\$ 116,861	\$ 387	\$ -	\$ 5,970	\$ -	\$ -	\$ -	\$ -
Accrued and other current liabilities	-	15,455	30,722	7,273	-	-	-	-	-	-	-
Due to other funds	-	-	65,856	-	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	126,127	-	-	-	33,817	-	-	-	-
Total liabilities	-	29,042	239,989	124,134	387	-	39,787	-	-	-	-
Deferred inflows of resources											
Loans receivable	-	-	-	-	-	-	-	339,170	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	339,170	-	-	-
Fund balances											
Restricted	1,509,778	-	-	860,259	63,786	-	-	-	-	-	-
Committed	-	734,742	-	-	-	101,738	-	42,528	134,800	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(3)	-	-	-	(6,279)	-	-	-	-
Total fund balances	\$ 1,509,778	\$ 734,742	\$ (3)	\$ 860,259	\$ 63,786	\$ 101,738	\$ (6,279)	\$ 42,528	\$ 134,800		
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,509,778	\$ 763,784	\$ 239,986	\$ 984,393	\$ 64,173	\$ 101,738	\$ 33,508	\$ 381,698	\$ 134,800		

City of West Allis, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Special Revenue							Capital Projects			
	Tourism	Christmas Parade	Fire Miscellaneous	Police Miscellaneous	Library Miscellaneous	Senior Center Miscellaneous	Public Works Improvements	Zombie Property Abatement	Tax Incremental District No. 5		
ASSETS											
Cash and investments	\$ 163,218	\$ -	\$ 31,521	\$ 68,725	\$ 100,543	\$ 156,727	\$ -	\$ 88,725	\$ 3,523,323		
Receivables	-	-	-	-	-	-	-	-	-		
Taxes and special charges	-	-	-	-	-	-	475,662	-	-		
Accounts	8,607	3,500	-	637	-	-	271	-	-		
Special assessments	-	-	-	-	-	-	2,122,245	-	-		
Loans	-	-	-	-	-	-	-	-	555,000		
Other	-	-	-	-	-	-	-	-	-		
Due from other governments	-	-	-	-	-	-	229,069	-	-		
Total assets	\$ 171,825	\$ 3,500	\$ 31,521	\$ 69,362	\$ 100,543	\$ 156,727	\$ 2,827,247	\$ 88,725	\$ 4,078,323		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 7,615	\$ 44	\$ 102	\$ 120	\$ 656,276	\$ -	\$ 3,981		
Accrued and other current liabilities	-	-	-	-	-	-	1,524	-	45		
Due to other funds	-	-	-	-	-	-	1,550,746	-	4,593,077		
Special deposits	-	-	-	-	-	-	51,967	-	-		
Unearned revenues	-	-	-	-	-	-	-	-	-		
Total liabilities	-	-	7,615	44	102	120	2,260,513	-	4,597,103		
Deferred inflows of resources											
Loans receivable	-	-	-	-	-	-	-	-	555,000		
Special assessments	-	-	-	-	-	-	2,122,245	-	-		
Total deferred inflows of resources	-	-	-	-	-	-	2,122,245	-	555,000		
Fund balances											
Restricted	-	-	-	-	-	-	-	-	-		
Committed	171,825	3,500	23,906	69,318	100,441	156,607	-	88,725	-		
Assigned	-	-	-	-	-	-	-	-	-		
Unassigned	-	-	-	-	-	-	(1,555,511)	-	(1,073,780)		
Total fund balances	171,825	3,500	23,906	69,318	100,441	156,607	(1,555,511)	88,725	(1,073,780)		
Total liabilities, deferred inflows of resources, and fund balances	\$ 171,825	\$ 3,500	\$ 31,521	\$ 69,362	\$ 100,543	\$ 156,727	\$ 2,827,247	\$ 88,725	\$ 4,078,323		

City of West Allis, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Capital Projects									
	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15	
ASSETS										
Cash and investments	\$ -	\$ 400,960	\$ 61,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-	-	-	-
Taxes and special charges	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	31,097	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	-	4,560,190	-	-	297,357	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 4,961,150	\$ 61,900	\$ -	\$ 328,454	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 55,586	\$ -	\$ -	\$ 2,916	\$ 1,243	\$ -	\$ 14,010	\$ 17,757	\$ -
Accrued and other current liabilities	-	42	-	-	248	37	-	82	37	-
Due to other funds	861,042	-	-	968,946	1,441,079	42,053	284,911	2,581,916	203,637	-
Special deposits	-	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-	-
Total liabilities	861,042	55,628	-	968,946	1,444,243	43,333	284,911	2,596,008	221,431	-
Deferred inflows of resources										
Loans receivable	-	4,560,190	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	4,560,190	-	-	-	-	-	-	-	-
Fund balances										
Restricted	-	345,332	61,900	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(861,042)	-	-	(968,946)	(1,115,789)	(43,333)	(284,911)	(2,596,008)	(221,431)	-
Total fund balances	(861,042)	345,332	61,900	(968,946)	(1,115,789)	(43,333)	(284,911)	(2,596,008)	(221,431)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 4,961,150	\$ 61,900	\$ -	\$ 328,454	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

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City of West Allis, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Capital Projects				Totals
	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Miscellaneous Nonoperating Projects	
ASSETS					
Cash and investments	\$ 3,191,427	\$ 181,161	\$ 354,551	\$ 20,021	\$ 8,671,853
Receivables	-	-	-	-	502,885
Taxes and special charges	-	-	-	-	302,329
Accounts	-	-	-	-	2,105,377
Special assessments	-	-	-	-	11,383,017
Loans	-	-	-	-	7,325
Other	-	-	294,522	-	1,490,448
Due from other governments	-	-	-	-	1,379,535
Total assets	<u>\$ 3,191,427</u>	<u>\$ 181,161</u>	<u>\$ 649,073</u>	<u>\$ 20,021</u>	<u>\$ 28,623,686</u>
					<u>\$ 24,463,234</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 24,719	\$ 19,139	\$ 486,044	\$ -	\$ 359,097
Accrued and other current liabilities	-	-	-	-	95,158
Due to other funds	-	-	-	-	12,451,732
Special deposits	-	-	58,904	-	38,097
Unearned revenues	-	-	-	-	326,925
Total liabilities	<u>24,719</u>	<u>19,139</u>	<u>544,948</u>	<u>-</u>	<u>13,271,009</u>
Deferred inflows of resources					
Loans receivable	-	-	-	-	10,841,339
Special assessments	-	-	-	-	2,105,377
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,946,716</u>
Fund balances					
Restricted	774,674	-	-	-	2,226,660
Committed	-	-	-	-	2,444,130
Assigned	2,392,034	162,022	104,125	20,021	4,208,592
Unassigned	-	-	-	-	(10,633,873)
Total fund balances	<u>3,166,708</u>	<u>162,022</u>	<u>104,125</u>	<u>20,021</u>	<u>(1,754,491)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,191,427</u>	<u>\$ 181,161</u>	<u>\$ 649,073</u>	<u>\$ 20,021</u>	<u>\$ 24,463,234</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue							
	Block Grant	Stimulus Programs	H.O.M.E. Program	Rental Energy Loans	Housing Programs	Incremental District No. 7 Rehab Loans	Incremental District No. 11 Rehab Loans	Incremental District No. 14 Rehab Loans
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	1,051,575	59,248	587,905	-	3,401,902	-	-	-
Public charges for services	223,721	-	-	-	-	-	-	-
Miscellaneous	-	-	162,091	-	4,468	3,647	50	-
Total revenues	<u>1,275,296</u>	<u>59,248</u>	<u>749,996</u>	<u>-</u>	<u>3,406,370</u>	<u>3,647</u>	<u>50</u>	<u>-</u>
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	1,285,390	-	372,032	149,290	3,356,458	201	3	36,416
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,285,390</u>	<u>-</u>	<u>372,032</u>	<u>149,290</u>	<u>3,356,458</u>	<u>201</u>	<u>3</u>	<u>36,416</u>
Excess of revenues over (under) expenditures	<u>(10,094)</u>	<u>59,248</u>	<u>377,964</u>	<u>(149,290)</u>	<u>49,912</u>	<u>3,446</u>	<u>47</u>	<u>(36,416)</u>
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	250,000	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(10,094)</u>	<u>59,248</u>	<u>377,964</u>	<u>(149,290)</u>	<u>49,912</u>	<u>253,446</u>	<u>47</u>	<u>(36,416)</u>
Fund balances - January 1, as originally reported	10,107	50,757	26,674	331,257	474,742	501,376	500,000	500,000
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balance - January 1, restated	<u>10,107</u>	<u>50,757</u>	<u>26,674</u>	<u>331,257</u>	<u>474,742</u>	<u>501,376</u>	<u>500,000</u>	<u>500,000</u>
Fund balances - December 31	<u>\$ 13</u>	<u>\$ 110,005</u>	<u>\$ 404,638</u>	<u>\$ 181,967</u>	<u>\$ 524,654</u>	<u>\$ 754,822</u>	<u>\$ 500,047</u>	<u>\$ 463,584</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue									
	Library Endowment	Cable Communications	Health Grants	Police Grants	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	EPA Revolving Loan	Art Scope	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	942,413	2,209,292	10,762	-	751	42,277	-	-
Public charges for services	-	578,937	-	-	-	-	-	23,159	-	-
Miscellaneous	292,307	1,212	21,453	-	-	17,420	-	-	141,797	-
Total revenues	292,307	580,149	963,866	2,209,292	10,762	17,420	751	65,436	141,797	-
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	1,818,062	8,504	-	-	-	-	-
Health and human services	-	-	955,600	-	-	-	-	-	-	-
Culture and recreation	54,124	684,474	-	-	-	-	-	-	6,997	-
Conservation and development	-	-	-	-	-	-	7,030	42,277	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	54,124	684,474	955,600	1,818,062	8,504	-	7,030	42,277	6,997	-
Excess of revenues over (under) expenditures	238,183	(104,325)	8,266	391,230	2,258	17,420	(6,279)	23,159	134,800	-
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	238,183	(104,325)	8,266	391,230	2,258	17,420	(6,279)	23,159	134,800	-
Fund balances - January 1, as originally reported	1,271,595	839,067	(8,269)	-	61,528	84,318	-	19,369	-	-
Prior period adjustment	-	-	-	469,029	-	-	-	-	-	-
Fund balance - January 1, restated	1,271,595	839,067	(8,269)	469,029	61,528	84,318	-	19,369	-	-
Fund balances - December 31	\$ 1,509,778	\$ 734,742	\$ (3)	\$ 860,259	\$ 63,786	\$ 101,738	\$ (6,279)	\$ 42,528	\$ 134,800	\$ -

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue										Capital Projects			
	Tourism	Christmas Parade	Fire Miscellaneous	Police Miscellaneous	Library Miscellaneous	Senior Center Miscellaneous	Public Works Improvements	Zombie Property Abatement	Tax Incremental District No. 5					
REVENUES														
Taxes	\$ 202,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	1,222,764	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	125,548	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	3,500	28,598	72,357	4,507	2,369	150,004	-	-	-	-	-	-	-
Total revenues	202,605	3,500	28,598	72,357	4,507	2,369	1,498,316	-	-	-	-	-	-	-
EXPENDITURES														
Current														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	35,125	81,570	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	30,780	-	-	-	1,665	2,250	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	-	-	-	-	6,048	-	44,175
Capital outlay	-	-	-	-	-	-	4,374,217	-	-	-	-	-	-	-
Total expenditures	30,780	-	35,125	81,570	1,665	2,250	4,374,217	6,048	-	-	-	-	-	44,175
Excess of revenues over (under) expenditures	171,825	3,500	(6,527)	(9,213)	2,842	119	(2,875,901)	(6,048)	-	-	-	-	-	(44,175)
OTHER FINANCING SOURCES (USES)														
Long-term debt issued	-	-	-	-	-	-	2,750,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	3,523,323
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,250,359)
Total other financing sources (uses)	-	-	-	-	-	-	2,750,000	-	-	-	-	-	-	2,272,964
Net change in fund balances	171,825	3,500	(6,527)	(9,213)	2,842	119	(125,901)	(6,048)	-	-	-	-	-	2,228,789
Fund balances - January 1, as originally reported	-	-	-	-	-	-	(1,429,610)	94,773	-	-	-	-	-	(3,302,569)
Prior period adjustment	-	-	30,433	78,531	97,599	156,488	-	-	-	-	-	-	-	-
Fund balance - January 1, restated	-	-	30,433	78,531	97,599	156,488	(1,429,610)	94,773	-	-	-	-	-	(3,302,569)
Fund balances - December 31	\$ 171,825	\$ 3,500	\$ 23,906	\$ 69,318	\$ 100,441	\$ 156,607	\$ (1,555,511)	\$ 88,725	\$ (1,073,780)	\$ -	\$ -	\$ -	\$ -	\$ (1,073,780)

City of West Allis, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15
Capital Projects									
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Public charges for services	-	1,137,289	-	-	-	-	-	-	-
Miscellaneous	12,000	121,690	-	-	45,199	-	3,661	-	-
Total revenues	12,000	1,258,979	-	-	45,199	-	3,661	-	-
EXPENDITURES									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Conservation and development	33,008	168,711	444	1,260	39,476	4,200	1,363	127,507	180,029
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	33,008	168,711	444	1,260	39,476	4,200	1,363	127,507	180,029
Excess of revenues over (under) expenditures	(21,008)	1,090,268	(444)	(1,260)	5,723	(4,200)	2,298	(127,507)	(180,029)
OTHER FINANCING SOURCES (USES)									
Long-term debt issued	-	-	-	-	-	-	-	-	-
Transfers in	(143,067)	1,377,487	4,951	49,933	171,009	-	-	-	-
Transfers out	-	(3,773,323)	-	-	-	-	-	-	-
Total other financing sources (uses)	(143,067)	(2,395,836)	4,951	49,933	171,009	-	-	-	-
Net change in fund balances	(164,075)	(1,305,568)	4,507	48,673	176,732	(4,200)	2,298	(127,507)	(180,029)
Fund balances - January 1, as originally reported	(696,967)	1,650,900	57,393	(1,017,619)	(1,292,521)	(39,133)	(287,209)	(2,468,501)	(41,402)
Prior period adjustment	-	-	-	-	-	-	-	-	-
Fund balance - January 1, restated	(696,967)	1,650,900	57,393	(1,017,619)	(1,292,521)	(39,133)	(287,209)	(2,468,501)	(41,402)
Fund balances - December 31	\$ (861,042)	\$ 345,332	\$ 61,900	\$ (968,946)	\$ (1,115,789)	\$ (43,333)	\$ (284,911)	\$ (2,596,008)	\$ (221,431)

City of West Allis, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Capital Projects				Totals	
	Capital Accumulation	Parks and Open Spaces	Buildings and Facilities	Miscellaneous Nonoperating Projects	2017	2016
REVENUES						
Taxes	\$ -	\$ 11,897	\$ -	\$ -	\$ 214,502	\$ 189,466
Special assessments	-	-	-	-	1,222,764	1,401,376
Intergovernmental	-	-	235,618	-	8,667,291	8,830,847
Public charges for services	-	-	-	-	1,963,106	1,227,268
Miscellaneous	-	84,500	129,792	33,922	1,336,544	539,390
Total revenues	-	96,397	365,410	33,922	13,404,207	12,188,347
EXPENDITURES						
Current						
General government	-	-	-	-	-	5
Public safety	5,660	-	874,212	13,901	2,837,034	1,985,206
Health and human services	-	-	-	-	955,600	962,956
Culture and recreation	-	374,993	-	-	1,155,283	420,724
Conservation and development	-	-	-	-	5,855,318	8,508,732
Capital outlay	1,173,359	-	-	-	5,547,576	4,177,946
Total expenditures	1,179,019	374,993	874,212	13,901	16,350,811	16,055,569
Excess of revenues over (under) expenditures	(1,179,019)	(278,596)	(508,802)	20,021	(2,946,604)	(3,867,222)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	1,845,000	-	-	-	4,595,000	2,750,000
Transfers in	285,819	250,000	663,000	-	6,575,522	4,533,422
Transfers out	-	-	-	-	(5,166,749)	(2,633,997)
Total other financing sources (uses)	2,130,819	250,000	663,000	-	6,003,773	4,649,425
Net change in fund balances	951,800	(28,596)	154,198	20,021	3,057,169	782,203
Fund balances - January 1, as originally reported	2,214,908	190,618	(50,073)	-	(1,754,491)	(2,536,694)
Prior period adjustment	-	-	-	-	832,080	-
Fund balance - January 1, restated	2,214,908	190,618	(50,073)	-	(922,411)	(2,536,694)
Fund balances - December 31	\$ 3,166,708	\$ 162,022	\$ 104,125	\$ 20,021	\$ 2,134,758	\$ (1,754,491)

City of West Allis, Wisconsin

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Solid Waste	Parking Utility	Beloit Road Housing Management	Totals	
				2017	2016
ASSETS					
Current assets					
Cash and investments	\$ 3,003,980	\$ 149,328	\$ 1,918,723	\$ 5,072,031	\$ 5,532,566
Receivables					
Taxes and special charges	-	43,000	-	43,000	43,000
Customer accounts	580,178	3,096	42,057	625,331	751,913
Other	-	-	94,140	94,140	132,065
Total current assets	<u>3,584,158</u>	<u>195,424</u>	<u>2,054,920</u>	<u>5,834,502</u>	<u>6,459,544</u>
Other assets					
Loans receivable	-	-	5,544,993	5,544,993	5,454,633
Capital assets					
Nondepreciable	-	905,726	-	905,726	905,726
Depreciable, net	476,924	-	-	476,924	260,372
Total capital assets	<u>476,924</u>	<u>905,726</u>	<u>-</u>	<u>1,382,650</u>	<u>1,166,098</u>
Total assets	<u>4,061,082</u>	<u>1,101,150</u>	<u>7,599,913</u>	<u>12,762,145</u>	<u>13,080,275</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	<u>173,249</u>	<u>8,598</u>	<u>43,018</u>	<u>224,865</u>	<u>342,513</u>
LIABILITIES					
Current liabilities					
Accounts payable	180,738	1,833	979	183,550	16,419
Accrued and other current liabilities	265	89	1,416	1,770	6,252
Unearned revenue	-	-	463,194	463,194	332,411
Total current liabilities	<u>181,003</u>	<u>1,922</u>	<u>465,589</u>	<u>648,514</u>	<u>355,082</u>
Long-term obligations					
Net pension liability	<u>23,070</u>	<u>1,215</u>	<u>5,786</u>	<u>30,071</u>	<u>61,870</u>
Total liabilities	<u>204,073</u>	<u>3,137</u>	<u>471,375</u>	<u>678,585</u>	<u>416,952</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	-	43,000	-	43,000	43,000
Pension related amounts	<u>73,303</u>	<u>3,861</u>	<u>18,386</u>	<u>95,550</u>	<u>130,203</u>
Total deferred inflows of resources	<u>73,303</u>	<u>46,861</u>	<u>18,386</u>	<u>138,550</u>	<u>173,203</u>
NET POSITION					
Net investment in capital assets	476,924	905,726	-	1,382,650	1,166,098
Unrestricted	<u>3,480,031</u>	<u>154,024</u>	<u>7,153,170</u>	<u>10,787,225</u>	<u>11,666,535</u>
Total net position	<u>\$ 3,956,955</u>	<u>\$ 1,059,750</u>	<u>\$ 7,153,170</u>	<u>\$ 12,169,875</u>	<u>\$ 12,832,633</u>

City of West Allis, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Solid Waste	Parking Utility	Beloit Road Housing Management	Totals	
				2017	2016
OPERATING REVENUES					
Charges for services	\$ 1,905,026	\$ -	\$ 159,355	\$ 2,064,381	\$ 2,102,194
Parking fees and permits	-	22,669	-	22,669	28,753
Total operating revenues	<u>1,905,026</u>	<u>22,669</u>	<u>159,355</u>	<u>2,087,050</u>	<u>2,130,947</u>
OPERATING EXPENSES					
Operation and maintenance	2,760,955	73,705	138,936	2,973,596	1,808,799
Depreciation	50,151	-	-	50,151	32,765
Total operating expenses	<u>2,811,106</u>	<u>73,705</u>	<u>138,936</u>	<u>3,023,747</u>	<u>1,841,564</u>
Operating income (loss)	<u>(906,080)</u>	<u>(51,036)</u>	<u>20,419</u>	<u>(936,697)</u>	<u>289,383</u>
NONOPERATING REVENUES					
General property taxes	-	43,000	-	43,000	43,000
Interest income	-	-	162,324	162,324	164,471
Nonoperating grants	253,227	-	-	253,227	241,535
Other nonoperating revenues	35,388	-	-	35,388	168,738
Total nonoperating revenues	<u>288,615</u>	<u>43,000</u>	<u>162,324</u>	<u>493,939</u>	<u>617,744</u>
Income (loss) before transfers	<u>(617,465)</u>	<u>(8,036)</u>	<u>182,743</u>	<u>(442,758)</u>	<u>907,127</u>
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(120,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>
Change in net position	<u>(717,465)</u>	<u>(8,036)</u>	<u>62,743</u>	<u>(662,758)</u>	<u>687,127</u>
Net position - January 1	<u>4,674,420</u>	<u>1,067,786</u>	<u>7,090,427</u>	<u>12,832,633</u>	<u>12,145,506</u>
Net position - December 31	<u>\$ 3,956,955</u>	<u>\$ 1,059,750</u>	<u>\$ 7,153,170</u>	<u>\$ 12,169,875</u>	<u>\$ 12,832,633</u>

City of West Allis, Wisconsin

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Solid Waste	Parking Utility	Beloit Road Housing Management	Totals	
				2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 1,903,250	\$ 20,998	\$ 458,092	\$ 2,382,340	\$ 2,000,994
Cash paid for employee wages and benefits	(575,607)	(16,992)	(105,840)	(698,439)	(543,094)
Cash paid to suppliers	(1,984,164)	(54,068)	(23,080)	(2,061,312)	(1,266,597)
Net cash provided (used) by operating activities	(656,521)	(50,062)	329,172	(377,411)	191,303
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Sale of recyclables	26,552	-	-	26,552	-
General property taxes	-	43,000	-	43,000	43,000
Nonoperating grants	253,227	-	-	253,227	241,535
Collection of long-term receivable	-	-	(90,360)	(90,360)	-
Miscellaneous revenues	8,836	-	-	8,836	-
Transfer in (out)	(100,000)	-	(120,000)	(220,000)	(220,000)
Net cash provided (used) by noncapital financing activities	188,615	43,000	(210,360)	21,255	64,535
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(266,703)	-	-	(266,703)	168,733
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	-	162,324	162,324	119,444
Change in cash and cash equivalents	(734,609)	(7,062)	281,136	(460,535)	544,015
Cash and cash equivalents - January 1	3,738,589	156,390	1,637,587	5,532,566	4,988,551
Cash and cash equivalents - December 31	\$ 3,003,980	\$ 149,328	\$ 1,918,723	\$ 5,072,031	\$ 5,532,566
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (906,080)	\$ (51,036)	\$ 20,419	\$ (936,697)	\$ 289,383
Adjustments to reconcile operating income (loss) to net cash provided by (used) by operating activities					
Depreciation	50,151	-	-	50,151	32,765
Miscellaneous nonoperating income (expense)	-	-	-	-	5
Change in liability (asset) and deferred outflows and inflows of resources					
Pension	38,086	2,617	10,493	51,196	40,409
Change in operating assets and liabilities					
Accounts receivables	(1,776)	(1,671)	167,954	164,507	(129,958)
Accounts payable	166,788	230	113	167,131	(66,085)
Accrued and other current liabilities	(3,690)	(202)	(590)	(4,482)	(177)
Customer deposits	-	-	-	-	(101,987)
Unearned revenue	-	-	130,783	130,783	126,948
Net cash provided (used) by operating activities	\$ (656,521)	\$ (50,062)	\$ 329,172	\$ (377,411)	\$ 191,303
Reconciliation of cash and cash equivalents to the statement of net position					
Cash and cash equivalents in current assets	\$ 3,003,980	\$ 149,328	\$ 1,918,723	\$ 5,072,031	\$ 5,532,566
Noncash capital and related financing activities					
None					

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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,181,319	\$ 1,159,085	\$ 1,051,575	\$ (107,510)
Public charges for services	204,800	204,800	223,721	18,921
Total revenues	<u>1,386,119</u>	<u>1,363,885</u>	<u>1,275,296</u>	<u>(88,589)</u>
EXPENDITURES				
Current				
Conservation and development	<u>1,386,120</u>	<u>1,363,886</u>	<u>1,285,390</u>	<u>78,496</u>
Net change in fund balance	(1)	(1)	(10,094)	(10,093)
Fund balance - January 1	<u>10,107</u>	<u>10,107</u>	<u>10,107</u>	<u>-</u>
Fund balance - December 31	<u>\$ 10,106</u>	<u>\$ 10,106</u>	<u>\$ 13</u>	<u>\$ (10,093)</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 587,905	\$ 392,905
Miscellaneous	88,086	88,086	162,091	74,005
Total revenues	<u>283,086</u>	<u>283,086</u>	<u>749,996</u>	<u>466,910</u>
EXPENDITURES				
Current				
Conservation and development	<u>283,086</u>	<u>283,086</u>	<u>372,032</u>	<u>(88,946)</u>
Net change in fund balance	-	-	377,964	377,964
Fund balance - January 1	<u>26,674</u>	<u>26,674</u>	<u>26,674</u>	-
Fund balance - December 31	<u>\$ 26,674</u>	<u>\$ 26,674</u>	<u>\$ 404,638</u>	<u>\$ 377,964</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,131,508	\$ 3,131,508	\$ 3,401,902	\$ 270,394
Miscellaneous	20,000	20,000	4,468	(15,532)
Total revenues	<u>3,151,508</u>	<u>3,151,508</u>	<u>3,406,370</u>	<u>254,862</u>
EXPENDITURES				
Current				
Conservation and development	<u>3,151,508</u>	<u>3,151,508</u>	<u>3,356,458</u>	<u>(204,950)</u>
Net change in fund balance	-	-	49,912	49,912
Fund balance - January 1	<u>474,742</u>	<u>474,742</u>	<u>474,742</u>	-
Fund balance - December 31	<u>\$ 474,742</u>	<u>\$ 474,742</u>	<u>\$ 524,654</u>	<u>\$ 49,912</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public charges for services	\$ 730,000	\$ 730,000	\$ 578,937	\$ (151,063)
Miscellaneous	20,000	20,000	1,212	(18,788)
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>580,149</u>	<u>(169,851)</u>
EXPENDITURES				
Current				
Culture and recreation	<u>729,303</u>	<u>742,942</u>	<u>684,474</u>	<u>58,468</u>
Excess of revenues over (under) expenditures	<u>20,697</u>	<u>7,058</u>	<u>(104,325)</u>	<u>(111,383)</u>
OTHER FINANCING USES				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(29,303)	(42,942)	(104,325)	(61,383)
Fund balance - January 1	<u>839,067</u>	<u>839,067</u>	<u>839,067</u>	<u>-</u>
Fund balance - December 31	<u>\$ 809,764</u>	<u>\$ 796,125</u>	<u>\$ 734,742</u>	<u>\$ (61,383)</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 942,413	\$ 942,413
Miscellaneous	-	-	21,453	21,453
Total revenues	-	-	963,866	963,866
EXPENDITURES				
Current				
Health and human services	943,687	943,687	955,600	(11,913)
Net change in fund balance	(943,687)	(943,687)	8,266	951,953
Fund balance - January 1	(8,269)	(8,269)	(8,269)	-
Fund balance - December 31	\$ (951,956)	\$ (951,956)	\$ (3)	\$ 951,953

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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,209,292	\$ 2,209,292
EXPENDITURES				
Current				
Public safety	1,701,434	1,701,434	1,818,062	(116,628)
Net change in fund balance	<u>(1,701,434)</u>	<u>(1,701,434)</u>	<u>391,230</u>	<u>2,092,664</u>
Fund balance - January 1, as originally reported	-	-	-	-
Prior period adjustment	-	-	469,029	469,029
Fund balance - January 1, restated	-	-	469,029	469,029
Fund balance - December 31	<u>\$ (1,701,434)</u>	<u>\$ (1,701,434)</u>	<u>\$ 860,259</u>	<u>\$ 2,561,693</u>

City of West Allis, Wisconsin

**INFORMATION TECHNOLOGY JOINT VENTURES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 13,715	\$ 13,715	\$ 17,420	\$ 3,705
EXPENDITURES				
Capital outlay	18,000	18,000	-	18,000
Net change in fund balance	(4,285)	(4,285)	17,420	21,705
Fund balance - January 1	84,318	84,318	84,318	-
Fund balance - December 31	<u>\$ 80,033</u>	<u>\$ 80,033</u>	<u>\$ 101,738</u>	<u>\$ 21,705</u>

City of West Allis, Wisconsin

**MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 751	\$ 751
EXPENDITURES				
Current				
Conservation and development	-	30,756	7,030	23,726
Net change in fund balance	-	(30,756)	(6,279)	24,477
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ (30,756)</u>	<u>\$ (6,279)</u>	<u>\$ 24,477</u>

City of West Allis, Wisconsin

**TOURISM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 178,000	\$ 178,000	\$ 202,605	\$ 24,605
EXPENDITURES				
Current				
Culture and recreation	178,000	178,000	30,780	147,220
Net change in fund balance	-	-	171,825	171,825
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ -	\$ 171,825	\$ 171,825

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,724,196	\$ 6,724,196	\$ 6,770,540	\$ 46,344
Intergovernmental	251,720	251,720	578,405	326,685
Miscellaneous	-	-	36,299	36,299
Total revenues	<u>6,975,916</u>	<u>6,975,916</u>	<u>7,385,244</u>	<u>409,328</u>
EXPENDITURES				
Debt service				-
Principal	6,096,417	6,096,417	6,096,418	(1)
Interest and fiscal charges	<u>1,107,325</u>	<u>1,107,325</u>	<u>1,053,639</u>	<u>53,686</u>
Total expenditures	<u>7,203,742</u>	<u>7,203,742</u>	<u>7,150,057</u>	<u>53,685</u>
Excess of revenues over (under) expenditures	<u>(227,826)</u>	<u>(227,826)</u>	<u>235,187</u>	<u>463,013</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	730,000	730,000
Premium on debt issued	60,000	60,000	234,483	174,483
Payment to current noteholder	-	-	(755,000)	(755,000)
Transfers in	1,391,721	1,391,721	1,393,426	1,705
Transfers out	<u>(1,223,894)</u>	<u>(1,223,894)</u>	<u>(1,603,380)</u>	<u>(379,486)</u>
Total other financing sources (uses)	<u>227,827</u>	<u>227,827</u>	<u>(471)</u>	<u>(228,298)</u>
Net change in fund balance	1	1	234,716	234,715
Fund balance - January 1	<u>2,468</u>	<u>2,468</u>	<u>2,468</u>	<u>-</u>
Fund balance - December 31	<u>\$ 2,469</u>	<u>\$ 2,469</u>	<u>\$ 237,184</u>	<u>\$ 234,715</u>

City of West Allis, Wisconsin

PUBLIC WORKS IMPROVEMENTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ -	\$ -	\$ 1,222,764	\$ 1,222,764
Intergovernmental	-	-	125,548	125,548
Miscellaneous	-	-	150,004	150,004
Total revenues	-	-	1,498,316	1,498,316
EXPENDITURES				
Capital outlay	4,666,000	4,666,000	4,374,217	291,783
Excess of revenues under expenditures	(4,666,000)	(4,666,000)	(2,875,901)	1,790,099
OTHER FINANCING SOURCES				
Long-term debt issued	-	-	2,750,000	2,750,000
Net change in fund balance	(4,666,000)	(4,666,000)	(125,901)	4,540,099
Fund balance - January 1	(1,429,610)	(1,429,610)	(1,429,610)	-
Fund balance - December 31	\$ (6,095,610)	\$ (6,095,610)	\$ (1,555,511)	\$ 4,540,099

City of West Allis, Wisconsin

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2017

	Insurance Management Fund	Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and investments	\$ 187,196	\$ 7,038,219	\$ 7,225,415
Receivables			
Taxes and special charges	-	2,000,000	2,000,000
Accounts	-	34,832	34,832
Inventories and prepaid items	-	165,926	165,926
Total current assets	<u>187,196</u>	<u>9,238,977</u>	<u>9,426,173</u>
Other assets			
Investment in CVMIC	<u>3,244,299</u>	-	<u>3,244,299</u>
Total assets	<u>3,431,495</u>	<u>9,238,977</u>	<u>12,670,472</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>-</u>	<u>19,065</u>	<u>19,065</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	384,277	384,277
Special deposits	-	26,518	26,518
Unearned revenue	-	180,756	180,756
Total current liabilities	<u>-</u>	<u>591,551</u>	<u>591,551</u>
Long-term obligations, less current portion			
Net pension liability	<u>-</u>	<u>2,266</u>	<u>2,266</u>
Total liabilities	<u>-</u>	<u>593,817</u>	<u>593,817</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	-	2,000,000	2,000,000
Pension related amounts	<u>-</u>	<u>7,200</u>	<u>7,200</u>
Total deferred inflows of resources	<u>-</u>	<u>2,007,200</u>	<u>2,007,200</u>
NET POSITION			
Unrestricted	<u>\$ 3,431,495</u>	<u>\$ 6,657,025</u>	<u>\$ 10,088,520</u>

City of West Allis, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Insurance Management Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges to City departments, employees and retirees	\$ -	\$ 11,803,563	\$ 11,803,563
OPERATING EXPENSES			
Insurance claims and estimate changes	-	14,882,381	14,882,381
Operating loss	-	(3,078,818)	(3,078,818)
NONOPERATING REVENUES			
General property taxes	-	2,000,000	2,000,000
Interest income	92,030	-	92,030
Total nonoperating revenues	92,030	2,000,000	2,092,030
Change in net position	92,030	(1,078,818)	(986,788)
Net position - January 1	3,339,465	7,735,843	11,075,308
Net position - December 31	<u>\$ 3,431,495</u>	<u>\$ 6,657,025</u>	<u>\$ 10,088,520</u>

City of West Allis, Wisconsin

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Insurance Management Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services provided	\$ -	\$ 11,823,316	\$ 11,823,316
Cash paid for employee wages and benefits	-	(176,520)	(176,520)
Cash paid to suppliers	-	(15,871,432)	(15,871,432)
Net cash used by operating activities	<u>-</u>	<u>(4,224,636)</u>	<u>(4,224,636)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
General property taxes	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>92,030</u>	<u>-</u>	<u>92,030</u>
Change in cash and cash equivalents	92,030	(2,224,636)	(2,132,606)
Cash and cash equivalents - January 1	<u>95,166</u>	<u>9,262,855</u>	<u>9,358,021</u>
Cash and cash equivalents - December 31	<u>\$ 187,196</u>	<u>\$ 7,038,219</u>	<u>\$ 7,225,415</u>

City of West Allis, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Insurance Management Fund	Health Insurance Fund	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED USED BY OPERATING ACTIVITIES			
Operating loss	\$ -	\$ (3,078,818)	\$ (3,078,818)
Adjustments to reconcile operating loss to net cash used by operating activities			
Change in liability (asset) and deferred outflows and inflows of resources			
Pension	-	3,710	3,710
Change in operating assets and liabilities			
Accounts receivables	-	4,744	4,744
Inventories and prepaid items	-	355,558	355,558
Accounts payable	-	(1,507,183)	(1,507,183)
Accrued and other current liabilities	-	(45)	(45)
Special deposits	-	(17,611)	(17,611)
Unearned revenue	-	15,009	15,009
Net cash used by operating activities	<u>\$ -</u>	<u>\$ (4,224,636)</u>	<u>\$ (4,224,636)</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	<u>\$ 187,196</u>	<u>\$ 7,038,219</u>	<u>\$ 7,225,415</u>
Noncash capital and related financing activities			
None			

City of West Allis, Wisconsin

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE FOR THE YEAR ENDED DECEMBER 31, 2017

Governmental Capital Assets

City Government

Land	\$ 12,497,605
Buildings and improvements	18,680,104
Machinery and equipment	24,730,486
Infrastructure	167,314,134
	<u>223,222,329</u>

West Allis Memorial Hospital

Land	554,172
Construction in progress	3,784,549
Land improvements	373,539
Buildings and improvements	162,636,278
Machinery and equipment	63,482,889
	<u>230,831,427</u>

Total Governmental Capital Assets

\$ 454,053,756

Investment in Governmental Capital Assets By Source

General fund	\$ 196,246,120
Special revenue funds	
Federal and state grants	5,579,232
Capital projects funds	
General obligation debt	40,446,028
Hospital Funds	
Cash	152,652,376
Bonds	59,130,000
	<u>454,053,756</u>

Total Investment in Governmental Capital Assets By Source

\$ 454,053,756

City of West Allis, Wisconsin

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2017

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Total
City Government							
General government	\$ 562,857	\$ -	\$ -	\$ 1,857,610	\$ 2,234,295	\$ -	\$ 4,654,762
Public safety	239,826	-	-	10,935,386	8,450,499	-	19,625,711
Public works	9,673,688	-	-	1,668,214	12,927,214	167,314,134	191,583,250
Health	74,500	-	-	796,605	88,032	-	959,137
Culture and recreation	1,093,379	-	-	3,422,289	959,197	-	5,474,865
Development	853,355	-	-	-	71,249	-	924,604
Total City Government	12,497,605	-	-	18,680,104	24,730,486	167,314,134	223,222,329
West Allis Memorial Hospital	554,172	3,784,549	373,539	162,636,278	63,482,889	-	230,831,427
Total	\$ 13,051,777	\$ 3,784,549	\$ 373,539	\$ 181,316,382	\$ 88,213,375	\$ 167,314,134	\$ 454,053,756

City of West Allis, Wisconsin

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2017

Function and Activity	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
City Government				
General government	\$ 4,405,044	\$ 249,718	\$ -	\$ 4,654,762
Public safety	19,593,682	440,594	408,565	19,625,711
Public works	186,280,587	5,524,688	222,025	191,583,250
Health	936,973	22,164	-	959,137
Culture and recreation	5,474,865	-	-	5,474,865
Development	924,604	-	-	924,604
Total City Government	217,615,755	6,237,164	630,590	223,222,329
West Allis Memorial Hospital	231,928,537	5,747,924	6,845,034	230,831,427
Total	<u>\$ 449,544,292</u>	<u>\$ 11,985,088</u>	<u>\$ 7,475,624</u>	<u>\$ 454,053,756</u>

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STATISTICAL SECTION

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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	124
Financial Trends	126
These schedules contain trend information to help the reader understand how West Allis' financial performance and well-being has changed over time.	
Revenue Capacity	131
These schedules contain information to help the reader assess West Allis' most significant local revenue source, the property tax.	
Debt Capacity	135
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	139
These schedules offer demographic and economic indicators to help the reader understand the environment within which West Allis' financial activities take place.	
Operating Information	141
These schedules contain service and infrastructure data to help the reader understand how the information in West Allis' financial report relates to the services West Allis provides and the activities it performs.	

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

GENERAL INFORMATION

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

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

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

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

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

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis retains approximately 577 full-time equivalent employees, on a permanent basis. At different times during the year, West Allis also employs temporary and part-time help to perform seasonal and other time-specific work. The City requires that all emergency-workers reside within a thirty-minute drive radius of the West Allis city limits, within eighteen months of employment. The City operates daily through nineteen departments, headed by fourteen appointed officials and two elected officials in the roles of City Attorney & Municipal Judge.

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

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

The Water Utility provides for the distribution and maintenance of all water supply and storage facilities. The City of West Allis owns and operates its water system. The Water Division is operated as a public utility and is subject to regulation by the Wisconsin Public Service Commission. West Allis purchases its water from the City of Milwaukee Water Utility for storage and distribution through its own system. Clear water storage capacity is 7,000,000 gallons. Average daily water demand was 5,018,729 gallons per day for 2017. Pumping capacity for the system is 15,000,000 gallons per day. The highest gallons pumped on any one day in 2017 were 6,966,000 gallons.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of West Allis

Net Position by Component
Last ten fiscal years
Schedule 1

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 162,229,941	\$ 156,725,902	\$ 159,589,960	\$ 161,468,728	\$ 159,183,191	\$ 155,634,993	\$ 158,432,679	\$ 153,876,407	\$ 161,610,403	\$ 164,864,990
Restricted	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277	18,169,279	2,226,660	4,062,332
Unrestricted	39,160,362	28,848,960	25,632,400	22,854,223	22,955,014	22,718,355	18,663,636	12,436,804	(87,218,046)	(93,473,294)
Total governmental activities net assets	\$ 202,153,811	\$ 186,078,555	\$ 185,565,209	\$ 184,506,272	\$ 182,326,073	\$ 178,545,225	\$ 178,160,592	\$ 184,482,490	\$ 76,619,017	\$ 75,454,028
Business-type Activities										
Net investment in capital assets	\$ 50,148,025	\$ 52,695,082	\$ 53,470,013	\$ 54,610,687	\$ 56,114,749	\$ 60,047,142	\$ 64,492,416	\$ 67,386,795	\$ 70,466,817	\$ 76,279,757
Restricted	-	-	-	-	-	-	-	1,018,167	-	-
Unrestricted	5,810,658	5,284,485	6,671,884	13,552,705	16,772,841	16,663,155	15,759,475	16,572,451	16,540,178	14,430,787
Total business-type activities net assets	\$ 55,958,683	\$ 57,959,567	\$ 60,141,897	\$ 68,163,392	\$ 72,887,390	\$ 76,710,297	\$ 80,251,891	\$ 84,977,413	\$ 87,006,995	\$ 90,710,544
Primary government										
Net investment in capital assets	\$ 212,377,966	\$ 209,420,984	\$ 213,059,973	\$ 216,079,415	\$ 215,297,940	\$ 215,682,135	\$ 222,925,095	\$ 221,263,202	\$ 232,077,220	\$ 241,144,747
Restricted	763,508	503,693	342,849	183,321	187,868	191,877	1,064,277	19,187,446	2,226,660	4,062,332
Unrestricted	44,971,020	34,113,445	32,304,284	36,406,928	39,727,655	39,381,510	34,423,111	29,009,255	(70,677,868)	(79,042,507)
Total primary government net assets	\$ 258,112,494	\$ 244,038,122	\$ 245,707,106	\$ 252,669,664	\$ 255,213,463	\$ 255,255,522	\$ 258,412,483	\$ 269,459,903	\$ 163,626,012	\$ 166,164,572

Data source: City of West Allis Audited Financial Statements

(a) In 2008 - the unrestricted net position increased significantly because prior to the implementation of GASB Statement 45, the City reported a liability in the government-wide statements for retiree health insurance. With the implementation of the new standard, the City is only required to report the annual required contribution for retiree health insurance. The previously reported liability of \$47,903,521 reported as a restatement of the beginning net position balance for the Governmental Activities in the Statement of Activities.

(b) In 2009 one of the major reasons the unrestricted fund balance continues to decline is because the amount spent on the replacement of capital assets is substantially less than the amount being depreciated for the capital assets.

(c) In 2010 the major increase to Net Investment in Capital Assets for the Governmental Activities was related to the West Allis Memorial Hospital adding new equipment.

(d) In 2016 the City implemented GASB Statement No. 75, resulting in a decrease in unrestricted net position of \$111,470,915.

City of West Allis

Changes in Net Position
Last ten fiscal years
Schedule 2

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 7,931,317	\$ 8,584,181	\$ 7,806,361	\$ 8,586,090	\$ 7,601,000	\$ 10,920,556	\$ 12,683,740	\$ 11,379,723	\$ 12,805,585	\$ 11,672,021
Public Safety	35,322,808	38,122,733	37,491,260	37,815,973	36,805,269	37,790,154	37,249,881	37,791,564	39,785,333	40,766,743
Public Works	19,059,398	20,775,195	16,122,988	15,308,926	14,917,241	17,704,389	19,435,157	19,015,175	20,174,501	18,449,732
Health & Human Services	11,422,393	11,851,638	10,898,842	8,380,438	10,578,888	7,878,226	10,697,085	11,662,378	12,272,953	7,347,903
Culture, recreation & education	2,953,551	3,415,253	3,189,297	3,223,701	3,121,334	2,633,745	2,633,438	2,778,993	2,769,342	2,631,146
Conservation & development	5,225,216	8,867,397	12,187,021	7,583,983	6,309,345	5,701,550	7,490,488	8,549,672	8,086,314	5,567,700
Interest & Fiscal Charges	2,624,692	2,634,191	2,912,763	2,187,395	2,272,863	2,416,541	1,884,864	1,605,841	1,436,617	1,134,465
Total government activities expense	84,539,375	94,250,588	90,608,532	83,086,506	83,605,940	85,045,161	92,074,853	92,783,346	97,330,645	87,589,710
Business-type Activities:										
Water Utility	6,497,676	6,339,034	6,110,946	6,186,233	6,384,384	6,893,875	6,985,088	6,895,088	6,752,393	6,583,882
Sanitary Sewer Utility	4,866,936	5,147,842	5,695,049	5,902,207	5,923,361	5,542,622	5,845,286	5,823,936	5,632,642	6,337,577
Storm Water Utility	1,633,786	1,744,227	2,215,521	2,254,241	2,226,502	2,451,452	2,391,743	2,523,771	2,830,547	2,235,979
Solid Waste Utility	917,135	1,553,697	1,681,268	1,635,879	1,722,897	1,680,361	1,721,052	1,714,919	1,601,840	2,811,106
Parking Utility	86,878	53,062	42,601	64,651	38,123	86,781	76,664	104,526	70,787	73,705
Senior Citizens Housing	358,993	281,149	335,881	395,877	254,464	188,573	190,632	150,944	168,937	138,936
Total business-type activities expense	14,361,404	15,119,011	16,081,266	16,439,088	16,551,731	16,843,664	17,211,978	17,213,184	17,057,146	18,181,185
Total Primary Government Expense	\$ 98,900,779	\$ 109,369,599	\$ 106,689,798	\$ 99,525,594	\$ 100,157,671	\$ 101,888,825	\$ 109,286,831	\$ 109,996,530	\$ 114,387,791	\$ 105,770,895
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 267,843	\$ 316,022	\$ 239,886	\$ 502,025	\$ 65,967	\$ 1,487,756	\$ 1,710,728	\$ 1,591,046	\$ 1,637,261	\$ 1,678,033
General Government	5,335,900	4,953,984	5,021,529	4,086,394	4,265,844	4,066,765	4,190,127	4,361,491	4,438,304	4,175,046
Public Safety	629,056	437,743	397,319	884,235	1,635,627	767,356	960,539	794,999	619,490	561,363
Health & Human Services	237,879	287,905	301,641	276,256	281,228	274,581	337,709	307,950	302,752	425,033
Culture & recreation	687,370	717,577	817,404	816,763	868,005	897,605	885,714	893,774	874,777	759,681
Conservation & development	954,634	640,158	349,862	2,486,220	1,112,821	1,221,221	3,432,821	993,263	209,098	101,850
Interest & Fiscal Charges	476,460	319,909	187,563	128,860	739,957	372,881	302,206	-	-	-
Charges for Services	8,589,142	7,673,288	7,315,204	9,160,753	8,969,449	9,088,165	11,819,105	8,942,523	8,081,682	7,700,986
Operating Grants and Contributions	10,417,700	10,853,418	10,832,253	12,721,782	10,518,040	9,010,784	11,194,095	11,075,011	11,414,432	11,348,940
Capital Grants and Contributions	1,473,688	3,415,312	12,535,576	3,901,104	6,279,436	3,151,837	13,279,356	5,309,681	22,966,696	7,223,174
Total governmental activities program revenues	20,480,508	21,942,028	30,683,033	25,783,639	25,766,925	21,250,786	36,292,556	25,327,215	42,462,810	26,273,100
Business-type activities:										
Charges for Services	15,789,002	17,597,067	18,362,363	18,362,363	21,188,970	21,286,775	21,360,255	21,824,456	21,827,894	21,935,871
Operating Grants and Contributions	389,162	350,286	368,559	368,559	543,728	258,805	278,735	265,463	287,300	394,572
Capital Grants and Contributions	633,848	91,039	427,276	427,276	172,493	14,979	11,335	10,820	9,700	906,208
Total business-type activities program revenues	16,812,012	18,038,402	19,158,198	19,158,198	21,905,191	21,570,559	21,650,325	22,100,739	22,124,894	23,236,651
Total Primary Government Program Revenues	\$ 37,292,520	\$ 39,980,430	\$ 49,841,231	\$ 44,941,837	\$ 47,672,116	\$ 42,821,345	\$ 57,942,881	\$ 47,427,954	\$ 64,587,704	\$ 49,509,751
Net (Expense)/Revenue										
Governmental Activities	\$ (64,058,867)	\$ (72,308,560)	\$ (59,925,499)	\$ (57,302,867)	\$ (57,839,015)	\$ (63,794,375)	\$ (55,782,097)	\$ (67,486,131)	\$ (54,867,835)	\$ (61,316,610)
Business-type Activities	2,450,608	2,919,391	3,076,932	2,719,110	5,353,460	4,726,895	4,438,347	4,887,555	5,067,748	5,055,466
Total Primary Government Net Expense	\$ (61,608,259)	\$ (69,389,169)	\$ (56,848,567)	\$ (54,583,757)	\$ (52,485,555)	\$ (59,067,480)	\$ (51,343,750)	\$ (62,598,576)	\$ (49,800,087)	\$ (56,261,144)

(continued)

City of West Allis

Changes in Net Position
Last ten fiscal years
Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 38,500,753	\$ 38,465,332	\$ 40,121,731	\$ 41,176,093	\$ 41,753,013	\$ 41,932,197	\$ 41,792,533	\$ 41,761,926	\$ 41,766,514	\$ 43,092,925
Other Taxes	736,287	852,851	927,282	881,385	1,246,701	1,520,503	1,677,243	1,718,495	1,481,705	1,668,745
Intergov't revenues not restr to spec programs	11,277,255	11,139,189	10,359,503	10,311,505	9,626,541	9,480,878	9,205,794	9,205,072	9,404,027	9,738,619
Investment Income	4,495,730	1,581,576	1,257,250	1,124,538	886,889	681,258	814,462	950,145	874,136	1,824,084
Miscellaneous	2,756,598	3,247,009	5,742,633	1,550,448	-	4,474,689	148,689	1,626,647	1,324,521	1,322,638
Gain on sale/disposal of capital assets	-	-	-	-	804,940	662,684	98,680	76,440	65,464	67,375
Transfers	966,470	967,347	1,003,754	1,199,961	1,340,732	1,261,318	1,373,620	1,451,559	1,501,635	1,605,155
Total Governmental Activities	58,733,093	56,233,304	59,412,153	56,243,930	55,658,816	60,013,527	55,112,021	56,790,284	56,418,002	59,319,541
Business-type Activities:										
Investment Income	-	-	69,152	8,369	242,949	206,685	295,901	166,391	164,471	162,324
Property Taxes	22,000	22,000	40,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Miscellaneous	12,698	26,840	-	419,891	425,321	107,645	137,966	78,320	313,273	15,570
Gain on sale/disposal of capital assets	-	-	-	4,904,003	-	-	-	-	-	32,344
Transfers	(966,470)	(967,347)	(1,003,754)	(1,199,961)	(1,340,732)	(1,261,318)	(1,373,620)	(1,451,559)	(1,501,635)	(1,605,155)
Total Business-type Activities	(931,772)	(918,507)	(894,602)	4,175,302	(629,462)	(903,988)	(896,753)	(1,163,848)	(980,891)	(1,351,917)
Total Primary Government	\$ 57,801,321	\$ 55,314,797	\$ 58,517,551	\$ 60,419,232	\$ 55,029,354	\$ 59,109,539	\$ 54,215,268	\$ 55,626,436	\$ 55,437,111	\$ 57,967,624
Change in Net Position										
Governmental Activities	\$ (5,325,774)	\$ (16,075,256)	\$ (513,346)	\$ (1,058,937)	\$ (2,180,199)	\$ (3,780,848)	\$ (670,076)	\$ (10,665,847)	\$ 1,550,167	\$ (1,997,069)
Business-type Activities	1,518,836	2,000,884	2,182,330	6,894,412	4,723,998	3,822,907	3,541,594	3,723,707	4,086,857	3,703,549
Total Primary Government	\$ (3,806,938)	\$ (14,074,372)	\$ 1,668,984	\$ 5,835,475	\$ 2,543,799	\$ 42,059	\$ 2,871,518	\$ (6,942,140)	\$ 5,637,024	\$ 1,706,480

Data Source: City of West Allis Audited Financial Statements

City of West Allis

Fund Balances, Governmental Funds
Last Eight Years
Schedule 3

	Fiscal Year <u>2010</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2012</u>	Fiscal Year <u>2013</u>	Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>	Fiscal Year <u>2016</u>	Fiscal Year <u>2017</u>
General Fund								
Nonspendable	\$ 3,786,310	\$ 1,208,155	\$ 1,241,675	\$ 8,358,397	\$ 12,201,720	\$ 12,156,611	\$ 11,602,221	\$ 11,444,651
Restricted								
Committed	584,382	939,369	823,931	1,525,181	1,550,039	3,868,046	1,524,306	2,124,819
Assigned	19,983,386	20,232,002	21,300,823	22,338,441	21,347,336	21,879,751	21,035,732	20,155,732
Unassigned	6,439,209	10,024,801	11,436,142	6,265,317	6,303,452	6,653,462	8,029,584	11,485,571
Total General Fund	30,793,287	32,404,327	34,802,571	38,487,336	41,402,547	44,557,870	42,191,843	45,210,773
All Other Governmental Funds								
Nonspendable								
Special Revenue Funds	202,242	195,688	230,900	218,966	-	-	-	-
Restricted								
Debt Service Funds	342,849	183,321	187,868	191,877	206,806	50,893	2,468	237,184
Special Revenue Funds	2,291,097	1,324,989	1,241,235	800,739	857,471	2,147,794	2,226,660	3,655,100
Capital Projects Funds	-	-	-	-	-	-	-	1,181,906
Committed								
Special Revenue Funds	784,084	862,180	878,566	852,057	758,609	756,643	942,754	3,257,858
Assigned								
Capital Projects Funds	2,406,337	2,924,772	3,203,383	4,698,855	2,473,959	2,012,219	5,709,968	2,766,927
Unassigned								
Special Revenue Funds	(4,367)	-	(95,248)	(6,158)	(2,561)	(22,495)	(8,269)	(6,282)
Capital Projects Funds	(1,083,707)	(2,640,833)	(2,353,722)	(2,811,100)	(4,732,172)	(7,430,855)	(10,625,604)	(9,720,751)
Total All Other Governmental Funds	4,938,535	2,850,127	3,292,982	3,945,236	(437,888)	(2,485,801)	(1,752,023)	2,371,942
Total Fund Balances	\$ 35,731,822	\$ 35,254,454	\$ 38,095,553	\$ 42,432,572	\$ 40,964,659	\$ 42,072,069	\$ 40,439,820	\$ 47,582,715

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
Two years prior to implementing GASB Statement No. 54
Schedule 3

	Fiscal Year	
	2008	2009
General Fund		
Reserved	\$ 1,874,891	\$ 2,034,916
Unreserved	26,884,171	27,072,815
Total General Fund	28,759,062	29,107,731
All Other Governmental Funds		
Reserved	1,366,129	1,131,817
Unreserved, reported in:		
Special Revenue Funds	2,230,086	2,495,048
Capital Projects Funds	440,270	2,015,882
Debt Service Funds	-	-
Total All Other Governmental Funds	4,036,485	5,642,747
Total Fund Balances	\$ 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 36,961,227	\$ 36,796,445	\$ 38,579,707	\$ 39,606,747	\$ 40,177,449	\$ 41,223,666	\$ 41,279,078	\$ 41,234,063	\$ 41,282,246	\$ 42,653,217
Special assessments	812,257	966,982	1,138,632	785,050	1,448,361	1,389,005	940,054	1,005,126	1,401,376	1,222,764
Intergovernmental revenues	21,795,547	22,499,361	27,066,761	22,878,787	20,256,266	19,441,170	20,737,387	21,077,453	20,938,589	21,167,566
Licenses & permits	1,517,233	1,366,852	1,443,159	1,409,206	1,530,672	1,461,698	1,697,187	1,567,187	1,624,947	1,620,511
Fines & forfeits	2,121,677	2,016,671	1,984,350	1,725,585	2,115,717	2,119,298	2,119,352	2,042,250	2,121,543	2,185,342
Public charges for services	3,512,731	3,110,472	3,252,825	3,365,273	3,362,730	4,160,911	5,381,504	4,666,596	4,535,884	4,992,107
Interdepartmental charges (effective 2004)	67,119	87,231	74,276	-	-	-	-	-	-	-
Interest and loan repayments	280,063	457,430	357,949	296,005	255,921	143,010	26,496	153,407	115,090	-
Received from hospital	2,534,341	2,544,909	2,499,951	700,238	551,492	858,988	300,000	-	-	-
Investment return (effective 2003)	2,401,617	1,150,572	855,044	681,312	712,434	586,075	714,451	830,142	647,719	-
Miscellaneous revenues	1,686,852	1,400,971	3,547,633	1,591,544	1,733,379	3,948,963	868,912	2,859,024	1,238,610	3,482,435
Total revenues	73,690,664	72,397,896	80,800,287	73,039,747	72,144,421	75,332,784	74,064,431	75,435,876	73,906,004	77,323,942
Expenditures:										
Current:										
General government	5,627,880	5,658,712	5,966,552	6,375,030	5,556,431	7,067,623	7,403,446	7,759,821	8,150,179	8,145,700
Public safety	31,369,218	33,253,377	34,029,635	33,517,452	34,162,923	32,779,243	33,027,250	33,463,629	34,118,535	34,482,989
Public works and engineering	12,510,021	12,655,807	10,969,343	11,252,167	10,103,630	10,676,582	11,190,067	10,678,063	11,837,057	9,761,023
Health & human services	2,447,441	2,822,597	2,585,138	2,531,757	2,295,555	2,381,467	2,605,115	2,947,134	2,967,994	3,067,797
Culture & recreation	2,900,481	2,991,494	2,749,018	2,790,093	2,727,106	2,717,291	2,743,256	2,765,021	2,765,021	3,409,133
Conservation & development	4,195,633	4,506,446	9,260,338	7,511,521	5,459,963	6,005,890	10,469,114	8,943,575	8,508,770	5,858,490
Fringe benefits	756,071	820,134	326,782	552,288	968,511	-	-	-	-	-
Debt Service:										
Principal	6,407,222	6,299,082	14,070,285	5,036,507	10,422,585	5,457,415	5,450,475	5,739,579	5,845,467	6,096,418
Interest & fiscal charges	2,755,037	2,703,323	2,709,030	2,747,503	2,142,127	2,142,127	1,908,070	1,501,322	1,501,322	1,053,639
Capital Projects:	9,616,221	9,500,536	7,115,930	5,224,038	5,450,263	5,758,906	5,456,649	5,893,868	4,177,946	5,547,576
Total expenditures	76,585,225	80,911,508	89,782,051	77,536,356	79,496,559	74,986,544	80,260,975	79,806,096	79,872,291	77,422,765
Excess of revenues	(4,894,561)	(8,513,612)	(8,981,764)	(4,498,609)	(7,352,138)	346,240	(6,196,544)	(4,370,220)	(5,966,287)	(98,823)
Other financing sources/(uses)										
Debt										
General obligation debt issued	3,749,975	9,336,961	4,465,000	2,735,000	8,760,000	2,750,000	3,255,000	2,750,000	2,750,000	5,325,000
Refunded general obligation debt	-	5,505,000	19,600,000	-	-	2,520,000	-	1,445,000	16,445,000	-
Premium on debt issued	-	95,912	-	-	-	-	-	242,007	96,353	234,483
Payment to escrow agent/noteholder	-	(5,505,000)	(15,173,966)	-	-	(2,540,539)	-	(1,671,463)	(16,548,869)	(755,000)
Transfers in	5,525,469	4,164,840	6,460,046	3,520,100	3,029,627	4,035,764	3,698,785	5,474,114	7,756,971	9,574,103
Transfers out	(4,558,999)	(3,129,170)	(5,387,972)	(2,233,859)	(1,596,389)	(2,774,446)	(2,225,154)	(3,916,819)	(6,167,417)	(7,968,948)
Total other financing sources/(uses)	4,716,445	10,468,543	9,953,108	4,021,241	10,193,238	3,990,779	4,728,631	4,322,839	4,334,038	6,409,638
Net change in fund balance	\$ (178,116)	\$ 1,954,931	\$ 981,344	\$ (477,368)	\$ 2,841,100	\$ 4,337,019	\$ (1,467,913)	\$ (47,381)	\$ (1,632,249)	\$ 6,310,815
Capital Outlay	\$ 10,089,678	\$ 5,354,789	\$ 10,142,319	\$ 9,571,461	\$ 8,933,223	\$ 5,977,570	\$ 15,795,404	\$ 8,521,204	\$ 26,012,216	\$ 6,237,164
Debt Service as a percentage of noncapital expenditures	13.38%	11.91%	21.07%	11.45%	18.10%	11.01%	11.41%	10.35%	13.64%	10.04%

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	Personal Property	Total Taxable Assessed Value *	Assessed Direct Tax Rate	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2008	\$ 2,808,624,000	\$ 1,259,155,000	\$ 68,389,100	\$ -	\$ 112,510,800	\$ 4,248,678,900	8.70	\$ 4,477,791,900	94.88%
2009	2,809,930,900	1,284,085,700	67,965,100	-	113,793,200	4,275,774,900	8.94	4,361,120,200	98.04%
2010	2,624,941,600	1,269,758,200	66,491,900	-	118,844,300	4,080,036,000	9.61	4,112,421,800	99.21%
2011	2,630,895,800	1,255,431,100	68,394,500	-	124,618,300	4,079,339,700	9.76	3,906,288,200	104.43%
2012	2,629,668,000	1,249,708,300	71,215,800	-	133,381,300	4,083,973,400	9.81	3,738,930,800	109.23%
2013	2,384,999,600	1,166,747,100	56,757,000	-	123,535,700	3,732,039,400	10.75	3,701,354,200	100.83%
2014	2,385,457,200	1,161,688,500	54,959,600	-	122,345,000	3,724,450,300	10.81	3,712,641,300	100.32%
2015	2,385,091,100	1,166,347,800	53,953,500	-	126,237,400	3,731,629,800	10.81	3,741,492,800	99.74%
2016	2,386,494,500	1,175,468,100	54,658,300	-	131,700,300	3,748,321,200	11.05	3,735,583,600	100.34%
2017	2,387,405,600	1,178,122,500	56,056,800	-	130,304,700	3,751,889,600	11.25	3,722,361,000	100.79%

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

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

City of West Allis

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

Tax Year	Collection Year	Direct Rates										Overlapping Rates							Net Tax Rate
		City West Allis \$	Debt Service	Health Fund	Parking Fund	TID Increment	Assessed Total Direct	West Allis/School District	West Allis/ Area Technical College	Milwaukee County	Milwaukee Metro Sewage Distr	Milwaukee State Tax Credit	State of Wisconsin	Wisconsin Tax Credit					
2008	2009	6.87	0.96	0.66	0.02	0.19	8.70	7.45	1.93	4.17	1.36	0.18	-	23.79					
2009	2010	7.16	0.88	0.65	0.02	0.23	8.94	7.96	1.94	4.23	1.35	0.17	-	24.59					
2010	2011	7.82	0.83	0.69	0.01	0.26	9.61	8.46	1.93	4.49	1.45	0.17	-	26.11					
2011	2012	7.95	0.85	0.69	0.01	0.26	9.76	8.46	1.94	5.53	1.46	0.17	(1.04)	26.28					
2012	2013	8.13	0.92	0.49	0.01	0.26	9.81	8.01	1.94	4.62	1.49	0.15	-	26.02					
2013	2014	8.92	1.02	0.54	0.01	0.26	10.75	8.36	2.11	5.09	1.69	0.17	-	28.17					
2014	2015	8.98	1.03	0.54	0.01	0.25	10.81	8.12	1.27	5.08	1.71	0.17	-	27.16					
2015	2016	8.99	1.03	0.54	0.01	0.24	10.81	8.04	1.26	5.15	1.75	0.17	-	27.18					
2016	2017	9.15	1.08	0.53	0.01	0.28	11.05	8.02	1.26	5.08	1.74	0.17	-	27.32					
2017	2018	9.38	1.04	0.53	0.01	0.28	11.25	9.05	1.25	5.01	1.71	-	-	28.28					

Data source: City of West Allis Tax File
 2017 Budget Page 25

City of West Allis

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

Taxpayer	Type of Business	2017 Assessed Value			2008 Assessed Value		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Whitnall-Summit Co.	Office - Warehouse	\$ 38,494,700	1	1.0%	\$42,143,100	1	1.0%
Ramco-Gershenson Prop	Towne Center - Office	18,344,800	2	0.5%	19,936,300	3	0.5%
Six Points Apartments LLC	Apartments	15,339,300	3	0.4%			N/08
JDN West Allis Assoc	Strip Mall - Pick'n Save/Kohls	15,185,500	4	0.4%			0.4%
Lincoln Crest Apartments	Apartments	14,362,200	5	0.4%	16,356,200	6	N/08
Quad Graphics	Printing Facility	14,110,900	6	0.4%	18,171,800	4	0.4%
Metropolitan Holding Company	The Hills Apartments	13,186,900	7	0.4%	14,776,000	5	0.3%
James Krahn	Various Apartments	11,990,200	8	0.3%	12,467,300	12	0.3%
LBS Ltd Partnership	Apartments	10,853,000	9	0.3%	11,360,200	14	0.3%
Mister Rogers Neighborhood	Commercial	10,299,600	10	0.3%			N/08
Sam's Real Estate	Sam's Club	10,210,000	11	0.3%	14,155,500	8	0.3%
SPTMNR Properties Trust	Premier Care Centers	9,618,400	12	0.3%			N/08
Home Depot	Home Depot	9,542,700	13	0.3%	11,330,800	15	0.3%
Dayton-Hudson Corp.	Commercial - Target	9,260,300	14	0.2%	12,585,900	10	0.3%
Renaissance Faire	Office - Warehouse	9,212,700	15	0.2%			N/08
William Blake	Lincoln Crest Apartments			N/17	21,654,700	2	0.5%
Toldt Development Inc.	Apartments			N/17			N/08
Harold Wilde	Car Dealership			N/17	12,488,800	11	0.3%
Riverwood Associates	Apartments			N/17			N/08
Heritage 6 LLC	Senior Apt Assisted Living			N/17			N/08
Kenneth Hendricks	Warehouses - HOBO			N/17	11,864,200	13	0.3%
Charles Benidit	Food Store/Storage/Gas Station			N/17			N/08
Centerpoint Properties	Warehouses			N/17	12,694,500	9	0.3%
Great lakes REIT	Commercial - Offices			N/17			N/08
1126 West Allis Operating	Commercial - Offices			N/17	14,291,700	7	0.3%
Total		\$210,011,200		5.6%	\$246,277,000		5.8%

Data Source: City of West Allis - Assessors Office

- (a) Based on total Assessed Value
1/1/2017 \$3,751,889,600
1/1/2016 \$3,748,321,200
- (b) This table represents the current year and ten years ago, 2008.
- (c) N/17 = Not a top 15 Principal Property Tax Payer in 2017
- (d) N/08 = Not a top 15 Principal Property Tax Payer in 2008

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
2008	2009	\$ 102,739,447	\$ 102,685,524	99.95%	\$ 40,508	\$ 102,726,032	99.97%
2009	2010	107,265,288	107,214,684	99.95%	33,898	107,248,582	99.97%
2010	2011	109,084,702	109,032,984	99.95%	29,429	109,062,413	99.97%
2011	2012	110,126,451	110,071,355	99.95%	36,024	110,107,379	99.98%
2012	2013	110,120,559	110,064,533	99.95%	30,436	110,094,969	99.98%
2013	2014	115,309,554	115,260,031	99.96%	26,765	115,286,796	99.98%
2014	2015	111,137,220	111,092,765	99.96%	17,259	111,110,024	99.98%
2015	2016	110,978,090	110,931,787	99.96%	17,834	110,949,621	99.97%
2016	2017	111,800,096	111,750,915	99.96%	2,408	111,750,915	99.96%
2017	2018	115,932,654	101,154,304	87.25%	*	101,154,304	87.25%

* Full Data for the 2018 collection year is not yet available.

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

Data source: City of West Allis Finance Division Records

City of West Allis

Ratios of General Bonded Net Debt Outstanding Chart 1
 Ratios of General Bonded Net Debt and Bond Anticipation Notes (BAN's) Outstanding Chart 2
 Last ten years
 Schedule 9

Fiscal Year	Total General Bonded Debt	Designated Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value	Ratio of General Bonded Debt to Equalized Property Value		Total Taxable Assessed Value	Ratio of General Bonded Debt to Assessed Property Value		Net General Bonded Debt Per Capita
					Property Value	Property Value		Property Value	Property Value	
2008	\$ 59,264,073	\$ 763,508	\$ 58,500,565	\$ 4,477,791,900	1.31%	\$	\$ 4,248,678,900	1.38%	60,370	\$ 969
2009	69,732,577	503,693	69,228,884	4,361,120,200	1.59%		4,275,774,900	1.62%	60,600	1,142.39
2010	79,299,669	342,849	78,956,820	4,112,421,800	1.92%		4,080,036,000	1.94%	60,411	1,306.99
2011	78,518,268	183,321	78,334,947	3,906,288,200	2.01%		4,079,339,700	1.92%	60,365	1,297.69
2012	78,409,836	187,868	78,221,968	3,738,930,800	2.09%		4,083,973,400	1.92%	60,732	1,287.99
2013	76,649,304	191,877	76,457,427	3,701,354,200	2.07%		3,732,039,400	2.05%	60,300	1,267.95
2014	75,644,916	206,806	75,438,110	3,712,641,300	2.03%		3,724,450,300	2.03%	60,697	1,242.86
2015	73,853,470	50,893	73,802,577	3,741,492,800	1.97%		3,731,629,800	1.98%	60,329	1,223.33
2016	73,072,906	2,468	73,070,438	3,735,583,600	1.96%		3,748,321,200	1.95%	60,164	1,214.52
2017	72,273,157	237,184	72,035,973	3,722,361,000	1.94%		3,751,889,600	1.92%	59,934	1,201.92

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		Net General Bonded Debt and BAN Per Capita
					Property Value	Property Value		Property Value	Property Value	
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
2009	69,228,884	10,360,000	79,588,884	4,361,120,200	1.82%		4,275,774,900	1.86%	60,600	1,313.35
2010	78,956,820	-	78,956,820	4,112,421,800	1.92%		4,080,036,000	1.94%	60,411	1,306.99
2011	78,334,947	-	78,334,947	3,906,288,200	2.01%		4,079,339,700	1.92%	60,365	1,297.69
2012	78,221,968	-	78,221,968	3,738,930,800	2.09%		4,083,973,400	1.92%	60,732	1,287.99
2013	76,457,427	-	76,457,427	3,701,354,200	2.07%		3,732,039,400	2.05%	60,300	1,267.95
2014	75,438,110	-	75,438,110	3,712,641,300	2.03%		3,724,450,300	2.03%	60,697	1,242.86
2015	73,802,577	-	73,802,577	3,731,629,800	1.98%		3,731,629,800	1.98%	60,329	1,223.33
2016	73,070,438	-	73,070,438	3,735,583,600	1.96%		3,748,321,200	1.95%	60,164	1,214.52
2017	72,035,973	-	72,035,973	3,722,361,000	1.94%		3,751,889,600	1.92%	59,934	1,201.92

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 Increment Districts	West-Allis Hospital	General Obligation Bonds/Notes	BAN's General City Pension	BAN's Tax Increment Districts	Total Bond Anticipation Notes (BAN)	General Obligation Bonds/Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2008	\$ 21,063,153	\$ 14,483,420	\$ 8,470,000	\$ 44,016,573	\$ 340,000	\$ 15,865,000	\$ 16,205,000	\$ 15,247,500	\$ 75,469,073	1.37%	\$ 1,250.11
2009	22,757,762	23,896,690	6,245,000	52,899,452	-	10,360,000	10,360,000	16,833,125	80,092,577	1.60%	1,321.66
2010	22,558,385	33,871,816	1,650,000	58,080,201	-	-	-	21,219,468	79,299,669	1.99%	1,312.67
2011	22,560,000	32,213,694	1,005,000	55,778,694	-	-	-	22,739,574	78,518,268	2.12%	1,300.73
2012	22,505,000	31,121,109	490,000	54,116,109	-	-	-	24,293,727	78,409,836	2.23%	1,291.08
2013	22,130,000	29,304,943	-	51,434,943	-	-	-	25,214,360	76,649,303	2.24%	1,271.13
2014	21,805,000	27,034,469	-	48,839,469	-	-	-	26,408,929	75,248,398	2.31%	1,239.74
2015	21,273,940	24,809,890	-	46,083,830	-	-	-	27,769,640	73,853,470	2.34%	1,224.18
2016	20,991,747	23,509,423	-	44,501,170	-	-	-	28,571,736	73,072,906	2.42%	1,214.56
2017	21,760,000	20,908,005	-	42,668,005	-	-	-	28,471,160	71,139,165	*	1,186.96

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 2017 Personal Income is not yet available.

City of West Allis

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equalized Value of Real and Personal Property	\$ 4,477,791,900	\$ 4,351,120,200	\$ 4,112,421,800	\$ 3,906,288,200	\$ 3,738,930,800	\$ 3,701,354,200	\$ 3,712,641,300	\$ 3,741,492,800	\$ 3,735,583,600	\$ 3,722,361,000
General Obligation Debt Limit	223,889,595	218,056,010	205,624,090	195,314,410	186,946,540	185,057,710	185,632,065	187,074,640	186,779,180	186,118,050
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836	76,649,304	75,644,916	73,110,363	72,209,026	71,139,165
Amount of Debt Applicable to Debt Limitation: General Obligation Bonds/Notes	(763,508)	(503,693)	(342,849)	(183,321)	(187,868)	(191,877)	(206,806)	(50,893)	(2,468)	(237,184)
Less: Amount Available for Financing GO Debt	98,500,565	69,228,884	78,956,820	76,334,947	78,221,968	76,457,427	75,438,110	73,059,490	72,206,558	70,901,981
Net OIS GO Debt Applicable to Debt Limitation	\$ 165,389,030	\$ 148,827,126	\$ 126,664,270	\$ 116,979,463	\$ 108,724,572	\$ 108,610,283	\$ 110,193,955	\$ 114,015,150	\$ 114,572,622	\$ 115,216,069
Legal margin for New Debt	26.13%	31.75%	38.40%	40.11%	41.84%	41.31%	40.64%	39.05%	36.68%	38.10%

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

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equalized Value of Real and Personal Property	\$ 4,477,791,900	\$ 4,351,120,200	\$ 4,112,421,800	\$ 3,906,288,200	\$ 3,738,930,800	\$ 3,701,354,200	\$ 3,712,641,300	\$ 3,741,492,800	\$ 3,735,583,600	\$ 3,722,361,000
General Obligation Debt Limit	223,889,595	218,056,010	205,624,090	195,314,410	186,946,540	185,057,710	185,632,065	187,074,640	186,779,180	186,118,050
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836	76,649,304	75,644,916	73,110,363	72,209,026	71,139,165
Amount of Debt Applicable to Debt Limitation: General Obligation Bonds/Notes	16,205,000	10,360,000	(342,849)	(183,321)	(187,868)	(191,877)	(206,806)	(50,893)	(2,468)	(237,184)
Less: Amount Available for Financing GO Debt	74,705,565	79,588,884	78,956,820	76,334,947	78,221,968	76,457,427	75,438,110	73,059,490	72,206,558	70,901,981
Net OIS GO Debt Applicable to Debt Limitation	\$ 149,184,030	\$ 138,467,126	\$ 126,664,270	\$ 116,979,463	\$ 108,724,572	\$ 108,610,283	\$ 110,193,955	\$ 114,015,150	\$ 114,572,622	\$ 115,216,069
Legal margin for New Debt	33.37%	36.50%	38.40%	40.11%	41.84%	41.31%	40.64%	39.05%	36.68%	38.10%

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

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	12/31/2017 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt	\$ 43,185,689	100.00%	\$ 43,185,689
Milwaukee Area Technical College	84,905,000	4.99%	4,234,892
Milwaukee County	613,347,978	6.08%	37,308,117
West Allis/West Milwaukee School District	17,589,966	84.17%	14,805,123
Milwaukee Metropolitan Sewage District	869,923,198	6.32%	54,943,479
Total Overlapping	<u>1,585,766,142</u>		<u>111,291,611</u>
Total Direct and Overlapping Debt	<u>\$ 1,628,951,831</u>		<u>\$ 154,477,300</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	12/31/2008 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt	\$ 74,264,470	100.00%	\$ 74,264,470
Milwaukee Area Technical College	58,890,000	5.41%	3,185,949
Milwaukee County	385,737,619	6.56%	25,304,388
West Allis/West Milwaukee School District	19,485,000	86.06%	16,768,791
Milwaukee Metropolitan Sewage District	787,857,218	6.71%	52,865,219
Total Overlapping	<u>1,251,969,837</u>		<u>98,124,347</u>
Total Direct and Overlapping Debt	<u>\$ 1,326,234,307</u>		<u>\$ 172,388,817</u>

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

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

City of West Allis

Demographic & Economic Statistics

Last ten years
Schedule 13

Year	Population	Personal Income (in thousands)	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	City of West Allis	Milwaukee County	State of Wisconsin
2008	60,370	\$ 1,114,633,491	\$ 18,463	\$ 21,233	\$ 24,329	5.1%	5.7%	4.9%			
2009	60,600	1,052,799,187	17,373	20,195	23,211	9.2%	9.6%	8.7%			
2010	60,411	1,065,367,628	17,635	20,486	24,214	8.1%	9.6%	8.3%			
2011	60,635	1,072,587,150	17,689	20,681	24,218	8.1%	9.0%	6.6%			
2012	60,300	1,090,007,200	18,076	21,433	26,271	7.6%	7.9%	6.9%			
2013	60,300	1,127,473,200	18,698	22,411	26,963	6.4%	7.2%	5.8%			
2014	60,697	1,144,126,950	18,850	22,507	27,671	5.2%	6.0%	4.7%			
2015	60,329	1,185,477,062	19,650	23,939	29,145	5.1%	5.1%	4.6%			
2016	60,164	1,178,637,524	19,590	24,327	29,711	5.0%	5.1%	4.1%			
2017	59,652	*	*	*	*	3.8%	4.0%	3.3%			

* : not available at this time

Data source: Per Capita Adjusted Gross Income - Wisconsin Department of Revenue
<https://www.revenue.wi.gov/ra/muni-agi/munagi14.pdf>

Data source: Unemployment Rates - Wisconsin Department of Workforce Development - Wisconsin's Worknet web site below.
<http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>

Personal Income = Per Capita Adjusted Gross Income times population

City of West Allis

Principal Employers
Current year and ten years prior
Schedule 14

Employer	Type of Business	2017			2008		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
West Allis Memorial Hospital	Regional Hospital	1,870	1	0.39%	1,671	1	0.38%
West Allis School District	Elementary/Secondary Education	989	2	0.21%	950	2	0.22%
Quad Graphics	Commercial Printer	840	3	0.18%	935	3	0.21%
Brookdale Senior Living (previously Alterra)	Assisted Care Health Provider	605	4	0.13%	343	6	0.08%
Children's Hospital - Summit Place	Administrative Suites	575	5	0.12%	N/08		N/08
City of West Allis	Municipal Government	515	6	0.11%	515	4	0.12%
Aurora Visiting Nurses Assn. Of Milwaukee	Social Service Agency	367	7	0.08%	293	9	0.07%
Wheaton Franciscan	Health Care Services	330	8	0.07%	N/08		N/08
Johnson Controls	Engineering and IT	287	9	0.06%			
Village of Manor Park	Nursing Home & Retirement Facility	279	10	0.06%	302	8	0.07%
Performance Clean	Janitor Service	N/17		N/17	N/08		N/08
Chr. Hansen Lab, Inc.	Food Additive Manufacturer	N/17		N/17	N/08		N/08
Anthem Health	Health Insurance	N/17		N/17	475	5	0.11%
Metal Technologies	Foundry	N/17		N/17	N/08		N/08
US Bank	Banking Services	N/17		N/17	261	10	0.06%
Covenant Health Systems	Health Care Services				332	7	0.08%
		<u>6,657</u>		1.39%	<u>6,077</u>		1.38%

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

(a) N/17 = Not a top Employer in 2017
(b) N/08 = Not a top Employer in 2008

City of West Allis

Various Statistics
Last ten years
Schedule 15

General Government - City Employees - Full Time Equivalents

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mayor	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Attorney	6.05	6.25	6.25	6.25	5.75	5.75	5.75	5.75	6.75	6.75
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	3.75	3.25
City Assessor	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	2.00
Administration										
Administrative Office	1.75	1.75	1.75	1.75	1.75	1.75	2.75	1.75	1.75	1.75
Information Services	7.30	8.30	8.15	8.75	9.00	9.00	10.00	10.00	10.00	13.00
Purchasing/Central Services	6.00	6.00	6.00	6.00	5.50	5.50	5.50	4.50	0.00	0.00
Human Resources	4.25	4.33	4.38	4.38	4.50	4.50	4.50	4.50	5.50	5.50
Finance	5.85	5.85	5.85	5.85	5.35	5.35	5.05	5.05	12.05	12.55
Clerk/Treasurer**	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	4.50	4.50
Clerk										
Treasurer										
Police Department	155.00	157.25	157.25	157.25	159.55	159.55	159.55	159.55	171.55	171.55
Fire Department	110.00	110.00	110.00	110.00	110.00	110.00	107.00	106.00	106.50	106.00
Planning (Development)	1.78	1.88	2.10	2.40	3.03	3.03	3.03	3.03	12.50	13.50
Building Inspection & Zoning	11.50	12.00	12.50	12.05	11.55	11.55	11.55	11.65	15.75	16.75
Health Department	24.81	25.11	25.11	25.40	24.90	24.90	24.90	26.07	37.80	37.90
Senior Center	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.20	2.20	2.20
Public Library	22.30	22.30	21.30	21.00	21.50	21.50	21.50	21.50	28.80	28.30
Public Works										
Administrative Office	4.50	4.50	4.50	4.25	4.50	4.50	4.50	4.50	4.50	4.00
Building and Electrical	30.00	30.00	30.00	29.50	29.50	29.50	29.50	29.50	32.50	35.00
Street and Sanitation	56.00	56.00	56.00	56.00	56.00	56.00	54.00	54.00	61.00	60.00
Forestry	15.75	15.75	15.75	16.00	16.00	16.00	16.00	16.00	26.00	25.00
Equipment Repair	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Inventory Services Recycling	5.00	5.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Engineering	17.00	17.00	17.00	16.30	16.25	16.25	16.25	16.25	19.50	20.00
Total	515.44	519.87	518.49	517.43	518.83	518.83	515.53	514.30	586.15	587.25
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works/Engineering										
Streets (miles)	194	194	194	194	194	194	194	194	194	194
Alleys (miles)	43	43	43	43	43	43	43	43	43	43
Side Walks (miles)	278	278	278	278	278	278	278	278	278	278
Sanitary Sewer (miles)	177	175	177	177	177	173	173	173	176	177
Storm Sewer (miles) (changed calc method 2009)	152	163	163	163	163	198	199	201	152	152
Street Lights (in 2010 added double lights)	7,086	7,086	7,322	7,322	7,322	7,322	7,231	7,231	7,086	7,086
Alley Lights	756	756	756	756	756	756	756	756	756	756
City owned parking lots	40	40	40	40	40	40	40	40	40	40
Parking Stalls	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339
Water Utility										
Number of feet of Water Main	1,102,466	1,102,557	1,102,428	1,102,941	1,105,118	1,107,204	1,106,773	1,107,218	1,107,664	1,107,664
Number of Hydrants	2,619	2,619	2,620	2,621	2,621	2,621	2,620	2,621	2,616	2,611
Daily Average Used (gallons)	6,364,132	5,933,825	5,933,825	5,244,126	5,420,348	4,990,508	5,072,100	4,899,436	4,995,496	4,942,583
Water Storage										
Tower - 84th and National - gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Tower - 116th and Rodgers - gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Underground - 96th and Mitchell - gallons	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

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

City of West Allis

Operating Indicators by Program/Function
Ten Year Trend
Schedule 16

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Fire										
Alarm Data										
Fire	160	167	172	145	172	172	136	220	181	156
Rupture/Explosion	3	-	3	4	3	6	-	8	11	10
Hazardous Condition	243	283	259	248	214	243	239	250	259	212
Service	453	375	153	145	116	134	154	360	215	163
Good Intent	269	286	252	257	190	187	176	338	315	329
False Alarms	496	557	519	517	451	427	491	577	772	760
Weather	16	1	2	1	2	3	1	-	1	-
Other	3	5	2	2	2	1	3	2	2	2
Total Alarm	1,643	1,674	1,362	1,319	1,150	1,173	1,200	1,755	1,756	1,632
Emergency Medical Services Transport										
Paramedic Unit (Advance Life)	1,400	1,549	1,536	1,964	2,052	2,195	2,521	2,824	3,547	2,694
Fire Rescue Unit (Basic Life)	3,587	2,696	3,269	3,086	3,078	3,080	2,721	2,856	3,453	3,470
Other Units on Scene	80	51	78	44	22	36	69	39	951	179
Total Patient Transports	5,067	4,296	4,883	5,094	5,152	5,311	5,311	5,719	7,951	6,343
Bureau of Fire Prevention Activity										
Compliance Inspections	8,516	8,430	8,793	9,723	6,241	5,691	5,840	5,849	4,648	4,370
Plan Reviews	361	322	364	277	300	306	277	249	289	235
Site Inspections	273	263	226	150	137	116	140	131	259	101
General Government										
Building Permits Issued	1,649	1,480	1,673	1,592	1,586	1,588	1,616	1,412	1,378	1,258
Building Permit Value	\$39,108,752	\$20,636,858	\$23,791,748	\$32,812,843	\$29,295,073	\$32,246,059	\$55,627,260	\$31,980,170	\$46,123,408	\$39,636,893
Library										
Registered Borrowers	34,116	36,603	38,798	33,910	35,993	38,018	39,978	41,571	43,136	19,553
References	68,194	89,064	109,470	75,086	91,764	88,410	60,201	57,626	83,151	90,196
Library Visits	287,970	295,308	371,332	309,898	409,392	479,544	460,000	487,424	508,728	511,080
Circulation Transactions	688,048	735,736	778,409	774,833	743,520	727,740	688,953	662,653	620,055	576,028
Items Loaned	48,001	51,564	67,116	73,733	75,027	81,015	81,248	81,940	76,377	76,634
Items Received	51,005	60,832	78,309	83,118	77,027	74,244	74,175	74,924	72,295	75,655
Library Collection										
Books Owned	217,983	217,747	211,993	208,223	207,461	204,797	200,669	190,834	197,790	181,722
Audio Materials	14,611	15,181	15,547	16,401	17,355	18,204	19,519	18,959	19,016	16,738
Data Bases	19	21	18	67	66	66	66	68	68	46
Video Materials	14,114	15,346	16,198	16,019	17,415	20,070	21,025	21,940	23,891	21,247
Subscriptions	357	326	307	309	294	341	505	308	299	272
Other - Includes Electronic Format	1,044	799	760	865	917	869	862	8,932	7,690	7,213
Electronic Books/Audio/Video(new)	-	16,026	17,871	38,049	72,733	97,087	133,498	175,108	190,093	212,889
(continued)										
Water Utility										
Number of Metered Customers										
Residential	17,385	17,369	17,348	17,349	17,311	17,366	17,226	17,203	17,235	17,180
Multifamily (Residential) (New 2014)							641	640	661	684
Commercial	2,038	2,036	2,031	2,031	2,085	2,036	1,502	1,731	1,449	1,720
Industrial	70	65	64	64	63	63	61	61	61	62
Public Authority (new 2008)	79	78	78	78	81	81	77	76	73	47
Total	19,572	19,548	19,521	19,522	19,540	19,546	19,507	19,711	19,479	19,693
Gallons Sold (thousands)										
Residential	1,021,885	1,011,479	958,161	963,787	981,401	915,421	889,246	877,388	872,232	841,986
Multifamily (Residential) (New 2014)							214,208	226,951	229,941	257,157
Commercial	653,641	588,911	599,183	585,032	616,844	590,619	384,881	376,189	355,889	346,912
Industrial	177,749	143,208	82,047	86,900	94,007	76,163	79,498	82,570	81,884	67,747
Public Authority (new 2008)	128,421	131,863	132,134	123,465	124,470	124,093	131,184	120,765	120,869	124,258
Total	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722	1,706,296	1,679,017	1,683,863	1,660,815	1,638,070
Gallons Pumped into System (1,000)	2,322,908	2,165,846	1,953,640	1,914,106	1,978,427	1,821,724	1,959,773	1,909,553	1,900,258	1,831,836
Total Gallons Sold (1,000)	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722	1,706,296	1,679,017	1,683,863	1,660,815	1,638,070
Lost Water Unaccounted For (1,000)	213,365	160,385	155,115	154,922	134,705	86,628	280,756	211,690	223,443	168,902
Percent of water lost	9%	7%	8%	8%	7%	6%	14%	11%	12%	9%
Total KWH used for pumping	1,169,460	1,323,425	1,271,438	1,004,555	901,732	832,756	1,959,773	866,788	866,867	866,788

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

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

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Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Allis, Wisconsin (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon which includes an emphasis of matter paragraph as indicated on page 16 dated June 29, 2018. Other auditors audited the financial statements of the component unit First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), as described in our report on the City of West Allis, Wisconsin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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'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 result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink, appearing to read "S. Schenk, CPA".

Certified Public Accountants

Sheboygan, Wisconsin
June 29, 2018

SINGLE AUDIT SECTION

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Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited City of West Allis, Wisconsin's (the "City's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2017. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2017.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

S chende SC

Certified Public Accountants

Sheboygan, Wisconsin
June 29, 2018

City of West Allis, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
U.S. DEPARTMENT OF AGRICULTURE		
Supplemental Food Program for Women, Infants, and Children	10.557	WI Department of Health Services
Supplemental Food Program for Women, Infants, and Children	10.557	WI Department of Health Services
Total Supplemental Food Program for Women, Infants, and Children		
SNAP Cluster		
State Administrative Matching Grants for the Supplemental Nutrition Assistance	10.561	WI Department of Health Services
Total U.S. Department of Agriculture		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
CDBG Entitlement Grants Cluster		
Community Development Block Grants	14.218	Direct Program
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	Direct Program
Section 8 Management Fees	14.871	Direct Program
Section 8 Special Funding Vouchers	14.871	Direct Program
Section 8 Housing Choice Vouchers - VASH	14.871	Direct Program
Total Housing Voucher cluster		
Community Development Block Grant - State's Program	14.228	City of Milwaukee, Wisconsin
HOME Investment Partnerships Program	14.239	Milwaukee County
Total U.S. Department of Housing and Urban Development		
U.S. DEPARTMENT OF JUSTICE		
Byrne Memorial Justice Assistance Grant - Body Worn Cameras	16.738	Milwaukee County
Byrne Memorial Justice Assistance Grant	16.738	Milwaukee County
Total Byrne Memorial Justice Assistance Grants and U.S. Department of Justice		
U.S. DEPARTMENT OF TRANSPORTATION		
Highway Planning and Construction Cluster		
Highway Planning and Construction	20.205	WI Department of Transportation
Highway Planning and Construction	20.205	WI Department of Transportation
Total Highway Planning and Construction Cluster		
Highway Safety Cluster		
State and Community Highway Safety		
Speed Task Force	20.600	WI Department of Transportation
National Priority Safety Programs	20.616	
Alcohol Enforcement Grant		City of Wauwatosa
Seatbelt Task Force		City of West Milwaukee
Total Highway Safety Cluster		
Total U.S. Department of Transportation		
ENVIRONMENTAL PROTECTION AGENCY		
Brownfield's Assessment and Cleanup Cooperative Agreements	66.818	Direct Program
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI Department of Health Services
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI Department of Health Services
Total Public Health Emergency Preparedness Aligned Cooperative Agreements		
Immunization Cooperative Agreements	93.268	WI Department of Health Services
Preventive Health and Health Services Block Grant funded solely with		
Prevention and Public Health Funds (PPHF)	93.758	WI Department of Health Services
Capacity Building Assistance to Strengthen Immunization Infrastructure and Performance	93.733	WI Department of Health Services
Medicaid Cluster		
Medical Assistance Program	93.778	WI Department of Health Services
Maternal and Child Health Services Block Grant	93.994	WI Department of Health Services
Total U.S. Department of Health and Human Services		
EXECUTIVE OFFICE OF THE PRESIDENT		
High Intensity Drug Trafficking Area Problem	95.001	Direct Program
TOTAL FEDERAL AWARDS		

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payments
154710	\$ (47,434)	\$ 649,463	\$ 158,808	\$ 760,837	\$ -
154760	(4,420)	4,420	21,308	21,308	-
	<u>(51,854)</u>	<u>653,883</u>	<u>180,116</u>	<u>782,145</u>	<u>-</u>
154661	(2,410)	21,520	9,434	28,544	-
	<u>(54,264)</u>	<u>675,403</u>	<u>189,550</u>	<u>810,689</u>	<u>-</u>
N/A	(100,561)	1,327,811	48,045	1,275,295	-
N/A	-	3,054,411	-	3,054,411	-
N/A	-	326,211	-	326,211	-
N/A	(32,600)	32,600	-	-	-
N/A	-	40,000	-	40,000	-
	<u>(32,600)</u>	<u>3,453,222</u>	<u>-</u>	<u>3,420,622</u>	<u>-</u>
NSP 09-17 2163001	(52,329)	46,871	5,458	-	-
	<u>(18,194)</u>	<u>1,442,622</u>	<u>(715,782)</u>	<u>708,646</u>	<u>-</u>
	<u>(203,684)</u>	<u>6,270,526</u>	<u>(662,279)</u>	<u>5,404,563</u>	<u>-</u>
2015-DE-BX-K044	-	73,381	-	73,381	-
2015-DJ-BX-0850	-	20,116	-	20,116	-
	<u>-</u>	<u>93,497</u>	<u>-</u>	<u>93,497</u>	<u>-</u>
1060-37-92	-	117,606	7,943	125,549	-
2995-01-06/76	-	-	235,618	235,618	-
	<u>-</u>	<u>117,606</u>	<u>243,561</u>	<u>361,167</u>	<u>-</u>
3950957-40-08	(29,030)	51,295	-	22,265	4,879
3950957-31-20	(4,890)	21,737	489	17,336	-
3950957-25-18	(5,945)	19,470	-	13,525	-
	<u>(39,865)</u>	<u>92,502</u>	<u>489</u>	<u>53,126</u>	<u>4,879</u>
	<u>(39,865)</u>	<u>210,108</u>	<u>244,050</u>	<u>414,293</u>	<u>4,879</u>
N/A	(66)	64,922	580	65,436	-
155015	(7,421)	30,838	15,759	39,176	-
155190	(2,100)	7,944	1,509	7,353	-
	<u>(9,521)</u>	<u>38,782</u>	<u>17,268</u>	<u>46,529</u>	<u>-</u>
155020	(51)	15,473	2,924	18,346	-
159220	-	7,497	300	7,797	-
155032	(516)	6,109	-	5,593	-
159320	(547)	1,447	626	1,526	-
159320	(10,285)	27,202	11,769	28,686	-
	<u>(20,920)</u>	<u>96,510</u>	<u>32,887</u>	<u>108,477</u>	<u>-</u>
N/A	(338,738)	1,516,619	337,308	1,515,189	-
	<u>\$ (657,537)</u>	<u>\$ 8,927,585</u>	<u>\$ 142,096</u>	<u>\$ 8,412,144</u>	<u>\$ 4,879</u>

City of West Allis, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number
DEPARTMENT OF HEALTH SERVICES			
WIC Total Grants	435.154710	Direct Program	154710
WIC Farmers' Market	435.154720	Direct Program	154720
CONS CONTRACTS CHHD LD	435.157720	Direct Program	157720
Maternal and Child Health Services	435.159320	Direct Program	159320
Total Department of Health Services			
DEPARTMENT OF ADMINISTRATION			
Beat Patrol Grant	505.603	WI Department of Justice	2017-BP-01-11596-2
TOTAL STATE AWARDS			

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

<u>(Accrued) Deferred Revenue 1/1/17</u>	<u>Cash Received (Refunded)</u>	<u>Accrued (Deferred) Revenue 12/31/17</u>	<u>Total Expenditures</u>	<u>Subrecipient Payments</u>
\$ (69)	\$ 69	\$ -	\$ -	\$ -
-	3,386	-	3,386	-
-	8,820	1,747	10,567	-
(547)	1,447	626	1,526	-
<u>(616)</u>	<u>13,722</u>	<u>2,373</u>	<u>15,479</u>	<u>-</u>
-	121,434	-	121,434	-
<u>\$ (616)</u>	<u>\$ 135,156</u>	<u>\$ 2,373</u>	<u>\$ 136,913</u>	<u>\$ -</u>

City of West Allis, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for the City are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules 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 2017 fund 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 unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

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

NOTE 3: 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 Administration

City of West Allis, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

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

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) 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 Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Programs
10.557	WIC special Supplemental Nutrition Program for Women, Infants, and Child Housing Voucher Cluster
14.871	Section 8 Housing Choice Vouchers

Identification of major state programs:

State ID Number	Name of State Program
505.603	Beat Patrol

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

City of West Allis, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION IV - OTHER ISSUES

- | | |
|---|----------------|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> :
Department of Transportation
Department of Health Services
Department of Administration | No
No
No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |

4. Name and signature of partner



Bryan Grunewald, CPA

5. Date of report

June 29, 2018

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