



# City of West Allis Wisconsin



Heiser Chevrolet



Empower Credit Union



Renaissance Faire

# Comprehensive Annual Financial Report

For The Year Ended  
December 31, 2012



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

CITY OF WEST ALLIS, WISCONSIN  
for the year ended December 31, 2012



PREPARED BY THE FINANCE DIVISION

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**CITY OF WEST ALLIS, WISCONSIN**

December 31, 2012

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## **INTRODUCTORY SECTION**





DEPARTMENT OF ADMINISTRATION & FINANCE  
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July 30, 2013

Honorable Mayor Dan Devine  
Members of the Common Council

We are pleased to submit the Comprehensive Annual Financial Report of the City of West Allis, Wisconsin, for the year ended December 31, 2012. This report has been prepared by the City's Finance Division. Although the Financial Statements were examined by the independent auditors Schenck and Associates SC, and their opinion is that all financial statements present fairly, in all material respects, the City's position at December 31, 2012, the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all necessary disclosures to enable the reader to gain maximum understanding of the City's financial affairs have been included. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD & A) and should be read in conjunction with it. The City of West Allis' MD & A can be found immediately following the report of the independent auditors.

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, 2011, the City's organizational chart and a listing of the elected officials. This is followed by the Financial section which includes the independent auditors' report on the basic financial statements and supplementary schedule of expenditures of federal awards and schedule of state financial assistance. Completing the financial section is the management's discussion and analysis and the basic financial statements, required supplemental information, other supplemental information.

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

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

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

### **Profile of the Government**

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

2011 population 60,365, which is a decrease of 46 as compared to 2010.

Located near, and servicing West Allis, are two airports, one for commercial aviation (Timmerman Field) and one for general aviation (Mitchell International Airport), both owned and operated by Milwaukee County. Milwaukee County also runs the Countywide Transit System, which services West Allis. The County also owns and operates an excellent Public Museum, Humphrey IMAX Theater, a well-known zoo, and Miller Park, home of the Milwaukee Brewers. West Allis is the home of the Wisconsin State Fair Grounds, which is the location of several important national, state, regional and local activities. The State Fair Grounds is also the home of the Milwaukee Mile, as well as The Pettit Olympic Ice Arena, one of only 11 indoor 400-meter ovals in the world.

Companies such as Quad Graphics, Aurora Home Medical Services, Anthem Blue Cross, Chris Hansen Laboratory Inc, C & H Distributors and many other large, medium and small businesses of a diversified nature are located in West Allis, as well as many financial institutions and places of worship.

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

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

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

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis employs on a permanent, full-time basis a total of 518 people. At different times during the year West Allis also employs temporary and part-time help to do seasonal and other work. The City requires that all emergency-workers reside within a thirty-minute drive radius of the West Allis city limits within eighteen months of employment. The City operates daily through thirteen departments, headed by ten appointed officials and two elected officials (Attorney & Municipal Judge).

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

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

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

Management of the City is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial

statements and maintaining accountability of assets. The concept of reasonable assurances recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

**FACTORS AFFECTING FINANCIAL CONDITIONS**

Realizing the importance of a vibrant local economy, the City of West Allis employs an aggressive strategy, in cooperation with local business, Milwaukee County and the State of Wisconsin, to encourage development. The City's steady growth in value and employment combined with current and proposed undertakings make West Allis' prospects for the future very favorable. The City's Aa2 rating from Moody's and AA rating from S&P were recently reconfirmed and both agencies rate the City as "stable". The following is a description of some of the major undertakings in the City and additional information is available on the Development Department section of the city website: [www.westalliswi.gov](http://www.westalliswi.gov)

**TIF 2 (Veterans' Park)**

Base value:	\$1,681,600
Current value:	\$8,801,100
Original property taxes:	\$46,900
Current property taxes:	\$253,356
Tax Increment:	\$204,948
Debt & net Fund Balance:	\$133,684
Date TIF is to expire:	23 years (2017)

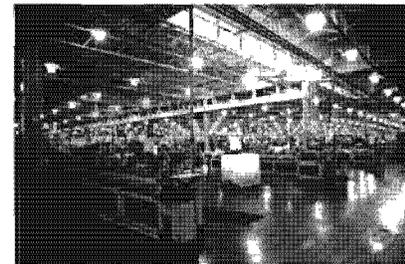


*Tax Incremental District No. Two* saw a decline in both appearance and values of properties within the District. A number of properties within the District were blighted or in need of dire redevelopment. Over seventy four percent of the real property in the District was considered blighted. Many of the structures were non-conforming uses and not consistent with the City's Master Plan.

Since the creation of the TID, the blighted buildings were razed and today the area consists of The Landmark, a 127 unit senior community with both market-rate and Housing Tax credit assisted rental units. Upon termination, the estimated annual property taxes generated will be over \$240,000.

**TIF 3 (Quad Graphics)**

Base value:	\$4,307,500
Current value:	\$16,228,800
Original property taxes:	\$120,100
Current property taxes:	\$467,177
Tax Increment:	\$343,177
Debt & net Fund Balance	(\$198,556)
Date TIF is to expire:	19 years (2013)

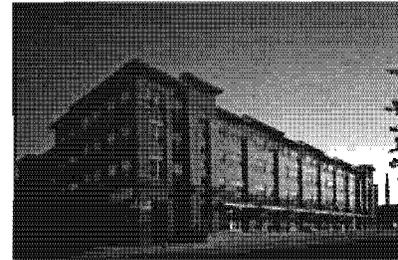


*Tax Incremental District No. Three* consists of approximately 48 acres of land, which is a portion of the former Kearney & Trecker Corporation manufacturing property located in the northwestern part of the City. The property was abandoned for manufacturing purposes in 1992. It was purchased by the City and subsequently sold to Quad/Graphics for a printing operation. Quad/Graphics has expanded the building from 589,000 square feet to 750,000 square feet and invested over \$250,000,000 in state-of-the-art printing equipment. The TID will be closed in 2013, 8 years before the statutory limit. In 2008, TID funds were used to improve the street that runs along side the facility. Upon termination, the estimated annual

property taxes generated will be \$460,000.

**TIF 5 (Six Points/Farmer's Market)**

Base value:	\$18,524,000
Current value:	\$44,386,500
Future value:	\$93,000,000
Original Property Taxes:	\$516,600
Current property taxes:	\$1,277,749
Projected property taxes:	\$2,300,000
Tax Increment:	\$744,501
Debt & net Fund Balance	\$18,716,988
Date TIF is to expire:	31 years (2031)

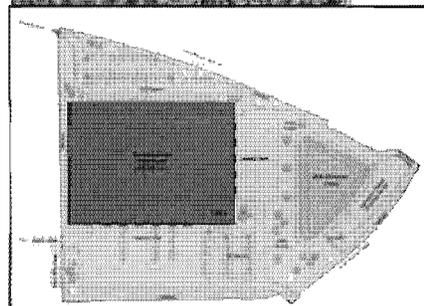
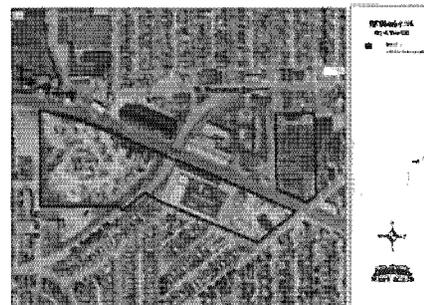


*Tax Incremental District No. Five* consists of approximately 44 acres of land located in a four block long by two block wide corridor in the northeastern portion of West Allis commonly referred to as the "Six Point/Farmer's Market" Neighborhood. The creation of the District was necessary to eliminate and prevent the spread of blight experienced in the years following the closing of the Allis-Chalmers Manufacturing Plant. In 2004, the General Capital Group completed the first building in the TID - an 80 unit apartment building. The Common Council selected Brookfield-based Toldt Development to develop 17 acres west of S 65. St. between W. Greenfield Avenue and W. Mitchell Street. The first phase was finalized in 2010 and added \$16 million in value and 185 market rate living units to the area. Construction of the second phase, located just west of the Farmers Market was anticipated to begin in 2012 with the addition of two buildings consisting of 112 units bringing an additional \$10 million in value. While ground has not yet been broken, staff in the Department of Development is working to get the second phase underway by the fall of 2013. In total, phase two will consist of five buildings worth \$22 million containing 245 condos, townhomes, and apartments. In 2008 the Pressed Steel Tank operating facility was demolished and cleared making room for Phase three in the next few years.

Six Points-East Condominiums began construction of their mixed use building north of Greenfield Avenue between 62<sup>nd</sup> and 63<sup>rd</sup> Streets in September of 2006 and was scheduled to open in the summer of 2009 but encountered financing problems in 2009 related to the lending crisis in the national economy. It ultimately was taken over by the bank and early in 2010 a new developer took over and completed the building. The 40 unit condo building will contain 20,000 square feet of commercial space on the ground floor, and upon completion will have an overall value of \$12 million, with condo units ranging from \$150,000 to \$250,000 top floor penthouse units with rooftop gardens. In July of 2006 the renovation of the historic West Allis Farmers Market was completed. The facility maintained its original characteristics that feature a Mediterranean-style roof, enhanced landscaping, a rain garden, decorative lighting and benches, and architectural entrances.

**TIF 6 (S. 67<sup>th</sup> and W. Becher Place)**

Base value:	\$1,330,500
Future value:	\$9,212,700
Current value:	\$784,500
Original property taxes:	\$38,054
Current property taxes:	\$22,583
Projected property taxes:	\$245,100
Property Tax Increment:	\$ 60
Debt & net Fund Balance:	\$2,187,665
Date TIF is to expire:	17 years
	(2021)



*Tax Incremental District No. Six* consists of 11.61 acres of land located at 1960 S. 67 Place. The site had been used as a carbide gas manufacturing plant, a waste storage and transfer

facility, an oil/hazardous waste trucking terminal, a salvage/junkyard, and a lime pit, used to store lime slurry. In order to prevent the site from accumulating additional fill materials that would make future development difficult, the area was deemed “blighted” and in need of blight elimination and an urban redevelopment project. To prepare the site for development, the land was cleared and environmental testing and clean up were conducted. Project costs included relocation of the existing businesses, site grading and geotechnical work to fill the former lime pits. The project has been financed through the sale of bonds, federal and state grants such as a Wisconsin Department of Commerce Brownfield Grants - \$675,000, Wisconsin Department of Natural Resources Site Assessment Grants - \$89,000, EPA Clean-up Grant \$200,000, Wisconsin Department of Commerce Emergency Assistance Program grant - \$150,000; and in 2009 the American Recovery and Reinvestment Act provided a grant of \$350,000.

Currently the property is pad ready and includes a new storm water retention pond. The City is aggressively marketing the property and hopes to attract a new tenant. The site will support a 200,000 sq. ft. light industrial building.

**TIF 7 (Summit Place)**

Base value:	\$15,914,400
Current value:	\$64,949,500
Original property taxes:	\$435,432
Current Property taxes:	\$1,869,694
Tax Increment:	\$1,411,567
Debt & net Fund Balance:	\$3,886,416
Date TIF is to expire:	13 years (2017)



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

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

To date, over \$70 million of private and public dollars have been invested. The current success of the partnership has allowed this project to excel beyond expectations. Of the nearly 650,000 square feet of built-out space nearly 98% has been leased out and is supporting over 2,200 jobs. In 2008 the TID was used to assist in the repaving of National Avenue, which was the City’s first offsite improvement expenditure. In 2009, the TID was amended a second time to assist with the cost of a new ingress/egress corridor to the Towne Centre shopping center. This was done in order to connect the Summit Place office complex to W. Greenfield Avenue and serve as an alternate access to the office complex.

In 2005 Summit Place received an award from the International Economic Development Council as an outstanding public/private partnership and in 2006 it was named the Business Journal Business of the year. In 2013 a parking ramp addition will begin construction, adding over 300 much-needed parking spaces, helping to make Summit Place even more attractive to prospective tenants.

**TIF 9 (Pioneer Neighborhood)**

Base value:	\$2,299,600
Current value:	\$12,459,800
Original property taxes:	\$45,950
Current property taxes:	\$358,679
Tax Increment:	\$292,480
Debt & net Fund Balance:	\$1,831,796
Date TIF is to expire: (estimate)	15 years (2023)

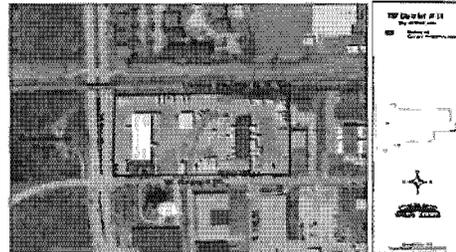


*Tax Incremental District No. Nine* consists of approximately five acres of land located along the south portion of National Avenue between S. 77 St. and S. 80 St. The District is commonly described as the Pioneer Neighborhood District based upon a collection of historic buildings that abut National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

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

**TIF 10 (Yellow Freight)**

Base value:	\$3,463,600
Current value:	\$1,404,500
Original property taxes:	\$82,433
Current property taxes:	\$47,688
Tax Increment:	\$0
Debt & net Fund Balance:	\$2,453,603
Date TIF is to expire: (estimate)	15 years (2023)



*Tax Incremental District No. Ten* consists of approximately 9.6 acres of land located on the City's west side. It was created in 2008. The district, which contains two parcels split by a privately owned railroad spur, is the former site of a Yellow Freight trucking terminal. Brownfield and blight conditions prompted the creation of the district. Demolition of the existing structures is expected to make way for commercial or light industrial uses, and the City is currently marketing the western-most parcel to the private sector for redevelopment. Such a development could potentially add up to 120 jobs to the area and improve the aesthetic value of the neighborhood. In terms of logistics, the site features an ideal location within the metro area. Future redevelopment looks to increase the value and use of these parcels, which abut Greenfield Park and the future West Allis Cross Town Connector Recreation Trail. Such a development could potentially add up to 120 jobs to the area and improve the aesthetic value of the neighborhood. The property is eligible for New Market Tax Credits, which should help with the sale.

**TIF 11 (84th and Greenfield)**

Base value:	\$4,678,100
Current value:	\$1,656,600
Original property taxes:	\$127,856
Current property taxes:	\$47,688
Tax Increment:	\$0
Debt & net Fund Balance:	\$802,063
Date TIF is to expire: (estimate)	27 years (2038)

*Tax Incremental District No. Eleven* consists of approximately 11.4 acres of land located across from the State Fair Park. The attraction of a 100-room national hotel with a 300 person banquet site is expected to add \$18 million in value to this area. The hotel developer is using the EB-5 program to fund construction of the project and delays have been the result of waiting for funds to be released. The project has committed investors and funding, the project is just waiting for the initial funds release, which is expected in late summer of 2013.

Another portion of the site will be used for a new commercial development and potential restaurant which will further increase the City's tax base, support over 100 new jobs, and increase regional activities which should build additional local value. The estimated project cost is \$7.1 million and will be financed by a Community Development Block Grant – Emergency Assistance grant and G.O. Bonds.

#### **TIF 12 (Teledyne)**

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

#### **TIF 13 (Former Home Juice Redevelopment Area)**

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

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

F.I.R.E is a Community Development Entity formed to provide gap financing to mixed-use developments and business expansions throughout the Southeast Wisconsin industrial corridor. In 2007, FIRE was awarded \$35 million in New Market Tax Credits and in 2009 FIRE was awarded an additional \$70 million in New Market Tax Credits. The CDFI Fund, an arm of the U.S. Treasury Department, awards the New Market Tax Credits. The target area for FIRE includes Milwaukee County, Racine County and Kenosha County. Investments in these areas have included two business expansions, three real estate developments, and two community facilities. The projects have helped improve over 200,000 square feet of development, attracted over 800 jobs, and helped foster 1,125 construction jobs.

FIRE was awarded an additional \$20 million in tax credits in early 2013 and is in the process of preparing application for a new round of funding. The application is due September 1, 2013.

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

Downtown West Allis, [www.downtownwestallis.com](http://www.downtownwestallis.com) recognized by Milwaukee Magazine as one of the most underrated shopping areas of the Metro-Milwaukee area, has been in the midst of revitalization. In 2000, the Governor recognized the Downtown area as a Wisconsin Main Street community. Since then, the area has added a new streetscape with decorative lighting and new pedestrian amenities to enhance the look and feel of the area. In 2012, the geographic boundaries of the BID are West Greenfield Avenue between 70<sup>th</sup> and 76<sup>th</sup> Streets, extending to the North and South alleys & the West side of South 70<sup>th</sup> Street North to West Madison Street and South to West Orchard Street. Most of the properties are in excess of 60 years old, with many over 80 years old. The BID is home to greater than 100 small and diverse retail/service businesses.

The City continues to work with downtown property owners offering commercial façade improvement grants and economic development loans to assist startup businesses. Most recently, the City piloted a Downtown Energy Efficiency loan program that helps downtown businesses make energy efficient improvements and pay back the loan through their annual energy savings. This program helps ensure

the long-term viability of our aging downtown buildings and allows the property owners to save money on energy costs long term.

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

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

### **Wisconsin State Fair Grounds**

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

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

### **Bike & Pedestrian Trails Expanded**

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

### **Cash Management and Investment Policy**

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

The investment of City funds is done in accordance with Secs. 34.01(5) and 66.04 (2), of the Wisconsin State Statutes. The Statutes permit investments in Certificates of Deposit, Government Bonds and Securities, Government Pool and Repurchase Agreements. In 2012, the highest concentrations of the

City's cash portfolio were maintained in the American Deposit Corporation, Tri-City Investment account, and municipal securities through various suppliers. These investment vehicles continued to provide one of the highest rates of return available with low risk for liquid cash holdings. Investment and special assessment revenue in 2012 was \$708,525 as compared to \$676,415 in 2011. The increase is partially a result of the City's investment strategy to ladder out numerous smaller-batched investment vehicles over varying maturities.

### **Local Economy**

The City over the past 10 years has experienced an overall growth in terms of residential and commercial value growth. Although the City is land locked and fully developed, West Allis has continually increased its value through redevelopment as was outlined earlier in this letter. The City's equalized valuation has increased from \$3.1 billion to \$3.9 billion over the past ten years. Since its peak in 2008 the City has seen a decrease of about \$571.5 million, largely due to the current nationwide economic downturn but we continue to believe there will be an increase within the TID's because of the on going construction within those districts.

Unemployment continues to be a slightly above the state-wide average but because of its proximity to Waukesha County, which has a lower unemployment rate, our residents are offered the opportunity to find work close to home. In 2012, the City's unemployment rate was 7.3%, virtually unchanged from the 7.2% rate in 2011.

### **Relevant Financial Policies**

The budgetary philosophy of the City has been one of stability in budget, taxes and user charges. The City has a formal policy of maintaining an unassigned fund balance of at least 5% of expenditures, but in practice the City has maintained a much healthier level of reserves. In 2012, unassigned fund balance was 8% of expenditures and, taking assigned and unassigned fund balances into consideration, the percentage of expenditures was 66%. The City maintains such balances to provide a cushion against unforeseen budget events, to save for future capital items, and for cash flow purposes.

In 2011, legislative changes at the state level in the form of WI Act 10 (2011 Budget Repair Bill) and WI Act 32 (2011-2013 Biennial Budget Bill) brought significant changes to public employers. Among these changes were the elimination of collective bargaining provisions for all unions except public safety unions and the requirement for employees to contribute towards their pension plan. The intent of the legislation was to provide local governments with the tools necessary to adjust their budgets to deal with reductions in state aid. Union contracts for all of the City's non-public safety unions expired on December 31, 2011 so the City budget benefited from non-protective public employee contributions of 5.9% of their salary in 2012, a cost previously borne by the City. Additionally, the flexibility provided from the legislative changes should be beneficial to the City in future budget years. In 2013, firefighters began contributing 6% toward their pensions.

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 Market 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. Establishing a Skateboard Plaza for the youth of the City.
5. Assisting with the establishment of a 100-room hotel and banquet facility within TID #11.
6. Technology upgrades include deploying a new city website, upgrading the City internet connection, and offering wireless hotspots throughout the City for public Internet use.

## **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, 2011. This was the sixteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements

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

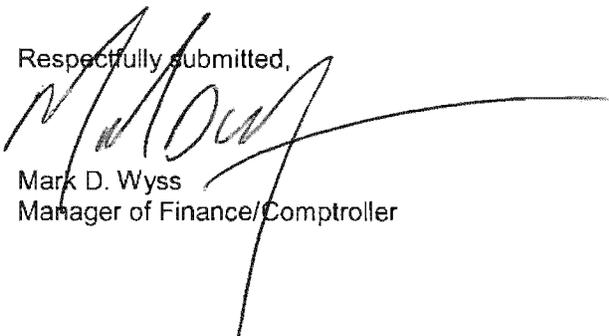
In 1995 the City received the Wisconsin League of Municipalities Award for Municipal Excellence which recognized the City for exceptional performance in the provision of government services.

## **ACKNOWLEDGMENT**

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

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

Respectfully submitted,



Mark D. Wyss  
Manager of Finance/Comptroller

# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morill*

President

*Jeffrey R. Egan*

Executive Director

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

**ELECTED CITY OFFICIALS**

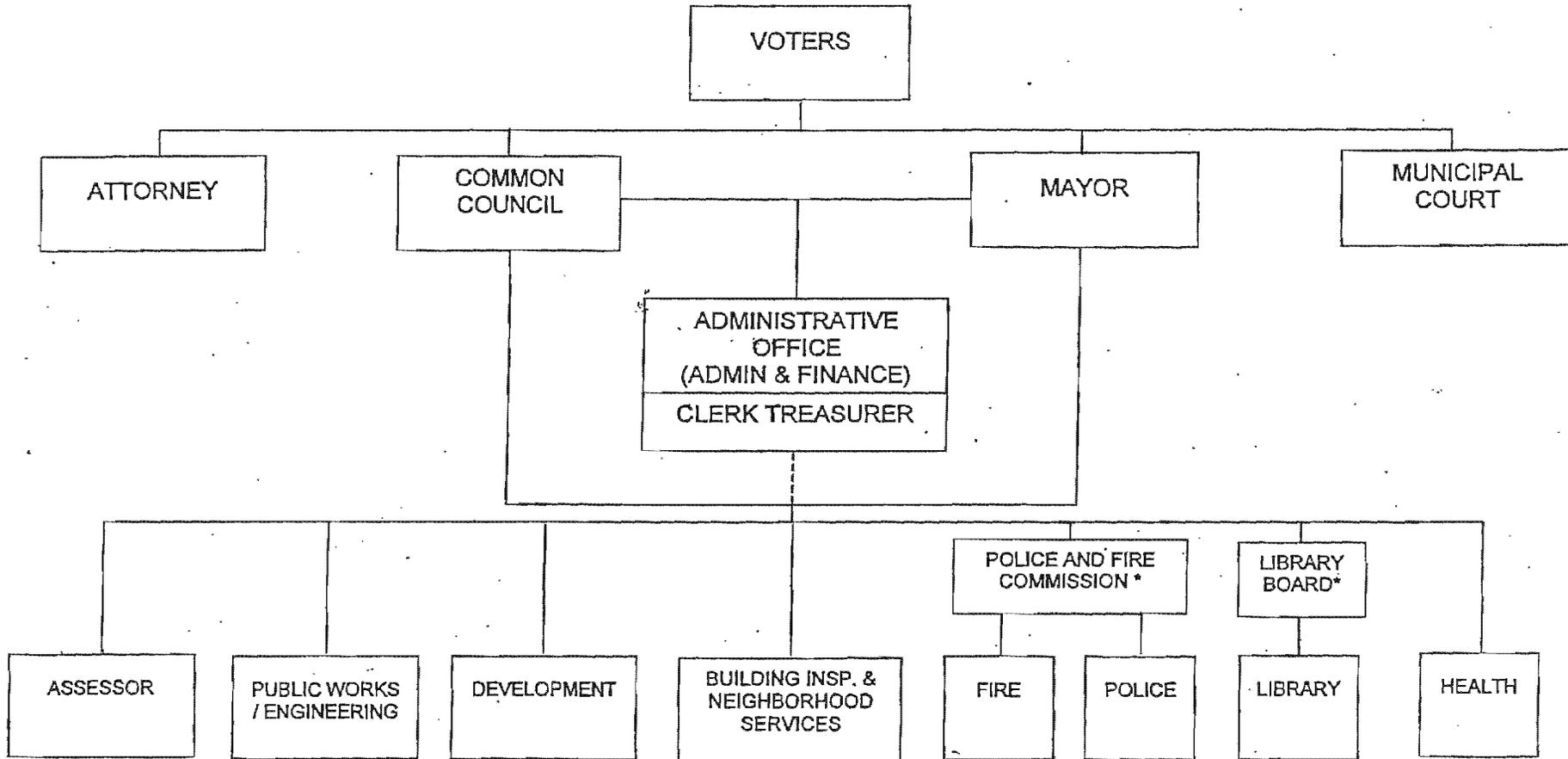
**Mayor and Council**

	<u>Initial Term</u> <u>Commenced</u>	<u>Current Term</u> <u>Expires</u>
Dan Devine, Mayor	4/2008	4/2016
Gary T. Barczak, Alderperson	4/1988	4/2016
Thomas G. Lajsic, Alderperson & Council President	4/1996	4/2016
Marty Wiegel, Alderperson	5/2003	4/2016
Michael May, Alderperson	4/2012	4/2016
Michael Czaplewski, Alderperson	4/1995	4/2016
Rosalie Reinke, Alderperson	4/1992	4/2016
James W. Sengstock, Alderperson	4/1972	4/2016
Cathleen M. Probst, Alderperson	4/2012	4/2016
Daniel Roadt, Alderperson	4/2008	4/2016
Vincent Vitale, Alderperson	4/1988	4/2016

**Elected Official**

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

**ORGANIZATIONAL CHART  
CITY OF WEST ALLIS**



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

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

## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Allis, Wisconsin ("the City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), which represents 79% and 99%, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for FIRE, is based upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, 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 conformity with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note A.6.h, the City has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. 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, the schedule of funding progress and the schedule of employer contributions on pages 21 through 36 and 80 through 81 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information and the schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Report Issued in Accordance with *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
July 22, 2013



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



## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-14 on table of contents 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 \$255,213,463 (*net position*). Of this amount, \$39,727,655 is unrestricted net position and because of the positive position, funds would be available to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$3,350,727 from what was available at the end of 2011 when we had a positive \$36,376,928 in unrestricted net position.
- The City's net position for the governmental activities decreased by \$2,180,199 (please see page 39 of the financial statements). A large percent of this net decrease was due to the accrual for post-retirement benefits, net of the change in long-term debt which generated a decrease of \$3,781,032. The accrual for post-retirement benefits will continue to draw down the unrestricted net position of the City. The accrual for future health insurance benefit was \$5,607,620 for 2012. This amount is calculated under GASB Statement #45 and is the related ARC. The other major adjustment is related to debt – the net between what was issued and what was paid down was a positive \$1,662,588. Other offsets to the OPEB accrual include deferred revenues, interest expense accruals, and net revenues from internal service funds. Other smaller adjustments contributed to the overall net decrease of \$2,180,199.
- As of the close of the current year, the City's governmental funds reported combined 2012 ending fund balances of \$38,095,553 as compared to \$35,254,454 at the end of 2011. Approximately 4% of \$38,095,553 or \$1,527,141 is unassigned.
- At the end of the current year, unassigned fund balance for the general fund was \$3,976,111 or approximately 8% of total general fund expenditures compared to \$10,024,801 or approximately 18% at the end of 2011. While some individual revenue accounts didn't meet budget expectations, overall, every category of budgeted revenues exceeded projections in 2012, perhaps a sign that local economic activity is improving. Additionally, 2012 expenditures came in below budget which allowed for a positive increase in the overall unassigned fund balance.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

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

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

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

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

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

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

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

The government-wide financial statements can be found on pages 37 - 39 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 29 individual governmental funds during 2012. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the debt service fund, each of which are considered major funds. Data from the other 27 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the combining statements found elsewhere in this report.

The City adopts annual appropriation budgets for the general, special revenue, other than Stimulus Programs, Library Endowment and Miscellaneous Grants, debt service, and public works improvements capital projects funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found starting on page 40 of this report.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

**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 and are presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for its self-funded programs for health insurance and general liability insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 45 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 - 79 of this report.

**Required supplemental information (RSI).** RSI includes the schedule of funding progress and the schedule of employer contributions required by GASB Statement No. 45. These schedules can be found starting on page 80 of this report.

**Supplemental information.** The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information – which contains the Other Post-Employment Benefit Plan information. Combining and individual fund statements and schedules can be found starting on page 82 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 \$255,213,463 at the close of 2012. This compares to \$252,669,664 at the close of 2011. 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

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

is reported net of related debt, 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.

<b>City of West Allis Net Position</b> (amount expressed in \$1,000's)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	<b>Total</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$183,998	\$147,622	\$20,968	\$16,868	\$204,966	\$164,490
Capital assets	206,979	210,412	80,408	77,350	287,387	287,762
<b>Total assets</b>	<b>390,977</b>	<b>358,034</b>	<b>101,376</b>	<b>94,218</b>	<b>492,353</b>	<b>452,252</b>
<b>Deferred outflows of resources</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>77</b>	<b>0</b>
Long-term liabilities						
Outstanding	83,668	79,887	25,804	23,876	109,472	103,763
Other Liabilities	83,048	93,641	2,763	2,179	85,811	95,820
<b>Total liabilities</b>	<b>166,716</b>	<b>173,528</b>	<b>28,567</b>	<b>26,055</b>	<b>195,283</b>	<b>199,613</b>
<b>Deferred inflows of resources</b>	<b>41,935</b>	<b>41,725</b>	<b>0</b>	<b>0</b>	<b>41,935</b>	<b>41,725</b>
<b>Net position:</b>						
Investment in capital assets	159,183	161,499	56,115	54,611	215,298	216,110
Restricted	188	183	0	0	188	183
Unrestricted	22,955	22,824	16,773	13,553	39,728	36,377
<b>Total net position</b>	<b>\$182,326</b>	<b>\$184,506</b>	<b>\$72,888</b>	<b>\$68,164</b>	<b>\$255,214</b>	<b>\$252,670</b>

An additional portion of the City's net position (.07%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a positive \$39,727,655, is available to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position balance will decline over the next several years as we continue to recognize the Other Post-Employment Benefits obligation. At the end of the current fiscal year, the City is able to report a positive balance in net investment in capital assets and the restricted categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

# CITY OF WEST ALLIS, WISCONSIN

## Management's Discussion and Analysis December 31, 2012

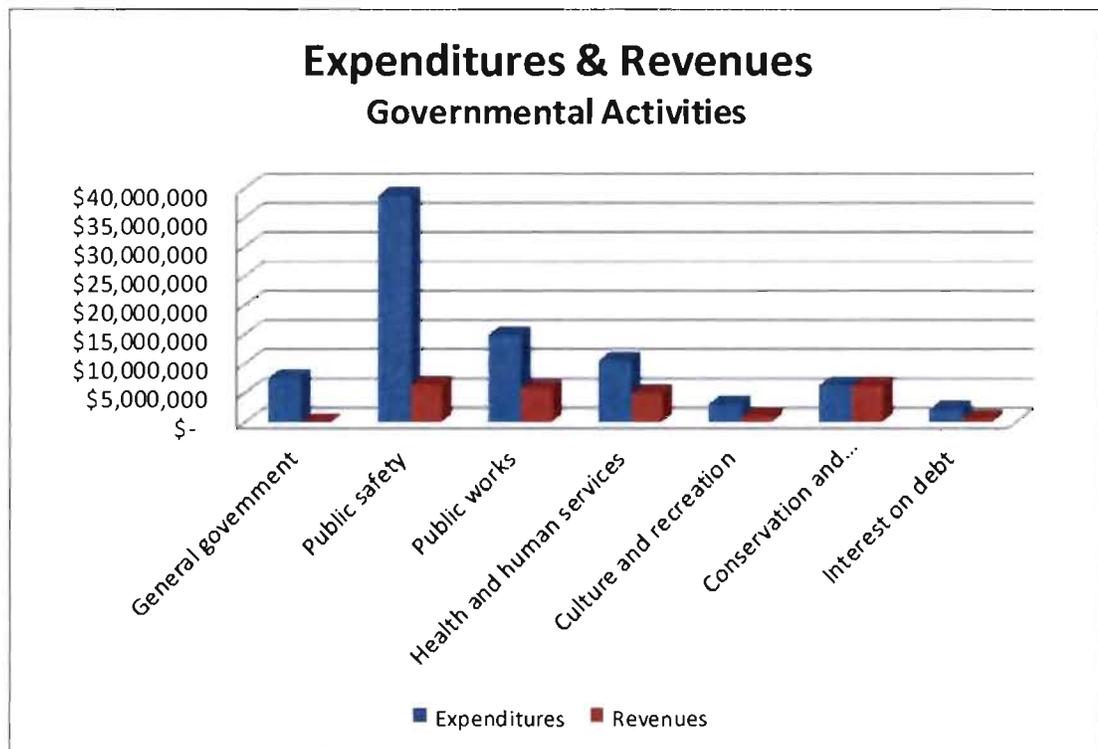
<b>City of West Allis Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$8,969,449	\$9,160,753	\$21,188,970	\$20,038,337	\$30,158,419	\$29,199,090
Operating grants and contributions	10,518,040	12,721,782	543,728	238,266	11,061,768	12,960,048
Capital grants and contributions	6,279,436	3,901,104	172,493	8,678	6,451,929	3,909,782
<b>General Revenues:</b>						
Property taxes	41,753,013	41,176,093	43,000	43,000	41,796,013	41,219,093
Other taxes	1,246,701	881,385	0	0	1,246,701	881,385
Grants and contributions not restricted to specific programs	9,626,541	10,311,505	0	0	9,626,541	10,311,505
Other	1,691,829	2,674,986	668,270	428,260	2,360,099	3,103,246
<b>Total Revenues</b>	<b>\$80,085,009</b>	<b>\$80,827,608</b>	<b>\$22,616,461</b>	<b>\$20,756,541</b>	<b>\$102,701,470</b>	<b>\$101,584,149</b>
<b>Expenses</b>						
General Government	7,601,000	8,586,090	0	0	7,601,000	8,586,090
Public Safety	38,805,269	37,815,973	0	0	38,805,269	37,815,973
Public Works	14,917,241	15,308,926	0	0	14,917,241	15,308,926
Health and Human Services	10,578,888	8,380,438	0	0	10,578,888	8,380,438
Culture & Recreation	3,121,334	3,223,701	0	0	3,121,334	3,223,701
Development	6,309,345	7,583,983	0	0	6,309,345	7,583,983
Interest on long-term debt	2,272,863	2,187,395	0	0	2,272,863	2,187,395
Water Utility	0	0	6,384,384	6,186,233	6,384,384	6,186,233
Sanitary Sewer Utility	0	0	5,925,361	5,902,207	5,925,361	5,902,207
Storm Sewer Utility	0	0	2,226,502	2,254,241	2,226,502	2,254,241
Solid Waste Utility	0	0	1,722,897	1,635,879	1,722,897	1,635,879
Parking Utility	0	0	38,123	64,651	38,123	64,651
Senior Citizen's Housing	0	0	254,464	-4,508,126	254,464	-4,508,126
<b>Total Expenses</b>	<b>\$83,605,940</b>	<b>\$83,086,506</b>	<b>\$16,551,731</b>	<b>\$11,535,085</b>	<b>\$100,157,671</b>	<b>\$94,621,591</b>
Increase in net position before transfer	-3,520,931	-2,258,898	6,064,730	9,221,456	2,543,799	6,962,558
Transfers	1,340,732	1,199,961	-1,340,732	-1,199,961	0	0
Change in net position	-2,180,199	-1,058,937	4,723,998	8,021,495	2,543,799	6,962,558
Net position - January 1	184,506,272	185,565,209	68,163,392	60,141,897	252,669,664	245,707,106
<b>Net position - December 31</b>	<b>\$182,326,073</b>	<b>\$184,506,272</b>	<b>\$72,887,390</b>	<b>\$68,163,392</b>	<b>\$255,213,463</b>	<b>\$252,669,664</b>

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

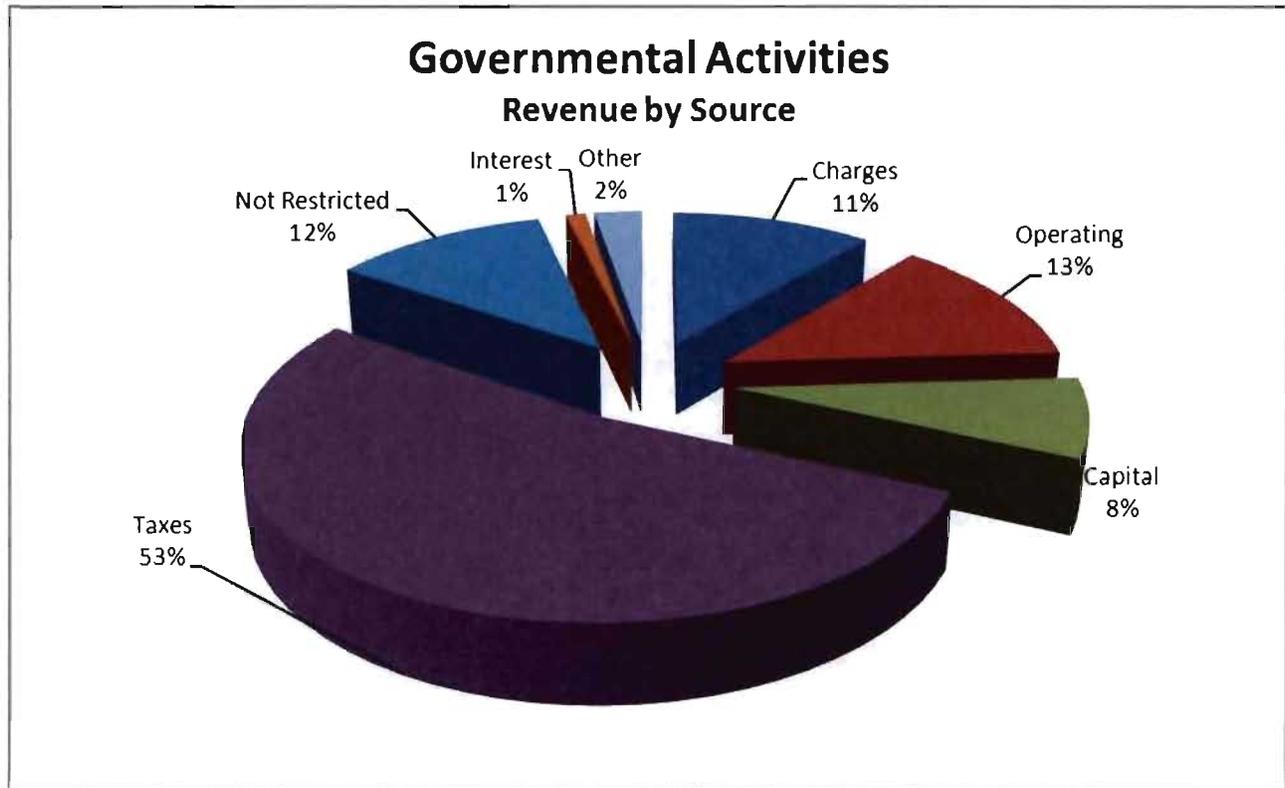
**Governmental activities.** Governmental activities decreased the City's net position by \$2,180,199 compared to \$1,058,937 in 2011. Key elements of this net decrease are as follows:

- Other Post-Employment Benefits created a negative adjustment of \$5,607,620.
- Depreciation expense for governmental activities reflected in the statement of activities is \$12,304,923. This is an expense without a cash outflow so there is no offsetting revenue reflected in the statement of activities. This would have the effect of reducing net position in the statement of activities. Additional capital assets acquired during the year amounted to \$8,933,223 for a net negative adjustment of \$3,371,700.
- Net between general obligation debt issued and paid created a positive net adjustment of \$1,662,585.



# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
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**Business-type activities.** Business-type activities increased the City's net position by \$4,723,998. Key elements of this net increase in net position are as follows:

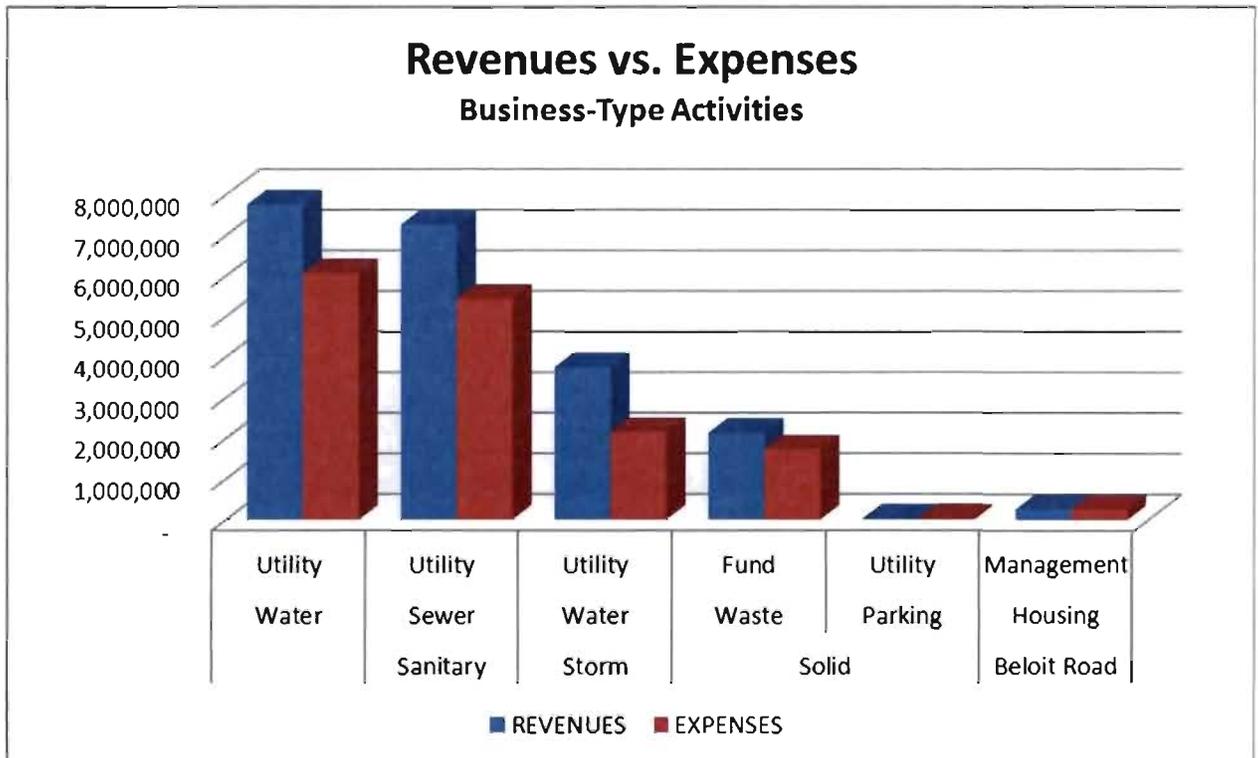
- The Water Utility increased net position by \$853,790 as compared to an increase of \$515,580 in 2011. The utility realized a 9.41% rate of return in 2012 as compared to 7.83% in 2011 based on the Public Service Commission calculation. The City received a rate increase, effective July 27, 2011, from the Public Service Commission intended to allow us to cover part of our OPEB charges and to increase our cash flow to cover the additional debt being issued to cover the needed infrastructure of the Utility. 2012 operations would reflect the impact of the first full year of these rates.
- The Sanitary Sewer Utility increased net position by \$1,557,455 as compared to an increase of \$1,089,741 in 2011. The rate was increased in 2012 to \$1.53 per ccf (750 gallons) compared to \$1.41 per ccf in 2011. We are estimating that the rate will continue to increase annually for the next several years. The reason for maintaining the higher rate is to allow for sufficient cash flow to deal with the bond payment needs and to fund additional maintenance

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
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needs of the city's aging sewer system on a cash basis. Over the past several years the amount of required repairs has risen significantly because of new DNR regulations related to clear water inflow into the sanitary system.

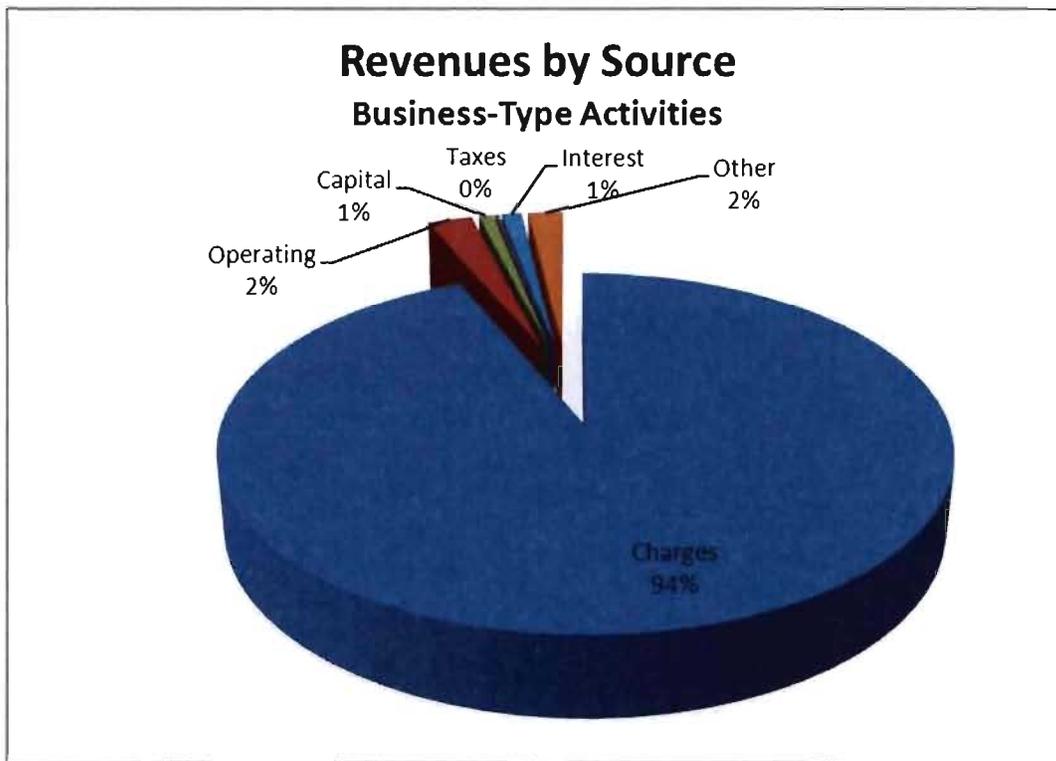
- The Storm Water Utility increased net position by \$1,301,102 as compared to an increase of \$1,018,010 in 2011. The rate was unchanged from 2011, \$6.11 per month. The Storm Water Utility expenditures on infrastructure continue to increase due to efforts to address the recent flooding and clear water inflow that has occurred in the City.
- The Solid Waste Utility was established in 2006 to provide a revenue source to fund the costs of the state mandated city-recycling program. The Utility increased net position by \$856,909 as compared to an increase of \$265,961 in 2011. In 2012 the rate was \$6.84 per month, unchanged from 2011.
- The Parking Utility increased net position by \$26,371 as compared to a decrease of \$1,355 in 2011. The utility continues to face challenges due to the drop off in the collection of parking permit revenue which is related to the loss of some retailers in the area.



# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

- The Beloit Road Housing Management Fund increased net position by \$128,371 as compared to an increase of \$5,043,558 in 2011. The significant increase in 2011 was a result of the gain on the sale of the housing complex 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

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

information is useful in assessing the City's financial requirements. Unassigned 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, 2012 the City's governmental funds reported combined ending fund balances of \$38,095,553 an increase of \$2,841,099 in comparison with the prior year. Of the total fund balance, \$1,527,141 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is made up of \$8,932,606 in Non-spendable Funds, \$1,429,103 in Restricted Funds, \$1,702,497 in Committed Funds and \$24,504,206 in Assigned Funds. The major items within the assigned funds as it relates to the General Fund may be found on page 72 – Note C.7.

**General Fund:** The general fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,976,111, while total fund balance was \$34,802,571. 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 8% of total general fund expenditures, while total fund balance represents 66% of total general fund expenditures. The fund balance increased by \$2,398,244 due to better than expected revenues across all categories. Additionally, under spending in the salary and fringe benefit area related to various open positions in the Police and Fire Departments also contributed to the savings.

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

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

Unrestricted net position for these funds can be seen in the following table.

<b>Unrestricted Assets:</b>	<b>2012</b>	<b>2011</b>
Water Utility	\$2,590,640	\$2,395,441
Sanitary Sewer Utility	\$4,021,386	\$2,402,409
Storm Water Utility	\$1,806,077	\$1,456,891
Solid Waste Fund	\$2,193,733	\$1,291,901
Parking Utility	\$217,443	\$191,072
Senior Citizen's Housing	\$5,943,362	\$5,814,991
	<u>\$16,772,641</u>	<u>\$13,552,705</u>

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

- The change to the Sanitary Sewer Utility and Storm Water Utility is due to the ongoing work required by the Milwaukee Metropolitan Sewerage District and the related rate increases. This increase in fund balance is due primarily to the slow spend rate that takes place on State-sponsored projects. While arbitrage isn't an issue, spending lags six to eight months behind a similar City-sponsored project.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$1,011,416 with the major items being as follows:

- Carry-over requests from 2011 for budgeted projects and expenditures that were unfinished at the end of the year totaled \$297,054.
- Encumbrances carried over from 2011 for budgeted projects and expenditures that were still open at the end of the year totaled \$642,315.
- Purchases requested from the Contingency Fund in 2012 and repaid with 2013 budgeted dollars included - \$88,500 for the Historical Society Roof, \$5,000 for recruitment of a new police chief, \$5,000 in additional litigation costs, and \$50,000 for the City Clerk's office.

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

During this year, revenues were higher than budget by \$984,865. Although some individual revenues didn't meet expectations, every category of revenue exceeded projections. The biggest surprise was in building permits, which exceeded budgeted projections by \$182,800. Fees for ambulance services exceeded expectations by \$241,000 and the City had solid interest earnings in 2013, topping \$700,000.

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

Actual operating expenditures were less than final budget by \$3,757,867. Taking into consideration that there was almost \$1 million in carry-over requests and encumbered items, the City still realized savings of \$2.7 million. Much of this was due to unfilled positions in the police department throughout the year. The police department was under budget by \$537,000. As a result, there were large savings in fringe benefit costs. General Government was under budget by \$1.4 million, but most of those funds are

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

transferred to various capital accumulation accounts to offset purchases in future years. Also, a planned use of fund balance was not needed to balance the 2012 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, 2012, rounded and net of accumulated depreciation amounts to \$287,387,776. Total investment in capital assets prior to accumulated depreciation was \$564,577,276. 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 decrease in the government wide activities investment in capital assets for the current fiscal year was \$374,907 or a -0.13% decrease (a 1.63% decrease for governmental activities and a 3.95% increase for business-type activities). Major capital asset events during the current fiscal year included the following:

#### **Governmental Activities:**

- Infrastructure improvements added \$2,505,077 to capital assets
- The hospital added over \$4,274,143 between buildings and equipment.
- The city expects to see a net decline to its net position in the future because depreciation is growing at a faster rate relative to the City's ability to replace infrastructure. The majority of capital projects are dedicated to repairs as opposed to replacement or the adding of new streets.

#### **Business Type Activities:**

- The Water Utility increased total assets by \$1,844,288 for water distribution mains, services, hydrants, and meters.
- The Storm Water Utility increased assets by \$1,147,709. The majority was for infrastructure replacement.
- The Sanitary Sewer Utility increased assets by y \$1,427,296 for main replacement.
- The Senior Citizens Housing Fund no longer tracks or reports capital assets as the buildings were sold to an investor group LLC as part of a tax credit financing plan to renovate the housing complex.

## CITY OF WEST ALLIS, WISCONSIN

### Management's Discussion and Analysis December 31, 2012

#### City of West Allis Capital Assets

	Governmental Activities 2012	Governmental Activities 2011	Business- Type Activities 2012	Business- Type Activities 2011	Total 2012	Total 2011
Land	\$12,519,043	\$12,519,043	\$963,716	\$963,716	\$13,482,759	\$13,482,759
Construction in Progress	\$894,415	\$894,415	\$155,113	\$103,059	\$1,049,528	\$997,474
Buildings	\$150,884,380	\$149,507,612	\$496,728	\$496,728	\$151,381,108	\$150,004,340
Improvements other than Buildings	\$1,988,330	\$1,988,330	\$0	\$0	\$1,988,330	\$1,988,330
Machinery and Equipment	\$133,951,797	\$130,183,911	\$5,261,693	\$5,062,887	\$139,213,490	\$135,246,798
Infrastructure	\$153,221,925	\$150,716,848	\$104,240,136	\$100,071,703	\$257,462,061	\$250,788,551
<b>Total Assets</b>	<b>\$453,459,890</b>	<b>\$445,810,159</b>	<b>\$111,117,386</b>	<b>\$106,698,093</b>	<b>\$564,577,276</b>	<b>\$552,508,252</b>
Less Accumulated Depreciation	(\$246,480,590)	(\$235,397,737)	(\$30,708,910)	(\$29,347,832)	(\$277,189,500)	(\$264,745,569)
<b>Net Capital Assets</b>	<b>\$206,979,300</b>	<b>\$210,412,422</b>	<b>\$80,408,476</b>	<b>\$77,350,261</b>	<b>\$287,387,776</b>	<b>\$287,762,683</b>
Percentage Change	-1.63%		3.95%		-0.13%	

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$78,409,836 backed by the full faith and credit of the City. Moody's rating on the general obligation debt is Aa2 and Standard & Poor's is AA.

The City's total net general-obligation debt outstanding decreased by \$108,432 or .14% during the current year. The City issued \$12,220,000 in debt while paying down \$12,328,432. New debt issued in 2012 was for the following purposes: the Water Utility issued \$1,500,000, the Sewer Utility issued \$1,960,000, \$6,015,000 was issued for Tax Increment Districts, and the General Fund issued \$2,745,000.

State Statutes limit the amount of general obligation debt a City may issue to 5% of its total equalized value. The City's current debt level (including BAN's) is 43.1% of its limitation of \$181,948,110 compared to 40.2% in 2011. The City's net total indebtedness for business-type activities increased by \$1,554,153.

# CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Notes	\$6,916,109	\$12,668,069	\$154,509	\$170,434	\$7,070,618	\$12,838,503
General Obligation Bonds	47,200,000	43,110,625	24,139,218	22,569,140	71,339,218	65,679,765
Anticipation Notes	0	0	0	0	0	0
	<u>\$54,116,109</u>	<u>\$55,778,694</u>	<u>\$24,293,727</u>	<u>\$22,739,574</u>	<u>\$78,409,836</u>	<u>\$78,518,268</u>

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

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

- As unemployment rates continue to cause concern locally and nationally, the City will carefully monitor the increase to any levies or charges from the utilities without jeopardizing the soundness of the City's financial position.
- The City, like others, has experienced a decrease in the market value of property within the city with newer TIF Districts being the exception because of new construction. A major concern is still the slow recovery of the housing sector and the older TIF Districts.
- The general fund finished the year with an unassigned fund balance of \$3,976,111, a decrease of \$6,048,690 from the previous year. The reason for this decrease was a reclassification of \$7,460,031 from unassigned to nonspendable, recognizing long-term notes receivable from the sale of the Beloit Road Housing complex.
- The pension contribution rates for 2012 remained constant at 11.8% for general city employees, however WI Acts 10 & 32 require employees to contribute half of this (5.9%). Previously, the city paid the employee's share so this legislative change reduces the city's pension expense for 2012 for general employees. The City remains obligated to pay the full share for public safety employees, subject to contract negotiations. But beginning in 2013 all firefighters will contribute at least 6% toward their retirements, offering the City some savings.

## CITY OF WEST ALLIS, WISCONSIN

Management's Discussion and Analysis  
December 31, 2012

- 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 beat budget projections by \$200,000 in 2012.
- 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 budget pressures. However, since public safety unions remain outside of the recent legislation, there are still significant budget pressures due to levy restrictions and a stagnant local economy.
- On July 1, 2013 the State of Wisconsin adopted its biennial budget for 2013-2015. That budget added to the strict levy limits under which municipalities must operate by forcing cities to reduce their tax levy in direct proportion to any increase in fees for certain services.

All of these factors were considered in preparing the City's budget for the 2013 fiscal year and are being monitored closely when considering future year budgets as well.

### **Requests for Information**

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

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

## **BASIC FINANCIAL STATEMENTS**



**CITY OF WEST ALLIS, WISCONSIN**

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and investments	\$ 102,773,166	\$ 6,150,478	\$ 108,923,644	\$ 5,118,651
Receivables				
Taxes	62,446,643	-	62,446,643	-
Accounts	880,612	7,911,205	8,791,817	70,155
Notes and loans	7,064,337	8,394,957	15,459,294	-
Special assessments	1,860,874	-	1,860,874	-
Interest	236,454	208,930	445,384	-
Internal balances	3,064,933	(3,064,933)	-	-
Due from component unit	(30,987)	-	(30,987)	30,987
Due from other governments	984,644	-	984,644	-
Inventories and prepaid items	1,472,575	1,367,180	2,839,755	-
Deposit with CVMIC	3,244,299	-	3,244,299	-
Capital assets				
Land	12,519,043	963,716	13,482,759	-
Construction in progress	894,415	155,113	1,049,528	-
Buildings	150,884,380	496,728	151,381,108	-
Improvements other than buildings	1,988,330	-	1,988,330	-
Machinery and equipment	133,951,797	5,152,633	139,104,430	11,500
Infrastructure	153,221,925	104,349,196	257,571,121	-
Less: Accumulated depreciation	(246,480,590)	(30,708,910)	(277,189,500)	(11,500)
<b>TOTAL ASSETS</b>	<b>390,976,850</b>	<b>101,376,293</b>	<b>492,353,143</b>	<b>5,219,793</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on advance refunding of debt	-	77,725	77,725	-
<b>LIABILITIES</b>				
Accounts payable	5,068,719	335,923	5,404,642	3,124
Retainage payable	-	4,714	4,714	-
Accrued liabilities	4,131,237	117,252	4,248,489	39,508
Due to other governments	70,773,317	1,387,832	72,161,149	-
Accrued interest payable	502,176	232,649	734,825	-
Deposits	2,368,196	57,551	2,425,747	25,000
Unearned revenues	204,332	626,740	831,072	1,261,113
Long-term obligations				
Due within one year	5,597,415	2,153,117	7,750,532	-
Due in more than one year	78,070,494	23,650,850	101,721,344	-
<b>TOTAL LIABILITIES</b>	<b>166,715,886</b>	<b>28,566,628</b>	<b>195,282,514</b>	<b>1,328,745</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	41,934,891	-	41,934,891	-
<b>NET POSITION</b>				
Net investment in capital assets	159,183,191	56,114,749	215,297,940	-
Restricted for debt service	187,868	-	187,868	-
Unrestricted	22,955,014	16,772,641	39,727,655	3,891,048
<b>TOTAL NET POSITION</b>	<b>\$ 182,326,073</b>	<b>\$ 72,887,390</b>	<b>\$ 255,213,463</b>	<b>\$ 3,891,048</b>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 7,601,000	\$ 65,967	\$ -	\$ -
Public safety	38,805,269	4,265,844	2,257,162	-
Public works	14,917,241	1,635,627	2,287,195	2,005,293
Health and human services	10,578,888	281,228	468,825	4,274,143
Culture and recreation	3,121,334	868,005	269,273	-
Conservation and development	6,309,345	1,112,821	5,235,585	-
Interest on debt	2,272,863	739,957	-	-
<b>Total Governmental Activities</b>	<b>83,605,940</b>	<b>8,969,449</b>	<b>10,518,040</b>	<b>6,279,436</b>
<b>Business-type Activities</b>				
Water utility	6,384,384	7,770,830	-	172,493
Sanitary sewer utility	5,925,361	7,257,736	289,204	-
Storm water utility	2,226,502	3,749,021	-	-
Solid waste utility	1,722,897	2,130,006	254,524	-
Parking utility	38,123	21,494	-	-
Senior citizen housing	254,464	259,883	-	-
<b>Total Business-type Activities</b>	<b>16,551,731</b>	<b>21,188,970</b>	<b>543,728</b>	<b>172,493</b>
<b>Total</b>	<b>\$ 100,157,671</b>	<b>\$ 30,158,419</b>	<b>\$ 11,061,768</b>	<b>\$ 6,451,929</b>
<b>Component Units</b>				
Terchak Endowment Fund	\$ 38,550	\$ -	\$ -	\$ -
FIRE	323,043	1,288,971	-	-
	<b>\$ 361,593</b>	<b>\$ 1,288,971</b>	<b>\$ -</b>	<b>\$ -</b>

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

Change in net position

Net position- January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (7,535,033)	\$ -	\$ (7,535,033)	\$ -
(32,282,263)	-	(32,282,263)	-
(8,989,126)	-	(8,989,126)	-
(5,554,692)	-	(5,554,692)	-
(1,984,056)	-	(1,984,056)	-
39,061	-	39,061	-
(1,532,906)	-	(1,532,906)	-
<u>(57,839,015)</u>	<u>-</u>	<u>(57,839,015)</u>	<u>-</u>
-	1,558,939	1,558,939	-
-	1,621,579	1,621,579	-
-	1,522,519	1,522,519	-
-	661,633	661,633	-
-	(16,629)	(16,629)	-
-	5,419	5,419	-
-	<u>5,353,460</u>	<u>5,353,460</u>	<u>-</u>
<u>(57,839,015)</u>	<u>5,353,460</u>	<u>(52,485,555)</u>	<u>-</u>
-	-	-	(38,550)
-	-	-	965,928
-	-	-	<u>927,378</u>
35,306,339	43,000	35,349,339	-
6,446,674	-	6,446,674	-
1,246,701	-	1,246,701	-
9,626,541	-	9,626,541	-
886,889	242,949	1,129,838	114,217
804,940	-	804,940	-
-	425,321	425,321	-
1,340,732	(1,340,732)	-	-
<u>55,658,816</u>	<u>(629,462)</u>	<u>55,029,354</u>	<u>114,217</u>
(2,180,199)	4,723,998	2,543,799	1,041,595
<u>184,506,272</u>	<u>68,163,392</u>	<u>252,669,664</u>	<u>2,849,453</u>
<u>\$ 182,326,073</u>	<u>\$ 72,887,390</u>	<u>\$ 255,213,463</u>	<u>\$ 3,891,048</u>

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**CITY OF WEST ALLIS, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 83,821,698	\$ 187,868	\$ 6,207,024	\$ 90,216,590
Receivables				
Taxes	53,337,059	6,803,100	-	60,140,159
Delinquent personal property taxes	306,484	-	-	306,484
Accounts	634,330	-	181,932	816,262
Notes and loans	190,750	-	6,873,587	7,064,337
Special assessments	-	-	1,860,874	1,860,874
Interest	236,339	-	115	236,454
Due from other funds	6,190,210	-	-	6,190,210
Due from other governmental units	739	-	983,905	984,644
Inventories and prepaid items	1,241,675	-	230,900	1,472,575
<b>TOTAL ASSETS</b>	<b>\$ 145,959,284</b>	<b>\$ 6,990,968</b>	<b>\$ 16,338,337</b>	<b>\$ 169,288,589</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 719,614	\$ -	\$ 806,841	\$ 1,526,455
Accrued liabilities	4,077,726	-	51,548	4,129,274
Due to other funds	-	-	3,125,277	3,125,277
Due to other governmental units	70,695,642	-	77,675	70,773,317
Due to component unit	30,987	-	-	30,987
Deposits	2,310,203	-	32,057	2,342,260
Unearned revenue	-	-	445,364	445,364
<b>Total Liabilities</b>	<b>77,834,172</b>	<b>-</b>	<b>4,538,762</b>	<b>82,372,934</b>
<b>Deferred Inflows of Resources</b>				
Property taxes	33,131,791	6,803,100	-	39,934,891
Special assessments	-	-	1,860,874	1,860,874
Notes and loans	190,750	-	6,833,587	7,024,337
<b>Total Deferred Inflows of Resources</b>	<b>33,322,541</b>	<b>6,803,100</b>	<b>8,694,461</b>	<b>48,820,102</b>
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Inventories and prepaid items	1,241,675	-	230,900	1,472,575
Long-term receivables	7,460,031	-	-	7,460,031
<b>Restricted</b>				
Bondholders	-	187,868	-	187,868
Grantors	-	-	1,241,235	1,241,235
Committed	823,931	-	878,566	1,702,497
Assigned	21,300,823	-	3,203,383	24,504,206
<b>Unassigned, reported in</b>				
General fund	3,976,111	-	-	3,976,111
Special revenue funds	-	-	(95,248)	(95,248)
Capital projects funds	-	-	(2,353,722)	(2,353,722)
<b>Total Fund Balances</b>	<b>34,802,571</b>	<b>187,868</b>	<b>3,105,114</b>	<b>38,095,553</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 145,959,284</b>	<b>\$ 6,990,968</b>	<b>\$ 16,338,337</b>	<b>\$ 169,288,589</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
 Balance Sheet (Continued)  
 Governmental Funds  
 December 31, 2012

Reconciliation to the Statement of Net Position

Total Fund Balances from previous page		\$ 38,095,553
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		206,979,300
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. The details of this difference are as follows:		
Special assessments	\$ 1,860,874	
Delinquent taxes	306,484	
Loans receivable	7,024,337	
Net adjustment		9,191,695
Internal service funds are used by management to charge the cost of insurance programs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		12,229,610
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:		
Bonds and notes payable	\$ (54,116,109)	
Unfunded pension liability	(611,000)	
Employee benefits	(28,940,800)	
Accrued interest on long-term obligations	(502,176)	
Net adjustment		<u>(84,170,085)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 37)		<u>\$ 182,326,073</u>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 33,730,775	\$ 6,446,674	\$ -	\$ 40,177,449
Special assessments	-	-	1,448,361	1,448,361
Intergovernmental	12,109,151	224,854	7,922,261	20,256,266
Licenses and permits	1,530,672	-	-	1,530,672
Fines, forfeitures and penalties	2,115,717	-	-	2,115,717
Public charges for services	2,628,094	-	734,636	3,362,730
Loan repayments	-	-	255,921	255,921
Payment from hospital	-	551,492	-	551,492
Interest	711,084	-	1,350	712,434
Miscellaneous	886,889	188,465	658,024	1,733,378
<b>Total Revenues</b>	<b>53,712,382</b>	<b>7,411,485</b>	<b>11,020,553</b>	<b>72,144,420</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	5,556,431	-	-	5,556,431
Public safety	32,069,524	-	2,093,399	34,162,923
Public works	10,092,830	-	10,800	10,103,630
Health	1,826,688	-	468,867	2,295,555
Culture and recreation	2,330,952	-	396,154	2,727,106
Conservation and development	-	-	5,459,963	5,459,963
Fringe benefits	968,511	-	-	968,511
<b>Debt service</b>				
Principal retirement	-	10,422,585	-	10,422,585
Interest and fiscal charges	-	2,349,592	-	2,349,592
<b>Capital outlay</b>				
	-	-	5,450,263	5,450,263
<b>Total Expenditures</b>	<b>52,844,936</b>	<b>12,772,177</b>	<b>13,879,446</b>	<b>79,496,559</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>867,446</b>	<b>(5,360,692)</b>	<b>(2,858,893)</b>	<b>(7,352,139)</b>
<b>Other Financing Sources (Uses)</b>				
General obligation debt issued	-	5,015,000	3,745,000	8,760,000
Transfers in	1,783,238	672,094	574,295	3,029,627
Transfers out	(252,440)	(321,855)	(1,022,094)	(1,596,389)
<b>Total Other Financing Sources (Uses)</b>	<b>1,530,798</b>	<b>5,365,239</b>	<b>3,297,201</b>	<b>10,193,238</b>
<b>Net Change in Fund Balances</b>	<b>2,398,244</b>	<b>4,547</b>	<b>438,308</b>	<b>2,841,099</b>
<b>Fund Balances - January 1</b>	<b>32,404,327</b>	<b>183,321</b>	<b>2,666,806</b>	<b>35,254,454</b>
<b>Fund Balances - December 31</b>	<b>\$ 34,802,571</b>	<b>\$ 187,868</b>	<b>\$ 3,105,114</b>	<b>\$ 38,095,553</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2012

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page \$ 2,841,099

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

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

Capital outlay	\$ 8,933,223	
Depreciation expense	<u>(12,304,923)</u>	
Net adjustment		(3,371,700)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (61,422)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 773,940

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

Issuance of general obligation debt	\$ (8,760,000)	
Principal paid on long-term debt	10,422,585	
Unfunded pension liability payment	164,000	
Health insurance benefit	<u>(5,607,620)</u>	
Net adjustment		(3,781,035)

Accrued interest expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. 76,729

Internal service funds are used by management to charge the costs of insurance programs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 1,342,190

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 38 - 39) \$ (2,180,199)

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 33,605,841	\$ 33,605,841	\$ 33,730,775	\$ 124,934
Intergovernmental	12,059,773	12,059,773	12,109,151	49,378
Licenses and permits	1,306,343	1,306,343	1,530,672	224,329
Fines, forfeitures and penalties	2,027,500	2,027,500	2,115,717	88,217
Public charges for services	2,367,510	2,367,510	2,628,094	260,584
Interest	501,500	501,500	711,084	209,584
Miscellaneous	859,050	859,050	886,889	27,839
<b>Total Revenues</b>	<b>52,727,517</b>	<b>52,727,517</b>	<b>53,712,382</b>	<b>984,865</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	5,595,811	7,375,215	5,556,431	1,818,784
Public safety	20,997,224	31,990,490	32,069,524	(79,034)
Health	1,520,243	2,028,588	1,826,688	201,900
Public works	8,555,049	11,159,331	10,092,830	1,066,501
Culture and recreation	1,990,310	2,485,654	2,330,952	154,702
Fringe benefits	16,932,750	1,563,525	968,511	595,014
<b>Total Expenditures</b>	<b>55,591,387</b>	<b>56,602,803</b>	<b>52,844,936</b>	<b>3,757,867</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,863,870)</b>	<b>(3,875,286)</b>	<b>867,446</b>	<b>4,742,732</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,627,280	1,627,280	1,783,238	155,958
Transfers out	-	-	(252,440)	(252,440)
<b>Total Other Financing Sources (Uses)</b>	<b>1,627,280</b>	<b>1,627,280</b>	<b>1,530,798</b>	<b>(96,482)</b>
<b>Net Change in Fund Balance</b>	<b>(1,236,590)</b>	<b>(2,248,006)</b>	<b>2,398,244</b>	<b>4,646,250</b>
<b>Fund Balance - January 1</b>	<b>32,404,327</b>	<b>32,404,327</b>	<b>32,404,327</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 31,167,737</b>	<b>\$ 30,156,321</b>	<b>\$ 34,802,571</b>	<b>\$ 4,646,250</b>

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

**CITY OF WEST ALLIS, WISCONSIN**

Statement of Net Position

Proprietary Funds

December 31, 2012

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ -	\$ 3,355,448	\$ 1,029,406	\$ 1,548,136
Receivables				
Taxes	-	-	-	-
Accounts	3,376,475	2,227,189	931,664	648,909
Interest	-	-	-	-
Inventories and prepaid items	1,367,180	-	-	-
Total Current Assets	4,743,655	5,582,637	1,961,070	2,197,045
Noncurrent Assets				
Capital Assets				
Land	57,990	-	-	-
Construction in progress	22,750	119,112	13,251	-
Buildings	496,728	-	-	-
Infrastructure	33,228,896	30,331,059	40,680,181	-
Machinery and equipment	2,266,155	740,017	1,566,075	580,386
Accumulated depreciation	(13,562,146)	(6,433,002)	(10,217,009)	(387,693)
Total Capital Assets	22,510,373	24,757,186	32,042,498	192,693
Notes receivable	-	-	-	-
Deposit with CVMIC	-	-	-	-
Total Noncurrent Assets	22,510,373	24,757,186	32,042,498	192,693
<b>TOTAL ASSETS</b>	<b>27,254,028</b>	<b>30,339,823</b>	<b>34,003,568</b>	<b>2,389,738</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on advance refunding of debt	13,002	51,586	13,137	-
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	160,945	27,530	146,105	100
Retainage payable	1,500	1,000	-	-
Accrued liabilities	103,152	7,007	3,881	3,212
Accrued interest payable	93,806	120,699	18,144	-
Deposits	57,551	-	-	-
Due to other funds	222,167	-	-	-
Due to other governmental units	-	1,387,832	-	-
Long-term obligations due within one year	792,500	1,290,617	70,000	-
Unearned revenue	85,425	-	-	-
Total Current Liabilities	1,517,046	2,834,685	238,130	3,312
Long-term Obligations				
General obligation debt	7,917,500	12,723,110	1,500,000	-
Premium on debt issued	39,635	68,769	-	-
Other post employment benefits	1,401,836	-	-	-
Total Long-term Obligations	9,358,971	12,791,879	1,500,000	-
<b>TOTAL LIABILITIES</b>	<b>10,876,017</b>	<b>15,626,564</b>	<b>1,738,130</b>	<b>3,312</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	13,800,373	10,743,459	30,472,498	192,693
Unrestricted	2,590,640	4,021,386	1,806,077	2,193,733
<b>TOTAL NET POSITION</b>	<b>\$ 16,391,013</b>	<b>\$ 14,764,845</b>	<b>\$ 32,278,575</b>	<b>\$ 2,386,426</b>

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

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Utility	Beloit Road Housing Management	Total	
\$ 217,488	\$ -	\$ 6,150,478	\$ 12,556,576
-	-	-	2,000,000
891	726,077	7,911,205	64,350
-	208,930	208,930	-
-	-	1,367,180	-
<u>218,379</u>	<u>935,007</u>	<u>15,637,793</u>	<u>14,620,926</u>
905,726	-	963,716	-
-	-	155,113	-
-	-	496,728	-
-	-	104,240,136	-
109,060	-	5,261,693	-
(109,060)	-	(30,708,910)	-
<u>905,726</u>	<u>-</u>	<u>80,408,476</u>	<u>-</u>
-	8,394,957	8,394,957	-
-	-	-	3,244,299
<u>905,726</u>	<u>8,394,957</u>	<u>88,803,433</u>	<u>3,244,299</u>
<u>1,124,105</u>	<u>9,329,964</u>	<u>104,441,226</u>	<u>17,865,225</u>
-	-	77,725	-
681	562	335,923	3,542,264
255	1,959	4,714	-
-	-	117,252	1,963
-	-	232,649	-
-	-	57,551	25,936
-	2,842,766	3,064,933	-
-	-	1,387,832	-
-	-	2,153,117	-
-	541,315	626,740	65,452
<u>936</u>	<u>3,386,602</u>	<u>7,980,711</u>	<u>3,635,615</u>
-	-	22,140,610	-
-	-	108,404	-
-	-	1,401,836	-
-	-	23,650,850	-
<u>936</u>	<u>3,386,602</u>	<u>31,631,561</u>	<u>3,635,615</u>
-	-	-	2,000,000
905,726	-	56,114,749	-
<u>217,443</u>	<u>5,943,362</u>	<u>16,772,641</u>	<u>12,229,610</u>
<u>\$ 1,123,169</u>	<u>\$ 5,943,362</u>	<u>\$ 72,887,390</u>	<u>\$ 12,229,610</u>

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**CITY OF WEST ALLIS, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			
	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Solid Waste Fund
Operating Revenues				
Charges for services	\$ 7,607,349	\$ 7,257,736	\$ 3,749,021	\$ 2,130,006
Rents	148,372	-	-	-
Parking fees and permits	-	-	-	-
Total Operating Revenues	<u>7,755,721</u>	<u>7,257,736</u>	<u>3,749,021</u>	<u>2,130,006</u>
Operating Expenses				
Operation and maintenance	5,404,420	5,043,518	1,591,483	1,677,974
Insurance claims and estimate changes	-	-	-	-
Depreciation	665,961	388,739	561,382	44,923
Total Operating Expenses	<u>6,070,381</u>	<u>5,432,257</u>	<u>2,152,865</u>	<u>1,722,897</u>
Operating Income (Loss)	<u>1,685,340</u>	<u>1,825,479</u>	<u>1,596,156</u>	<u>407,109</u>
Nonoperating Revenues (Expenses)				
Interest income	-	-	-	-
Interest and amortization expense	(314,003)	(477,940)	(73,637)	-
Interest rate subsidy	21,222	15,842	25,475	-
State and local grants	-	289,204	-	254,524
Property taxes	-	-	-	-
Gain (loss) on sale of capital assets	-	(15,164)	-	-
Income (expense) from merchandising and jobbing	15,109	-	-	-
Miscellaneous	12,118	2,258	53,108	295,276
Total Nonoperating Revenues (Expenses)	<u>(265,554)</u>	<u>(185,800)</u>	<u>4,946</u>	<u>549,800</u>
Income Before Contributions and Transfers	1,419,786	1,639,679	1,601,102	956,909
Customer contributions	172,493	-	-	-
Transfers out	<u>(738,489)</u>	<u>(82,224)</u>	<u>(300,000)</u>	<u>(100,000)</u>
Change in Net Position	853,790	1,557,455	1,301,102	856,909
Net Position - January 1	<u>15,537,223</u>	<u>13,207,390</u>	<u>30,977,473</u>	<u>1,529,517</u>
Net Position - December 31	<u>\$ 16,391,013</u>	<u>\$ 14,764,845</u>	<u>\$ 32,278,575</u>	<u>\$ 2,386,426</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Utility	Beloit Road Housing Management	Total	
\$ -	\$ 259,883	\$ 21,003,995	\$ 14,428,086
-	-	148,372	-
21,494	-	21,494	-
<u>21,494</u>	<u>259,883</u>	<u>21,173,861</u>	<u>14,428,086</u>
38,123	254,464	14,009,982	-
-	-	-	15,885,896
-	-	1,661,005	-
<u>38,123</u>	<u>254,464</u>	<u>15,670,987</u>	<u>15,885,896</u>
(16,629)	5,419	5,502,874	(1,457,810)
-	242,949	242,949	92,506
-	-	(865,580)	-
-	-	62,539	-
-	-	543,728	-
43,000	-	43,000	2,800,000
-	-	(15,164)	-
-	-	15,109	-
-	22	362,782	-
<u>43,000</u>	<u>242,971</u>	<u>389,363</u>	<u>2,892,506</u>
26,371	248,390	5,892,237	1,434,696
-	-	172,493	-
-	(120,019)	(1,340,732)	(92,506)
26,371	128,371	4,723,998	1,342,190
<u>1,096,798</u>	<u>5,814,991</u>	<u>68,163,392</u>	<u>10,887,420</u>
<u>\$ 1,123,169</u>	<u>\$ 5,943,362</u>	<u>\$ 72,887,390</u>	<u>\$ 12,229,610</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 7,226,044	\$ 6,935,454	\$ 3,705,391
Cash from interfund services provided	-	-	-
Cash paid to suppliers	(3,835,375)	(4,766,637)	(858,212)
Cash paid to employees	(1,169,911)	(281,502)	(604,453)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,220,758</b>	<b>1,887,315</b>	<b>2,242,726</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to other funds	(738,489)	(82,224)	(300,000)
State and local grants	-	289,204	-
Property taxes	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(738,489)</b>	<b>206,980</b>	<b>(300,000)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(2,155,871)	(1,193,503)	(1,448,208)
Customer contributions	172,493	-	-
Proceeds from debt issued	1,460,000	2,000,000	-
Principal paid on long-term debt	(693,750)	(1,147,097)	(65,000)
Interest paid on long-term debt	(286,363)	(450,550)	(72,997)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,503,491)</b>	<b>(791,150)</b>	<b>(1,586,205)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received	21,222	15,842	25,475
Received from other funds	-	-	-
Receivable from others	-	-	-
Notes receivable issued	-	-	-
<b>Total Cash Flows from Investing Activities</b>	<b>21,222</b>	<b>15,842</b>	<b>25,475</b>
<b>Change in Cash and Cash Equivalents</b>	<b>-</b>	<b>1,318,987</b>	<b>381,996</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>-</b>	<b>2,036,461</b>	<b>647,410</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ -</b>	<b>\$ 3,355,448</b>	<b>\$ 1,029,406</b>
<b>Cash Flows from Operating Activities</b>			
Operating income (loss)	\$ 1,685,340	\$ 1,825,479	\$ 1,596,156
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	665,961	388,739	561,382
Depreciation charged to operating accounts	65,562	-	-
Merchandising and jobbing non-operating expense	15,109	-	-
Miscellaneous nonoperating income (expense)	12,118	2,258	53,108
Changes in assets and liabilities			
Accounts receivable	(529,677)	(322,282)	(43,630)
Inventories and prepaid items	109,709	-	-
Accounts payable	3,732	(21,060)	76,107
Accrued liabilities	18,238	10,861	(397)
Deposits	15,029	-	-
Unearned revenue	(21,133)	-	-
Due to other funds	(84,230)	-	-
OPEB liability	265,000	-	-
Due to other governmental units	-	3,320	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,220,758</b>	<b>\$ 1,887,315</b>	<b>\$ 2,242,726</b>

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

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste Fund	Parking Utility	Beloit Road Housing Management	Total	
\$ 2,024,248	\$ 20,603	\$ 268,736	\$ 20,180,476	\$ -
-	-	-	-	14,306,870
(937,660)	(26,200)	(970)	(10,425,054)	(16,241,338)
(449,219)	(11,855)	(133,977)	(2,650,917)	-
637,369	(17,452)	133,789	7,104,505	(1,934,468)
(100,000)	-	(120,019)	(1,340,732)	(92,506)
254,524	-	-	543,728	-
-	43,000	-	43,000	2,800,000
154,524	43,000	(120,019)	(754,004)	2,707,494
-	-	-	(4,797,582)	-
-	-	-	172,493	-
-	-	-	3,460,000	-
-	-	-	(1,905,847)	-
-	-	-	(809,910)	-
-	-	-	(3,880,846)	-
-	-	42,388	104,927	92,506
-	-	2,842,766	2,842,766	-
-	-	(184,762)	(184,762)	-
-	-	(5,457,826)	(5,457,826)	-
-	-	(2,757,434)	(2,694,895)	92,506
791,893	25,548	(2,743,664)	(225,240)	865,532
756,243	191,940	2,743,664	6,375,718	11,691,044
\$ 1,548,136	\$ 217,488	\$ -	\$ 6,150,478	\$ 12,556,576
\$ 407,109	\$ (16,629)	\$ 5,419	\$ 5,502,874	\$ (1,457,810)
44,923	-	-	1,661,005	-
-	-	-	65,562	-
-	-	-	15,109	-
295,276	-	22	362,782	-
(105,758)	(891)	8,853	(993,385)	6,391
-	-	120,020	229,729	-
(2,364)	(35)	(421)	55,959	(340,655)
(1,817)	103	(104)	26,884	908
-	-	-	15,029	(15,695)
-	-	-	(21,133)	(127,607)
-	-	-	(84,230)	-
-	-	-	265,000	-
-	-	-	3,320	-
\$ 637,369	\$ (17,452)	\$ 133,789	\$ 7,104,505	\$ (1,934,468)

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. Reporting Entity

The City of West Allis is a municipal corporation governed by an elected Mayor and ten-member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City.

2. Individual Component Unit Disclosures

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

Included within the reporting entity:

First-Ring Industrial Redevelopment Enterprise (FIRE)

FIRE is a community development entity created by the City of West Allis to spur development within a three county area in southeastern Wisconsin, partially through the distribution of new market tax credits to qualifying business enterprises. FIRE is managed by an independent board appointed by the City Council. FIRE provides specific financial benefits to the City. FIRE financial information is provided for the year ended December 31, 2012. Separate financial statements are available for FIRE.

Terchak Endowment Fund

An endowment fund has been established at the Greater Milwaukee Foundation for the sole purpose of providing funding to the West Allis Library for capital improvements. The endowment does not contain multiple funds. The endowment is under the control of the Greater Milwaukee Foundation Board, which is completely independent of the City of West Allis. The endowment fund is included as a discretely presented component unit since its purpose is to provide funding to the West Allis Library. Financial information is presented for the year ended December 31, 2012. Separate financial statements are not available.

3. Related Organization

West Allis Memorial Hospital is a not-for-profit entity and its financial statements are not a part of this report. Because the City has title to the Hospital's assets, the Hospital uses the City's bonding authority as a convenience in obtaining financing, therefore, certain debt of West Allis Memorial Hospital issued and secured by the City and the related institutional structures for which the City retains title (See Note E.6.) has 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.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

4. Government-Wide and Fund Financial Statements

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

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

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

The City reports the following major governmental funds:

**GENERAL FUND**

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

**DEBT SERVICE FUND**

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

The City reports the following major enterprise funds:

**WATER UTILITY**

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

**SANITARY SEWER UTILITY**

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

**STORM WATER UTILITY**

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

**SOLID WASTE FUND**

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

**PARKING UTILITY**

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

**BELOIT ROAD HOUSING MANAGEMENT**

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

Additionally, the government reports the following fund type:

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

**5. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

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

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

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

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

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

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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

d. Inventories

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

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

e. Prepaid Items

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

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

f. Capital Assets

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

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

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

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

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

g. Compensated Absences

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

h. Deferred Outflows/Inflows of Resources

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2012. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and notes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

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

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council. Those actions could either be the enactment of an ordinance or the passage of a resolution. 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. Unassigned amounts are only reported in the General Fund.

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

k. Use of Estimates

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. Prior to November the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted at the function level by City Council action. This action is completed prior to December each year.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and public works improvements capital projects funds with the following exceptions. The Stimulus Programs, HUD Development, CDBG-EAP, Information Technology Joint Ventures, Library Endowment and Miscellaneous Grants special revenue funds and Tax Increment District capital project funds are not budgeted. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds, debt service and public works improvements capital projects funds. Amendments to the budget during the year are initially reviewed by the Administration and Finance Committee and are subsequently authorized by the City Council. Management does not have authority to amend the legally adopted budget. Supplemental amendments were necessary during the year but were not material in relation to the original appropriation. Over-expenditure of budget accounts at year-end was approved by the City Council.
- d. The budget as enacted includes total expenditures at the activity level. An activity can be a department, division or fund. For example, most departments of the General Fund are budgeted at the department level with the exception of Public Works which is budgeted at the division level. Other budgeted funds tend to be budgeted at the total fund level. Expenditures cannot legally exceed appropriations at this level. The general fund, certain special revenue funds, debt service and certain capital projects fund have legally adopted budgets.
- e. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is utilized in the general and special revenue funds. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. General Fund encumbrances at year end totaled \$179,056.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2012.

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

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

2. Excess of Expenditures over Budget Appropriations

The following expenditure accounts of the general, special revenue, debt service and capital projects funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2012 as follows:

Fund	Function/Activity/Department	Excess Expenditures
General Fund		
Police Department	Public safety	\$ 537,791
Police and fire commission	Public safety	17,785
Inventory services	Public works	15,844
Special Revenue Funds		
Block grant	Conservation and development	30,193
H.O.M.E. program	Conservation and development	55,456
Housing program	Conservation and development	303,699
Cable communications	Culture and recreation	22,097
Health grants	Health	67,547
Fire grants	Public safety	1,476
Debt Service Fund		
Principal retirement	Debt service	4,643,150
Debt issuance costs	Debt service	121,123

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

3. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2012:

Fund	Deficit Fund Equity
Special Revenue Funds	
Block Grant	\$ 95,248
Capital Projects Funds	
Public Works Improvements	271,701
Tax Increment District No. 5	842,629
Tax Increment District No. 6	422,665
Tax Increment District No. 10	833,577
Tax Increment District No. 12	23,003
Tax Increment District No. 13	163,084

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

1. Cash and Investments

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

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

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

The carrying amount of the City's cash and investments totaled \$108,923,644 on December 31, 2012 as summarized below:

Petty cash funds	\$ 7,668
Deposits with financial institutions	77,136,261
Investments	31,779,715
	\$ 108,923,644

Additional information on the above deposits and investments follows:

Government-wide Statement of Net Position	
Primary government	\$ 108,923,644

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

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institution located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand 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. In addition, the City's non-interest bearing transaction accounts are fully insured through December 31, 2012. As of January 1, 2013 the City's noninterest-bearing transaction accounts are combined with its interest-bearing demand deposits for FDIC insurance coverage. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

As of December 31, 2012, none of the City's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City has no additional credit risk policy. Presented below is the actual rating as of yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	AA and A	Not Rated
Federal Home Loan Bank	\$ 400,684	\$ -	\$ 400,684	\$ -	\$ -
Federal Home Loan Mortgage	911,654	-	911,654	-	-
Federal National Mortgage	1,300,000	-	1,300,000	-	-
Corporate bonds	9,181,324	-	556,718	6,380,154	2,244,452
Municipal bonds	9,019,997	-	-	7,915,938	1,104,059
Wisconsin local government investment pool	10,966,056	-	-	-	10,966,056
<b>Totals</b>	<b>\$ 31,779,715</b>	<b>\$ -</b>	<b>\$ 3,169,056</b>	<b>\$ 14,296,092</b>	<b>\$ 14,314,567</b>

Concentration of Credit Risk

The investment policy of the City recommends that no more than 50% of total investments can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
General Electric Corp.	Bond	\$ 3,250,000

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.

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	Remaining Maturity (in Months)				
	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Bank	\$ 911,654	\$ -	\$ -	\$ 210,877	\$ 700,777
Federal Home Loan Mortgage	400,684	-	-	-	400,684
Federal National Mortgage	1,300,000	-	-	200,000	1,100,000
Corporate bonds	9,181,324	1,757,385	664,652	5,085,124	1,674,163
Municipal bonds	9,019,997	201,368	1,238,136	5,408,798	2,171,695
Wisconsin local government investment pool	10,966,056	10,966,056	-	-	-
<b>Totals</b>	<b>\$ 31,779,715</b>	<b>\$ 12,924,809</b>	<b>\$ 1,902,788</b>	<b>\$ 10,904,799</b>	<b>\$ 6,047,319</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

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
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$2,612,338</u>

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$10,966,056 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2012, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Taxes

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

The City bills and collects its own property taxes and also levies and collects taxes for the West Allis Area Public School District, Milwaukee County, Milwaukee Area Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the general fund.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

3. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 12,519,043	\$ -	\$ -	\$ 12,519,043
Construction in progress	894,415	-	-	894,415
Total capital assets, not being depreciated	<u>13,413,458</u>	-	-	<u>13,413,458</u>
Capital assets, being depreciated:				
Improvements other than buildings	1,988,330	-	-	1,988,330
Buildings	149,507,612	1,376,768	-	150,884,380
Machinery and equipment	130,183,911	4,457,260	689,374	133,951,797
Infrastructure	150,716,848	3,099,195	594,118	153,221,925
Subtotals	<u>432,396,701</u>	<u>8,933,223</u>	<u>1,283,492</u>	<u>440,046,432</u>
Less accumulated depreciation for:				
Land improvements	1,658,726	35,126	-	1,693,852
Buildings	67,212,991	4,047,182	-	71,260,173
Machinery and equipment	100,324,749	5,102,574	648,069	104,779,254
Infrastructure	66,201,271	3,120,041	574,001	68,747,311
Subtotals	<u>235,397,737</u>	<u>12,304,923</u>	<u>1,222,070</u>	<u>246,480,590</u>
Total capital assets, being depreciated, net	<u>196,998,964</u>	<u>(3,371,700)</u>	<u>61,422</u>	<u>193,565,842</u>
Governmental activities capital assets, net	<u>\$ 210,412,422</u>	<u>\$ (3,371,700)</u>	<u>\$ 61,422</u>	<u>206,979,300</u>
Less related long-term debt outstanding				<u>47,796,109</u>
Net investment in capital assets				<u>\$ 159,183,191</u>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 963,716	\$ -	\$ -	\$ 963,716
Construction in progress	103,059	155,113	103,059	155,113
Total capital assets, not being depreciated	<u>1,066,775</u>	<u>155,113</u>	<u>103,059</u>	<u>1,118,829</u>
Capital assets, being depreciated:				
Buildings	496,728	-	-	496,728
Machinery and equipment	5,062,887	198,806	-	5,261,693
Infrastructure	100,071,703	4,549,087	380,654	104,240,136
Subtotals	<u>105,631,318</u>	<u>4,747,893</u>	<u>380,654</u>	<u>109,998,557</u>
Less accumulated depreciation for:				
Buildings	383,121	15,552	-	398,673
Machinery and equipment	3,604,204	265,072	-	3,869,276
Infrastructure	25,360,507	1,445,943	365,489	26,440,961
Subtotals	<u>29,347,832</u>	<u>1,726,567</u>	<u>365,489</u>	<u>30,708,910</u>
Total capital assets, being depreciated, net	<u>76,283,486</u>	<u>3,021,326</u>	<u>15,165</u>	<u>79,289,647</u>
Business-type activities capital assets, net	<u>\$ 77,350,261</u>	<u>\$ 3,176,439</u>	<u>\$ 118,224</u>	80,408,476
Less related long-term debt outstanding				<u>24,293,727</u>
Net investment in capital assets				<u>\$ 56,114,749</u>
Depreciation expense was charged to functions of the City as follows:				
<b>Governmental activities</b>				
General government				\$ 142,955
Public safety				385,923
Public works				3,591,145
Health and human services				8,069,697
Culture and recreation				115,203
Total depreciation expense - governmental activities				<u>\$ 12,304,923</u>
<b>Business-type activities</b>				
Water utility				\$ 665,961
Sanitary sewer utility				388,739
Storm water utility				561,382
Solid waste fund				44,923
Depreciation charged to operating accounts				65,562
Total depreciation expense - business-type activities				<u>\$ 1,726,567</u>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

4. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2012 are detailed below:

	Interfund Receivables	Interfund Payables
Governmental Funds		
Operating Accounts and Cash Deficits Between Funds		
General Fund	\$ 6,190,210	\$ -
Nonmajor Governmental Funds		
Special Revenue Funds		
Block Grant	-	134,695
H.O.M.E. Program	-	321,059
HUD Development Grant	-	47,922
CDBG-EAP	-	33,917
Police Grants	-	323,699
Miscellaneous Grants	-	8,600
Capital Projects Funds		
Capital Projects		
Tax Increment Districts		
No. 5	-	870,864
No. 6	-	422,466
No. 10	-	779,119
No. 12	-	22,969
No. 13	-	159,967
Total Nonmajor Governmental Funds	-	3,125,277
Enterprise Funds		
Water utility	-	222,167
Beloit Road Housing Management	-	2,842,766
Total Enterprise Funds	-	3,064,933
Total	\$ 6,190,210	\$ 6,190,210

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfers In			
	General Fund	Debt Service	Nonmajor Governmental	Total
Transfers Out				
General Fund	\$ -	\$ -	\$ 252,440	\$ 252,440
Debt Service Fund	-	-	321,855	321,855
Nonmajor Governmental Funds	350,000	672,094	-	1,022,094
Proprietary Funds				
Water utility	738,489	-	-	738,489
Sanitary sewer utility	82,224	-	-	82,224
Storm water utility	300,000	-	-	300,000
Solid waste fund	100,000	-	-	100,000
Beloit Road Housing Management	120,019	-	-	120,019
Insurance management				
Internal service fund	92,506	-	-	92,506
	<u>\$ 1,783,238</u>	<u>\$ 672,094</u>	<u>\$ 574,295</u>	<u>\$ 3,029,627</u>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

5. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2012:

	Outstanding 1/1/12	Issued	Retired	Outstanding 12/31/12	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
General City					
Bonds	\$ 18,765,000	\$ 2,745,000	\$ 2,375,000	\$ 19,135,000	\$ 2,700,000
Notes	3,795,000	-	425,000	3,370,000	425,000
Tax Incremental Districts					
Bonds	23,340,625	6,015,000	1,780,625	27,575,000	1,370,625
Notes	8,873,069	-	5,326,960	3,546,109	471,790
West Allis Hospital					
Bonds	1,005,000	-	515,000	490,000	490,000
Total General Obligation Debt	<u>55,778,694</u>	<u>8,760,000</u>	<u>10,422,585</u>	<u>54,116,109</u>	<u>5,457,415</u>
Prior service pension liability					
Municipal police and firefighters	459,000	-	116,000	343,000	100,000
Post-retirement benefits payable					
Health insurance	23,333,180	5,607,620	-	28,940,800	-
Workers compensation	316,000	-	48,000	268,000	40,000
Governmental activities Long-term obligations	<u>\$ 79,886,874</u>	<u>\$ 14,367,620</u>	<u>\$ 10,586,585</u>	<u>\$ 83,667,909</u>	<u>\$ 5,597,415</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Bonds	\$ 22,569,140	\$ 3,460,000	\$ 1,889,922	\$ 24,139,218	\$ 2,136,495
Notes	170,434	-	15,925	154,509	16,622
Premium on debt issued	-	108,404	-	108,404	-
Post-retirement benefits payable					
Health insurance	<u>1,136,836</u>	<u>265,000</u>	<u>-</u>	<u>1,401,836</u>	<u>-</u>
Business-type activities Long-term obligations	<u>\$ 23,876,410</u>	<u>\$ 3,833,404</u>	<u>\$ 1,905,847</u>	<u>\$ 25,803,967</u>	<u>\$ 2,153,117</u>

Interest paid during the year on long-term debt totaled \$3,067,862.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds		
\$4,380,000 issued 8/1/02; \$490,000 due in 2013; Interest 3.875%	\$	490,000
\$3,780,000 issued 4/1/04; \$105,000 to \$315,000 due annually through 2020; interest 3.00% to 3.90%		1,260,000
\$2,275,000 issued 4/1/04; \$90,000 due annually through 2014; interest 3.15% to 3.25%		180,000
\$4,425,000 issued 4/1/04; \$530,000 to \$565,000 due annually through 2016; interest 4.250% to 4.625%		2,185,000
\$5,040,000 issued 5/1/05; \$145,000 to \$410,000 due annually through 2020; interest 3.70% to 4.00%		2,195,000
\$4,940,000 issued 5/1/06; \$150,000 to \$395,000 due annually through 2021; interest 4.0% to 5.0%		2,570,000
\$3,695,000 issued 10/1/06; \$130,000 to \$340,000 due annually through 2021; interest 4.0%		2,580,000
\$4,955,000 issued 5/1/07; \$160,000 to \$415,000 due annually through 2022; interest 4.0%		2,870,000
\$6,600,000 issued 6/1/08; \$235,000 to \$545,000 due annually through 2023; interest 3.5% to 4.25%		4,420,000
\$2,945,000 issued 3/27/09; \$185,000 to \$210,000 due annually through 2024; interest 3.0% to 4.35%		2,375,000
\$7,105,000 issued 3/27/09; \$50,000 to \$1,295,000 due annually 2015 through 2024; interest 5.0% to 6.5%		7,105,000
\$17,605,000 issued 3/29/10; \$165,000 to \$1,405,000 due annually through 2029; interest 2.05% to 5.75%		16,615,000
\$2,445,000 issued 3/29/10; \$65,000 to \$360,000 due annually through 2028; interest 1.20% to 4.20%		1,580,000
\$6,975,000 issued 4/1/10; \$110,000 to \$505,000 due annually through 2030; interest 2.10% to 5.75%		6,040,000
\$1,554,765 issued; \$67,120 to \$100,451 due annually through 2030; interest 2.4%		1,489,218
\$5,635,000 issued 5/19/11; \$190,000 to \$470,000 due annually through 2026; interest 2.0% to 3.5%		5,165,000
\$6,015,000 issued 4/5/12; \$110,000 to \$540,000 due annually through 2029; interest 0.5% to 4.1%		6,015,000
\$6,205,000 issued 4/5/12; \$235,000 to \$540,000 due annually through 2027; interest 2.0% to 3.0%		6,205,000
Total Bonds		<u>71,339,218</u>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

Notes

\$400,000 issued 1/1/95; \$3,482 to \$39,302 due 2013 to 2025; interest 1.7756%	400,000
\$144,426 issued 11/22/06; \$7,221 due annually through 2026; interest 0.5%	101,099
\$507,716 issued 04/11/07; \$26,722 due annually through 2027; interest 0.5%	374,106
\$345,902 issued 1/23/08; \$18,205 due annually through 2026; interest 0.5%	254,875
\$353,377 issued 6/11/08; \$19,632 due annually through 2026; interest 0.5%	274,849
\$50,697 issued 12/23/08; \$2,816 due annually through 2026; interest 0.5%	39,431
\$6,885,000 issued 4/1/09; \$550,000 to \$865,000 due annually through 2019; interest 3.0% to 4.0%	5,195,000
\$177,372 issued 9/24/09; \$18,298 to \$23,829 due annually through 2019; interest 4.5%	146,723
\$250,000 issued 1/14/10; \$63,895 due in 2013 and \$66,131 due in 2014; interest 3.5%	130,026
\$188,018 issued 7/2/10; \$16,622 to \$22,240 due annually through 2020; interest 4.25%	154,509
Total Notes	<u>7,070,618</u>
Total General Obligation Debt	<u>\$ 78,409,836</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$78,409,836 on December 31, 2012 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 5,457,415	\$ 2,114,310	\$ 2,153,117	\$ 865,014	\$ 7,610,532	\$ 2,979,324
2014	5,193,957	1,843,915	2,150,434	757,778	7,344,391	2,601,693
2015	4,993,164	1,650,674	2,032,820	689,309	7,025,984	2,339,983
2016	5,019,637	1,486,167	2,045,265	621,094	7,064,902	2,107,261
2017	4,646,183	1,315,404	2,067,807	550,609	6,713,990	1,866,013
2018-2022	18,766,503	4,226,776	8,903,599	1,703,361	27,670,102	5,930,137
2023-2027	8,914,250	1,067,497	4,311,341	491,919	13,225,591	1,559,416
2028-2030	1,125,000	44,092	629,344	39,889	1,754,344	83,981
	<u>\$ 54,116,109</u>	<u>\$ 13,748,835</u>	<u>\$ 24,293,727</u>	<u>\$ 5,718,973</u>	<u>\$ 78,409,836</u>	<u>\$ 19,467,808</u>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2012 as \$108,724,572 as follows:

Equalized valuation of the City		\$ 3,738,930,800
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		186,946,540
Total outstanding general obligation debt applicable to debt limitation	\$ 78,409,836	
Less: Amounts available for financing general obligation debt		
Debt service fund	187,868	
Net outstanding general obligation debt applicable to debt limitation		78,221,968
Legal Margin for New Debt		\$ 108,724,572

Unfunded Pension Liability

The City's unfunded pension liability on December 31, 2012 consists of an unfunded liability of \$343,000 for former employees covered under the Municipal Police and Firefighter's Pension Funds (MPFP). The MPFP liability is the City's best estimate of the unfunded liability. Monthly payments are made to employees covered under the plan until they are deceased.

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

6. Conduit Debt Obligations

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

As of December 31, 2012 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, 2012

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

7. Fund Equity

Government-wide and Proprietary Fund Statements

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

- a. Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2012 include the following:

Net investment in capital assets	
Land	\$ 12,519,043
Construction in progress	894,415
Improvements other than buildings	1,988,330
Buildings	150,884,380
Machinery and equipment	133,951,797
Infrastructure	153,221,925
Less: Accumulated depreciation	(246,480,590)
Less: Related long-term debt outstanding	(47,796,109)
Total Net Investment in Capital Assets	<u>159,183,191</u>
Restricted	
Debt service	<u>187,868</u>
Unrestricted	<u>22,955,014</u>
Total Governmental Activities Net Position	<u>\$ 182,326,073</u>

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

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

Fund Statements

In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2012, fund balance was committed as follows:

General Fund	
Committed for subsequent year's budget	<u>\$ 823,931</u>
Special Revenue Funds	
Committed for Cable Communications Fund	\$ 791,411
Committed for Information Technology Joint Ventures Fund	87,155
	<u>\$ 878,566</u>

Also in the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2012, fund balance assigned was as follows:

General Fund	
Subsequent years expenditures	\$ 1,811,357
Contingency	3,011,993
Land/building acquisition	1,000,000
Capital accumulation	2,039,973
Insurance	1,200,000
Workers compensation	1,500,000
Dental insurance	50,000
Unfunded pension liability	8,000,000
Productivity/operation improvement	100,000
Public access	500,000
Tax levy reduction	1,590,000
Strategic planning	97,500
Capital replacement	300,000
Tax refunds	100,000
	<u>\$ 21,300,823</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

8. Component Units

TERCHAK ENDOWMENT FUND

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

FIRST-RING INDUSTRIAL REDEVELOPMENT ENTERPRISE (FIRE)

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

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

*Plan Description* - The City provides health care insurance coverage for employees who retire with a minimum of 10 years of service and at least age 50 for protective services and age 55 for non-protective services. The City pays 95% of the premium during the first year of retirement. Thereafter, the retiree will be responsible for any premium increases until age 65, at which time, the City will pay 50% of the premium until the retiree ceases to pay their portion of the premium or until their death. There are 486 active and 551 retired employees in the plan.

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

Component	Amount
Annual required contribution	\$ 10,048,793
Interest on net OPEB	1,115,833
Adjustment to annual required contribution	<u>(1,091,335)</u>
Annual OPEB cost (expense)	10,073,291
Contributions made	<u>4,200,671</u>
Change in net OPEB obligation	5,872,620
OPEB obligation - beginning of year	<u>24,470,016</u>
OPEB obligation - end of year	<u>\$ 30,342,636</u>

The annual required contribution for the current year was determined as part of an actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4% inflation rate, (b) 4.56% investment return, (c) and projected salary increases at 3%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2012 is 28 years, and the remaining amount is \$139,828,532.

*Trend Information* - The annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 for the plan is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$ 9,593,483	39%	\$ 18,970,825
12/31/2011	9,564,714	43%	24,470,016
12/31/2012	10,073,291	42%	30,342,636

## CITY OF WEST ALLIS, WISCONSIN

Notes to Basic Financial Statements

December 31, 2012

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

*Funded Status and Funding Progress* - As of the most recent actuarial valuations, conducted during 2012, the plan's unfunded actuarial accrued liability (UAAL) was \$139,828,532. The annual payroll for active employees covered by the plan for the 2012 fiscal year was \$34,981,999 for a ratio of the UAAL to covered payroll of 400%.

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

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

In the 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.56% to discount expected liabilities to the valuation date. The initial healthcare trend rate for the plan was 10%; decreasing by 1% per year down to 5%. The UAAL is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2012 was 28 years.

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

### NOTE E - OTHER INFORMATION

#### 1. Retirement Commitments

##### a. Wisconsin Retirement System

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

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

**CITY OF WEST ALLIS, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2012

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

Required contributions for protective employees are the same rate as general employees.

Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates are as follows:

	2012	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for City employees covered by the WRS for the year ended December 31, 2012 was \$34,264,336; the employer's total payroll was \$34,981,999. The total required contribution for the year ended December 31, 2012 was \$4,771,718, which consisted of \$2,746,585, or 8.0% of covered payroll from the employer and \$2,025,133, or 5.9% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2012 was financed by the City. Total contributions for the years ending December 31, 2011 and 2010 were \$4,788,182 and \$4,544,118, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

b. Police-Fire Pension Fund

Protective employees of the City hired prior to 1948 are covered under the Municipal Police and Firefighter's Pension Funds (MPFPF), a multiple employer defined benefit plan, established under Chapter 62 of the Wisconsin Statutes. The MPFPF was closed to new members effective January 1, 1948. The administration of the plan was subsequently assumed by the Wisconsin Department of Employee Trust Funds. Upon retirement from the City, the monthly benefit payment was determined for beneficiaries of the plan. The City funds the monthly benefit obligation on a "pay-as-you-go" basis until the covered employees are deceased. The City's best estimate of the unfunded liability for this pension plan is \$343,000 and is included in the Statement of Net Position. The total City contribution to the Fund during 2012 was \$57,204.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

2. Mutual Insurance Company

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

CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides general liability, police and nurses professional liability, public official's liability and vehicle liability coverage for the City. The City's self-insured retention limit is \$250,000 for each occurrence with a maximum limit of \$1,000,000 annually. A separate financial report is issued annually by CVMIC. Since the City considers it probable that its initial capitalization contribution in CVMIC will be returned upon either dissolution of CVMIC or the approved withdrawal from CVMIC, the initial capitalization has been recorded as a deposit in the liability self-insurance internal service fund.

3. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters and workers' compensation. The City is self-insured for health and dental coverage and for workers' compensation. The City purchases general and automobile liability insurance from the Cities and Villages Mutual Insurance Company (See Note D.2). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

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

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

All funds of the City participate in the plans. At December 31, 2012 the City maintained reserves of \$50,000 and \$1,000,000 for the coverage of catastrophe losses related to the dental and the workers' compensation plan, respectively. The claims liabilities of \$67,680 and \$484,858 for the dental and the workers' compensation plan, respectively are reported as accrued liabilities in the General Fund, and the health claims liability of \$2,161,580 is reported as accrued liabilities in the Health Insurance Internal Service Fund at December 31, 2012. These liabilities are based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the claims liability amount for the years ended December 31, 2012 and 2011 are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2012	\$ 2,351,000	\$ 15,885,896	\$ 16,075,316	\$ 2,161,580
2011	2,120,000	17,367,868	17,136,868	2,351,000

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

4. Tax Incremental Districts

The City has established separate capital projects funds for seven Tax Incremental Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)1, the Statutes allow five years from the termination date for a tax incremental district to incur project costs eligible for financing from tax increments. Pertinent information for each of the City's TID's follows:

	TID No. 2	TID No. 3	TID No. 5	TID No. 6
Creation date	11/15/93	08/17/94	01/01/01	01/01/04
Date construction period ends	11/14/03	08/16/04	01/01/08	01/01/25
Date District terminates	12/31/20	12/31/20	12/31/23	12/31/30
Unreimbursed project costs	\$ 147,292	\$ -	\$ 18,716,990	\$ 2,187,665
Outstanding debt	\$ 315,000	\$ -	\$ 17,874,359	\$ 1,765,000

	TID No. 7	TID No. 9	TID No. 10	TID No. 11
Creation date	01/01/04	01/01/06	01/01/08	01/01/10
Date construction period ends	01/01/25	01/01/27	01/01/30	01/01/32
Date District terminates	12/31/30	12/31/32	12/31/34	12/31/36
Unreimbursed project costs	\$ 3,849,654	\$ 1,817,413	\$ 2,428,603	\$ 797,063
Outstanding debt	\$ 6,605,641	\$ 1,900,617	\$ 1,595,026	\$ 1,000,000

	TID No. 12	TID No. 13
Creation date	01/01/11	01/01/11
Date construction period ends	01/01/33	01/01/33
Date District terminates	12/31/37	12/31/37
Unreimbursed project costs	\$ 23,003	\$ 163,084
Outstanding debt	\$ -	\$ -

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

5. Intermunicipal Agreement

The City is a member of the Milwaukee Area Domestic Animal Control Commission (MADACC) along with eighteen other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for dogs and cats. The Commission is governed by a nineteen member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. In 1997, the Commission borrowed \$2.5 million at 4.789% due annually through 2013, for the purchase of land and the construction of a facility. The City's share of that borrowing as of December 31, 2012 is approximately \$15,833.

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2012

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

6. Lease Disclosures

In 1963, West Allis Memorial Hospital entered into a fifty-year lease agreement with the City of West Allis for the right to operate the Hospital. In 1997, the lease was amended to extend the life an additional 25 years. Under the terms of this lease, the City has title to all assets and any subsequent additions, and the Hospital has exclusive right to the use of the assets and the obligation to maintain and replace them. The agreement does not provide for lease payments; however, a determination is made annually as to the amount of Hospital funds which can, consistent with sound financial management, be turned over to the City. The City recognized miscellaneous general fund revenue of \$350,000 from the Hospital in 2012. The Hospital also reimbursed the City \$551,492 for its share of the City's 2012 debt service payments related to construction of Hospital capital assets.

7. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2012 and 2013 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2012 budget was .10%. The actual limit for the City for the 2013 budget was .08%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

8. Contingencies

- a. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under Federal OMB Circular A-133 and the State Single Audit Guidelines has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
- b. From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

9. Subsequent Events

On June 13, 2013 the City issued \$8,280,000 of general obligation corporate bonds, series 2013A. The bonds are payable through 2028 at interest rates ranging from 1.00% to 2.50%.

On June 25, 2013 the City issued \$5,660,000 of general obligation refunding bonds, series 2013B. The bonds are payable through 2030 at interest rates ranging from 2.00% to 3.60%. The proceeds of the bonds were used to call the outstanding balance of the general obligation bonds, series 2010C.

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**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Funding Progress  
 Other Post-Employment Benefit Plan  
 December 31, 2012

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Unit Credit	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 128,614,356	0.00%	\$ 128,614,356	\$ 34,036,048	378%
2009	-	128,614,356	0.00%	128,614,356	36,801,382	349%
2010	-	122,041,691	0.00%	122,041,691	35,910,808	340%
2011	-	122,041,691	0.00%	122,041,691	35,910,808	340%
2012	-	139,828,532	0.00%	139,828,532	34,981,999	400%

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

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Employer Contributions  
 Other Post-Employment Benefit Plan  
 For the Year Ended December 31, 2012

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 3,417,289	\$ 10,153,106	34%
2009	3,417,289	9,929,952	34%
2010	3,734,292	9,519,392	39%
2011	4,065,523	9,519,392	43%
2012	4,200,671	10,048,793	42%

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

## **SUPPLEMENTARY INFORMATION**



**CITY OF WEST ALLIS, WISCONSIN**  
 General Fund  
 Schedule of Budgeted and Actual Revenues  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Taxes</b>			
General City property taxes	\$ 32,435,403	\$ 32,435,403	\$ -
Delinquent personal property taxes	-	43,911	43,911
Omitted taxes	-	4,760	4,760
Mobile home and trailer taxes	80,000	76,330	(3,670)
Hotel and motel taxes	33,000	43,169	10,169
State sales taxes	-	(197)	(197)
Tax equivalents			
Medical office	606,438	611,685	5,247
HOLIE	76,500	76,595	95
Other	74,500	80,410	5,910
Tax delinquencies and penalties	300,000	358,709	58,709
<b>Total Taxes</b>	<b>33,605,841</b>	<b>33,730,775</b>	<b>124,934</b>
<b>Intergovernmental</b>			
State shared revenues	7,198,483	7,228,751	30,268
Expenditure restraint program	1,627,054	1,627,054	-
Transportation aid	2,287,236	2,287,195	(41)
Exempt computer aid	187,000	187,843	843
Fire insurance	135,000	150,996	15,996
Municipal services payment	320,000	128,039	(191,961)
Milwaukee County Library	275,000	269,273	(5,727)
State fair service contract	30,000	230,000	200,000
<b>Total Intergovernmental</b>	<b>12,059,773</b>	<b>12,109,151</b>	<b>49,378</b>
<b>Licenses and Permits</b>			
Liquor/tavern licenses	96,025	95,795	(230)
Business operators license	157,630	170,391	12,761
Permits			
Construction	587,000	769,827	182,827
Parking	370,100	354,598	(15,502)
Engineering	56,975	100,658	43,683
Health	16,313	14,593	(1,720)
Other licenses and permits	22,300	24,810	2,510
<b>Total Licenses and Permits</b>	<b>1,306,343</b>	<b>1,530,672</b>	<b>224,329</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
 General Fund  
 Schedule of Budgeted and Actual Revenues (Continued)  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Public Charges for Services</b>			
General government	11,400	22,253	10,853
Building inspection	42,960	66,051	23,091
Police	144,450	142,235	(2,215)
Ambulance	1,320,000	1,561,605	241,605
Fire	19,050	19,382	332
Milwaukee County paramedic aid	180,000	94,668	(85,332)
Health	272,650	266,635	(6,015)
Senior center	6,700	6,394	(306)
Public works	282,000	360,536	78,536
Library	88,300	88,335	35
<b>Total Public Charges for Services</b>	<b>2,367,510</b>	<b>2,628,094</b>	<b>260,584</b>
<b>Fines, Forfeitures and Penalties</b>			
Court fines, costs and fees	875,000	982,399	107,399
Parking violations	1,150,000	1,100,011	(49,989)
Judgments and damages	2,500	33,307	30,807
<b>Total Fines, Forfeitures and Penalties</b>	<b>2,027,500</b>	<b>2,115,717</b>	<b>88,217</b>
<b>Interest</b>			
Interest on investments	500,000	708,525	208,525
Interest on special assessments	1,500	2,559	1,059
<b>Total Interest</b>	<b>501,500</b>	<b>711,084</b>	<b>209,584</b>
<b>Miscellaneous</b>			
Rental of City buildings	170,000	186,793	16,793
Sale of material and equipment	98,900	105,284	6,384
Contributions	350,000	350,000	-
Miscellaneous	240,150	244,812	4,662
<b>Total Miscellaneous</b>	<b>859,050</b>	<b>886,889</b>	<b>27,839</b>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 52,727,517</b>	<b>\$ 53,712,382</b>	<b>\$ 984,865</b>

**CITY OF WEST ALLIS, WISCONSIN**  
 General Fund  
 Schedule of Budgeted and Actual Expenditures  
 For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>General Government</b>				
Common council	\$ 99,440	\$ 261,747	\$ 258,642	\$ 3,105
Mayor	80,396	124,879	124,230	649
City attorney	483,133	656,009	642,848	13,161
Municipal court	293,806	358,650	333,302	25,348
City assessor	350,187	526,561	509,056	17,505
Administration	148,463	203,221	202,094	1,127
Information technology	770,536	1,049,514	961,654	87,860
Purchasing/central services	505,796	708,306	588,374	119,932
Human resources	316,009	446,576	433,140	13,436
Finance	328,585	452,159	362,856	89,303
City clerk/treasurer	440,651	691,492	664,510	26,982
Promotions, celebrations and awards	92,925	105,425	95,385	10,040
Other general government	1,685,884	1,790,676	380,340	1,410,336
<b>Total General Government</b>	<b>5,595,811</b>	<b>7,375,215</b>	<b>5,556,431</b>	<b>1,818,784</b>
<b>Public Safety</b>				
Police department	11,612,647	17,727,348	18,265,139	(537,791)
Fire department	8,415,672	12,880,642	12,485,316	395,326
Police and fire commission	1,490	19,900	37,685	(17,785)
Building inspections and zoning	758,065	1,091,449	1,023,443	68,006
Planning	209,350	271,151	257,941	13,210
<b>Total Public Safety</b>	<b>20,997,224</b>	<b>31,990,490</b>	<b>32,069,524</b>	<b>(79,034)</b>
<b>Health</b>	<b>1,520,243</b>	<b>2,028,588</b>	<b>1,826,688</b>	<b>201,900</b>
<b>Public Works</b>				
Engineering	886,600	1,232,938	1,181,435	51,503
Public works administration office	248,245	298,219	182,167	116,052
Building and electrical division	2,432,347	3,095,744	2,984,098	111,646
Sanitation and street division	2,507,631	3,354,655	2,880,814	473,841
Forestry division	1,030,581	1,334,242	1,133,976	200,266
Fleet services	1,307,355	1,617,680	1,488,643	129,037
Inventory services	142,290	225,853	241,697	(15,844)
<b>Total Public Works</b>	<b>8,555,049</b>	<b>11,159,331</b>	<b>10,092,830</b>	<b>1,066,501</b>
<b>Culture and Recreation</b>				
Senior center	171,786	222,478	213,811	8,667
Library	1,818,524	2,263,176	2,117,141	146,035
<b>Total Culture and Recreation</b>	<b>1,990,310</b>	<b>2,485,654</b>	<b>2,330,952</b>	<b>154,702</b>
<b>Undistributed Fringe Benefits</b>	<b>16,932,750</b>	<b>1,563,525</b>	<b>968,511</b>	<b>595,014</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 55,591,387</b>	<b>\$ 56,602,803</b>	<b>\$ 52,844,936</b>	<b>\$ 3,757,867</b>

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**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2012

	Block Grant	Stimulus Programs	H.O.M.E. Program	HUD Development Grant	CDBG-EAP	Rental Energy Loans	Housing Programs	Library Endowment
<b>ASSETS</b>								
Cash and investments	\$ 769	\$ 7,518	\$ 198,436	\$ -	\$ -	\$ 432,709	\$ 457,312	\$ 68,420
Receivables								
Accounts	474	-	-	-	-	-	-	-
Notes and loans	1,604,126	127,489	2,876,956	-	-	-	386,687	-
Special assessments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	115	-
Due from other governmental units	89,044	157	351,053	47,922	42,279	-	-	-
Prepaid items	-	-	-	-	-	-	230,900	-
<b>TOTAL ASSETS</b>	<b>\$ 1,694,413</b>	<b>\$ 135,164</b>	<b>\$ 3,426,445</b>	<b>\$ 47,922</b>	<b>\$ 42,279</b>	<b>\$ 432,709</b>	<b>\$ 1,075,014</b>	<b>\$ 68,420</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
<b>Liabilities</b>								
Accounts payable	\$ 36,700	\$ -	\$ 2,377	\$ -	\$ 7,103	\$ -	\$ 15,834	\$ -
Accrued liabilities	14,140	168	644	-	1,259	-	15,685	-
Due to other funds	134,695	-	321,059	47,922	33,917	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>185,535</b>	<b>168</b>	<b>324,080</b>	<b>47,922</b>	<b>42,279</b>	<b>-</b>	<b>31,519</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Special assessments	-	-	-	-	-	-	-	-
Notes and loans	1,604,126	127,489	2,876,956	-	-	-	386,687	-
<b>Total Deferred Inflows of Resources</b>	<b>1,604,126</b>	<b>127,489</b>	<b>2,876,956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,687</b>	<b>-</b>
<b>Fund Balance (Deficit)</b>								
<b>Nonspendable</b>								
Inventories and prepaid items	-	-	-	-	-	-	230,900	-
<b>Restricted</b>								
Grantors	-	7,507	225,409	-	-	432,709	425,908	68,420
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	(95,248)	-	-	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>(95,248)</b>	<b>7,507</b>	<b>225,409</b>	<b>-</b>	<b>-</b>	<b>432,709</b>	<b>656,808</b>	<b>68,420</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,694,413</b>	<b>\$ 135,164</b>	<b>\$ 3,426,445</b>	<b>\$ 47,922</b>	<b>\$ 42,279</b>	<b>\$ 432,709</b>	<b>\$ 1,075,014</b>	<b>\$ 68,420</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
December 31, 2012

	Cable Communi- cations	Health Grants	Police Grants	Fire Grants	Information Technology Joint Ventures	Miscellaneous Grants	Centennial	Total Special Revenue Funds
<b>ASSETS</b>								
Cash and investments	\$ 648,716	\$ 155,917	\$ 1,000	\$ 62,622	\$ 87,155	\$ 84,737	\$ 123	\$ 2,205,434
Receivables								
Accounts	150,070	-	-	-	-	-	-	150,544
Notes and loans	-	-	-	-	-	-	-	4,995,258
Special assessments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	115
Due from other governmental units	-	45,287	380,740	18,823	-	8,600	-	983,905
Prepaid items	-	-	-	-	-	-	-	230,900
<b>TOTAL ASSETS</b>	<b>\$ 798,786</b>	<b>\$ 201,204</b>	<b>\$ 381,740</b>	<b>\$ 81,445</b>	<b>\$ 87,155</b>	<b>\$ 93,337</b>	<b>\$ 123</b>	<b>\$ 8,566,156</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
<b>Liabilities</b>								
Accounts payable	\$ 433	\$ 9,650	\$ 55,203	\$ 286	\$ -	\$ 1,806	\$ -	\$ 129,392
Accrued liabilities	6,942	6,735	2,838	-	-	-	-	48,411
Due to other funds	-	-	323,699	-	-	8,600	-	869,892
Due to other governments	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Unearned revenues	-	184,819	-	-	-	82,931	-	267,750
<b>Total Liabilities</b>	<b>7,375</b>	<b>201,204</b>	<b>381,740</b>	<b>286</b>	<b>-</b>	<b>93,337</b>	<b>-</b>	<b>1,315,445</b>
<b>Deferred Inflows of Resources</b>								
Special assessments	-	-	-	-	-	-	-	-
Notes and loans	-	-	-	-	-	-	-	4,995,258
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,995,258</b>
<b>Fund Balance (Deficit)</b>								
<b>Nonspendable</b>								
Inventories and prepaid items	-	-	-	-	-	-	-	230,900
<b>Restricted</b>								
Grantors	-	-	-	81,159	-	-	123	1,241,235
Committed	791,411	-	-	-	87,155	-	-	878,566
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(95,248)
<b>Total Fund Balance (Deficit)</b>	<b>791,411</b>	<b>-</b>	<b>-</b>	<b>81,159</b>	<b>87,155</b>	<b>-</b>	<b>123</b>	<b>2,255,453</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 798,786</b>	<b>\$ 201,204</b>	<b>\$ 381,740</b>	<b>\$ 81,445</b>	<b>\$ 87,155</b>	<b>\$ 93,337</b>	<b>\$ 123</b>	<b>\$ 8,566,156</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
December 31, 2012

	Public Works Improvements	Tax Increment Districts				
		No. 2	No. 3	No. 5	No. 6	No. 7
<b>ASSETS</b>						
Cash and investments	\$ 179,162	\$ 166,316	\$ 641,468	\$ -	\$ -	\$ 2,755,779
Receivables						
Accounts	271	-	-	-	-	20
Notes and loans	-	-	1,146,029	732,300	-	-
Special assessments	1,860,874	-	-	-	-	-
Interest	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,040,307</b>	<b>\$ 166,316</b>	<b>\$ 1,787,497</b>	<b>\$ 732,300</b>	<b>\$ -</b>	<b>\$ 2,755,799</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	\$ 167,319	\$ -	\$ 442,539	\$ 11,659	\$ -	\$ -
Accrued liabilities	1,469	-	373	106	199	492
Due to other funds	-	-	-	870,864	422,466	-
Due to other governments	77,675	-	-	-	-	-
Customer deposits	27,057	-	-	-	-	-
Unearned revenue	177,614	-	-	-	-	-
<b>Total Liabilities</b>	<b>451,134</b>	<b>-</b>	<b>442,912</b>	<b>882,629</b>	<b>422,665</b>	<b>492</b>
<b>Deferred Inflows of Resources</b>						
Special assessments	1,860,874	-	-	-	-	-
Notes and loans	-	-	1,146,029	692,300	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,860,874</b>	<b>-</b>	<b>1,146,029</b>	<b>692,300</b>	<b>-</b>	<b>-</b>
<b>Fund Balance (Deficit)</b>						
<b>Nonspendable</b>						
Inventories and prepaid items	-	-	-	-	-	-
<b>Restricted</b>						
Grantors	-	-	-	-	-	-
<b>Committed</b>						
Assigned	-	166,316	198,556	-	-	2,755,307
Unassigned (deficit)	(271,701)	-	-	(842,629)	(422,665)	-
<b>Total Fund Balance (Deficit)</b>	<b>(271,701)</b>	<b>166,316</b>	<b>198,556</b>	<b>(842,629)</b>	<b>(422,665)</b>	<b>2,755,307</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,040,307</b>	<b>\$ 166,316</b>	<b>\$ 1,787,497</b>	<b>\$ 732,300</b>	<b>\$ -</b>	<b>\$ 2,755,799</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2012

	Tax Increment Districts (Continued)					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12	No. 13		
<b>ASSETS</b>							
Cash and investments	\$ 83,204	\$ -	\$ 175,661	\$ -	\$ -	\$ 4,001,590	\$ 6,207,024
Receivables							
Accounts	-	-	31,097	-	-	31,388	181,932
Notes and loans	-	-	-	-	-	1,878,329	6,873,587
Special assessments	-	-	-	-	-	1,860,874	1,860,874
Interest	-	-	-	-	-	-	115
Due from other governmental units	-	-	-	-	-	-	983,905
Prepaid items	-	-	-	-	-	-	230,900
<b>TOTAL ASSETS</b>	<b>\$ 83,204</b>	<b>\$ -</b>	<b>\$ 206,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,772,181</b>	<b>\$ 16,338,337</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
Liabilities							
Accounts payable	\$ -	\$ 49,388	\$ 3,544	\$ -	\$ 3,000	\$ 677,449	\$ 806,841
Accrued liabilities	-	70	277	34	117	3,137	51,548
Due to other funds	-	779,119	-	22,969	159,967	2,255,385	3,125,277
Due to other governments	-	-	-	-	-	77,675	77,675
Customer deposits	-	5,000	-	-	-	32,057	32,057
Unearned revenue	-	-	-	-	-	177,614	445,364
<b>Total Liabilities</b>	<b>-</b>	<b>833,577</b>	<b>3,821</b>	<b>23,003</b>	<b>163,084</b>	<b>3,223,317</b>	<b>4,538,762</b>
Deferred Inflows of Resources							
Special assessments	-	-	-	-	-	1,860,874	1,860,874
Notes and loans	-	-	-	-	-	1,838,329	6,833,587
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,699,203</b>	<b>8,694,461</b>
Fund Balance (Deficit)							
Nonspendable							
Inventories and prepaid items	-	-	-	-	-	-	230,900
Restricted							
Grantors	-	-	-	-	-	-	1,241,235
Committed	-	-	-	-	-	-	878,566
Assigned	83,204	-	-	-	-	3,203,383	3,203,383
Unassigned (deficit)	-	(833,577)	202,937	(23,003)	(163,084)	(2,353,722)	(2,448,970)
<b>Total Fund Balance (Deficit)</b>	<b>83,204</b>	<b>(833,577)</b>	<b>202,937</b>	<b>(23,003)</b>	<b>(163,084)</b>	<b>849,661</b>	<b>3,105,114</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 83,204</b>	<b>\$ -</b>	<b>\$ 206,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,772,181</b>	<b>\$ 16,338,337</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2012

	Block Grant	Stimulus Programs	H.O.M.E. Program	HUD Development Grant	CDBG-EAP	Rental Energy Loans	Housing Programs	Library Endowment
<b>Revenues</b>								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,036,081	190,148	193,025	25,402	537,553	-	2,912,544	-
Public charges for services	-	-	-	-	-	-	-	-
Loan repayments	168,058	-	87,863	-	-	-	-	-
Interest	-	-	349	-	-	-	960	41
Miscellaneous	-	4,954	55,616	139,772	-	-	-	38,550
<b>Total Revenues</b>	<b>1,204,139</b>	<b>195,102</b>	<b>336,853</b>	<b>165,174</b>	<b>537,553</b>	<b>-</b>	<b>2,913,504</b>	<b>38,591</b>
<b>Expenditures</b>								
Current								
Public safety	-	67,840	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	9,000
Conservation and development	1,299,387	122,380	403,056	165,174	537,553	-	2,932,413	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,299,387</b>	<b>190,220</b>	<b>403,056</b>	<b>165,174</b>	<b>537,553</b>	<b>-</b>	<b>2,932,413</b>	<b>9,000</b>
<b>Excess of Revenues Over (Under)</b>								
Expenditures	(95,248)	4,882	(66,203)	-	-	-	(18,909)	29,591
<b>Other Financing Sources (Uses)</b>								
General obligation debt issued	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(95,248)</b>	<b>4,882</b>	<b>(66,203)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,909)</b>	<b>29,591</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>-</b>	<b>2,625</b>	<b>291,612</b>	<b>-</b>	<b>-</b>	<b>432,709</b>	<b>675,717</b>	<b>38,829</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ (95,248)</b>	<b>\$ 7,507</b>	<b>\$ 225,409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 432,709</b>	<b>\$ 656,808</b>	<b>\$ 68,420</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2012

	Cable Communi- cations	Health Grants	Police Grants	Fire Grants	Information Technology Joint Ventures	Miscell- aneous Grants	Centennial	Total Special Revenue Funds
<b>Revenues</b>								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	468,825	2,013,583	14,015	-	419,400	-	7,810,576
Public charges for services	734,636	-	-	-	-	-	-	734,636
Loan repayments	-	-	-	-	-	-	-	255,921
Interest	-	-	-	-	-	-	-	1,350
Miscellaneous	-	-	-	-	18,904	-	90	257,886
<b>Total Revenues</b>	<b>734,636</b>	<b>468,825</b>	<b>2,013,583</b>	<b>14,015</b>	<b>18,904</b>	<b>419,400</b>	<b>90</b>	<b>9,060,369</b>
<b>Expenditures</b>								
<b>Current</b>								
Public safety	-	-	2,013,583	11,976	-	-	-	2,093,399
Public works	-	-	-	-	-	10,800	-	10,800
Health	-	468,867	-	-	-	-	-	468,867
Culture and recreation	387,154	-	-	-	-	-	-	396,154
Conservation and development	-	-	-	-	-	-	-	5,459,963
Capital outlay	-	-	-	-	-	408,600	-	408,600
<b>Total Expenditures</b>	<b>387,154</b>	<b>468,867</b>	<b>2,013,583</b>	<b>11,976</b>	<b>-</b>	<b>419,400</b>	<b>-</b>	<b>8,837,783</b>
<b>Excess of Revenues Over (Under)</b>								
Expenditures	347,482	(42)	-	2,039	18,904	-	90	222,586
<b>Other Financing Sources (Uses)</b>								
General obligation debt issued	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(350,000)	-	-	-	-	-	-	(350,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(350,000)</b>
<b>Net Change in Fund Balances</b>	<b>(2,518)</b>	<b>(42)</b>	<b>-</b>	<b>2,039</b>	<b>18,904</b>	<b>-</b>	<b>90</b>	<b>(127,414)</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>793,929</b>	<b>42</b>	<b>-</b>	<b>79,120</b>	<b>68,251</b>	<b>-</b>	<b>33</b>	<b>2,382,867</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 791,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81,159</b>	<b>\$ 87,155</b>	<b>\$ -</b>	<b>\$ 123</b>	<b>\$ 2,255,453</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2012

	Public Works Improvements	Tax Increment Districts				
		No. 2	No. 3	No. 5	No. 6	No. 7
<b>Revenues</b>						
Special assessments	\$ 1,448,361	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	111,685	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	50,008	-	-	80,045	-	216,976
<b>Total Revenues</b>	<b>1,610,054</b>	<b>-</b>	<b>-</b>	<b>80,045</b>	<b>-</b>	<b>216,976</b>
<b>Expenditures</b>						
Current						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Capital outlay	3,763,837	1,846	10,816	139,780	22,662	38,667
<b>Total Expenditures</b>	<b>3,763,837</b>	<b>1,846</b>	<b>10,816</b>	<b>139,780</b>	<b>22,662</b>	<b>38,667</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,153,783)</b>	<b>(1,846)</b>	<b>(10,816)</b>	<b>(59,735)</b>	<b>(22,662)</b>	<b>178,309</b>
<b>Other Financing Sources (Uses)</b>						
General obligation debt issued	2,745,000	-	-	-	-	-
Transfers in	252,440	36,951	-	-	-	284,707
Transfers out	-	-	(100,085)	(310,254)	(84,425)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,997,440</b>	<b>36,951</b>	<b>(100,085)</b>	<b>(310,254)</b>	<b>(84,425)</b>	<b>284,707</b>
<b>Net Change in Fund Balances</b>	<b>843,657</b>	<b>35,105</b>	<b>(110,901)</b>	<b>(369,989)</b>	<b>(107,087)</b>	<b>463,016</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>(1,115,358)</b>	<b>131,211</b>	<b>309,457</b>	<b>(472,640)</b>	<b>(315,578)</b>	<b>2,292,291</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ (271,701)</b>	<b>\$ 186,316</b>	<b>\$ 198,556</b>	<b>\$ (842,629)</b>	<b>\$ (422,665)</b>	<b>\$ 2,755,307</b>

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2012

	Tax Increment Districts (Continued)					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12	No. 13		
<b>Revenues</b>							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,448,361	\$ 1,448,361
Intergovernmental	-	-	-	-	-	111,685	7,922,261
Public charges for services	-	-	-	-	-	-	734,636
Loan repayments	-	-	-	-	-	-	255,921
Interest	-	-	-	-	-	-	1,350
Miscellaneous	-	3,000	50,109	-	-	400,138	658,024
<b>Total Revenues</b>	<b>-</b>	<b>3,000</b>	<b>50,109</b>	<b>-</b>	<b>-</b>	<b>1,960,184</b>	<b>11,020,553</b>
<b>Expenditures</b>							
<b>Current</b>							
Public safety	-	-	-	-	-	-	2,093,399
Public works	-	-	-	-	-	-	10,800
Health	-	-	-	-	-	-	468,867
Culture and recreation	-	-	-	-	-	-	396,154
Conservation and development	-	-	-	-	-	-	5,459,963
Capital outlay	4,897	762,959	148,357	12,364	135,478	5,041,663	5,450,263
<b>Total Expenditures</b>	<b>4,897</b>	<b>762,959</b>	<b>148,357</b>	<b>12,364</b>	<b>135,478</b>	<b>5,041,663</b>	<b>13,879,446</b>
<b>Excess of Revenues Over (Under)</b>							
<b>Expenditures</b>	<b>(4,897)</b>	<b>(759,959)</b>	<b>(98,248)</b>	<b>(12,364)</b>	<b>(135,478)</b>	<b>(3,081,479)</b>	<b>(2,858,893)</b>
<b>Other Financing Sources (Uses)</b>							
General obligation debt issued	-	-	1,000,000	-	-	3,745,000	3,745,000
Transfers in	-	-	197	-	-	574,295	574,295
Transfers out	(1,710)	(175,620)	-	-	-	(672,094)	(1,022,094)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,710)</b>	<b>(175,620)</b>	<b>1,000,197</b>	<b>-</b>	<b>-</b>	<b>3,647,201</b>	<b>3,297,201</b>
<b>Net Change in Fund Balances</b>	<b>(6,607)</b>	<b>(935,579)</b>	<b>901,949</b>	<b>(12,364)</b>	<b>(135,478)</b>	<b>565,722</b>	<b>438,308</b>
<b>Fund Balances (Deficits) - January 1</b>	<b>89,811</b>	<b>102,002</b>	<b>(699,012)</b>	<b>(10,639)</b>	<b>(27,606)</b>	<b>283,939</b>	<b>2,666,806</b>
<b>Fund Balances (Deficits) - December 31</b>	<b>\$ 83,204</b>	<b>\$ (833,577)</b>	<b>\$ 202,937</b>	<b>\$ (23,003)</b>	<b>\$ (163,084)</b>	<b>\$ 849,661</b>	<b>\$ 3,105,114</b>

**CITY OF WEST ALLIS, WISCONSIN**  
 Block Grant Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 658,059	\$ 1,036,081	\$ 378,022
Loan repayments	611,135	168,058	(443,077)
Total Revenues	<u>1,269,194</u>	<u>1,204,139</u>	<u>(65,055)</u>
Expenditures			
Conservation and development	1,269,194	1,299,387	(30,193)
Net Change in Fund Balance	-	(95,248)	(95,248)
Fund Balance - January 1	-	-	-
Fund Balance (Deficit) - December 31	<u>\$ -</u>	<u>\$ (95,248)</u>	<u>\$ (95,248)</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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 231,734	\$ 193,025	\$ (38,709)
Loan repayments	115,866	87,863	(28,003)
Interest	-	349	349
Miscellaneous	-	55,616	55,616
Total Revenues	<u>347,600</u>	<u>336,853</u>	<u>(10,747)</u>
Expenditures			
Conservation and development	<u>347,600</u>	<u>403,056</u>	<u>(55,456)</u>
Net Change in Fund Balance	-	(66,203)	(66,203)
Fund Balance - January 1	<u>291,612</u>	<u>291,612</u>	-
Fund Balance - December 31	<u>\$ 291,612</u>	<u>\$ 225,409</u>	<u>\$ (66,203)</u>

**CITY OF WEST ALLIS, WISCONSIN**  
 Rental Energy Loans Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Loan repayments	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	432,709	432,709	-
Fund Balance - December 31	<u>\$ 432,709</u>	<u>\$ 432,709</u>	<u>\$ -</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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 2,608,714	\$ 2,912,544	\$ 303,830
Interest	20,000	960	(19,040)
Total Revenues	<u>2,628,714</u>	<u>2,913,504</u>	<u>284,790</u>
Expenditures			
Conservation and development	<u>2,628,714</u>	<u>2,932,413</u>	<u>(303,699)</u>
Net Change in Fund Balance	-	(18,909)	(18,909)
Fund Balance - January 1	<u>675,717</u>	<u>675,717</u>	-
Fund Balance - December 31	<u>\$ 675,717</u>	<u>\$ 656,808</u>	<u>\$ (18,909)</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, 2012**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services	\$ 600,000	\$ 734,636	\$ 134,636
Miscellaneous	-	-	-
Total Revenues	<u>600,000</u>	<u>734,636</u>	<u>134,636</u>
Expenditures			
Culture and recreation	<u>365,057</u>	<u>387,154</u>	<u>(22,097)</u>
Excess of Revenues Over (Under) Expenditures	234,943	347,482	112,539
Other Financing Sources (Uses)			
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	-
Net Change in Fund Balance	(115,057)	(2,518)	112,539
Fund Balance - January 1	<u>793,929</u>	<u>793,929</u>	-
Fund Balance - December 31	<u>\$ 678,872</u>	<u>\$ 791,411</u>	<u>\$ 112,539</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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 401,320	\$ 468,825	\$ 67,505
Expenditures			
Health	401,320	468,867	(67,547)
Net Change in Fund Balance	-	(42)	(42)
Fund Balance - January 1	42	42	-
Fund Balance - December 31	\$ 42	\$ -	\$ (42)

**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, 2012**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 2,031,927	\$ 2,013,583	\$ (18,344)
Expenditures			
Public safety	2,031,927	2,013,583	18,344
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -

**CITY OF WEST ALLIS, WISCONSIN**  
 Fire Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 10,500	\$ 14,015	\$ 3,515
Expenditures			
Public safety	10,500	11,976	(1,476)
Net Change in Fund Balance	-	2,039	2,039
Fund Balance - January 1	79,120	79,120	-
Fund Balance - December 31	\$ 79,120	\$ 81,159	\$ 2,039

**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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 6,480,000	\$ 6,446,674	\$ (33,326)
Intergovernmental	217,100	224,854	7,754
Miscellaneous			
Payment from hospital	551,493	551,492	(1)
Other	185,862	188,465	2,603
Total Revenues	<u>7,434,455</u>	<u>7,411,485</u>	<u>(22,970)</u>
Expenditures			
Debt service			
Principal retirement			
City purposes	5,264,435	9,907,585	(4,643,150)
Hospital	515,000	515,000	-
Interest and fiscal charges			
City purposes	2,308,176	2,161,977	146,199
Hospital	36,493	36,492	1
Debt issuance costs	30,000	151,123	(121,123)
Total Expenditures	<u>8,154,104</u>	<u>12,772,177</u>	<u>(4,618,073)</u>
Excess of Revenues Over (Under) Expenditures	<u>(719,649)</u>	<u>(5,360,692)</u>	<u>(4,641,043)</u>
Other Financing Sources (Uses)			
General obligation debt issued	-	5,015,000	5,015,000
Transfers in	662,801	672,094	9,293
Transfers out	(32,002)	(321,855)	(289,853)
Total Other Financing Sources (Uses)	<u>630,799</u>	<u>5,365,239</u>	<u>4,734,440</u>
Net Change in Fund Balance	(88,850)	4,547	93,397
Fund Balance - January 1	<u>183,321</u>	<u>183,321</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 94,471</u>	<u>\$ 187,868</u>	<u>\$ 93,397</u>

**CITY OF WEST ALLIS, WISCONSIN**  
 Public Works Improvements Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 280,000	\$ 111,685	\$ (168,315)
Special assessments	1,059,000	1,448,361	389,361
Miscellaneous	-	50,008	50,008
Total Revenues	<u>1,339,000</u>	<u>1,610,054</u>	<u>271,054</u>
Expenditures			
Capital outlay	<u>4,083,000</u>	<u>3,763,837</u>	<u>319,163</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,744,000)</u>	<u>(2,153,783)</u>	<u>590,217</u>
Other Financing Sources			
General obligation debt issued	2,744,000	2,745,000	1,000
Transfers in	-	252,440	252,440
Total Other Financing Sources	<u>2,744,000</u>	<u>2,997,440</u>	<u>253,440</u>
Net Change in Fund Balance	-	843,657	843,657
Fund Balance (Deficit) - January 1	<u>(1,115,358)</u>	<u>(1,115,358)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (1,115,358)</u>	<u>\$ (271,701)</u>	<u>\$ 843,657</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Net Position  
December 31, 2012

	Insurance Management Fund	Health Insurance Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 12,556,576	\$ 12,556,576
Receivables			
Taxes	-	2,000,000	2,000,000
Accounts	-	64,350	64,350
Deposit with CVMIC	3,244,299	-	3,244,299
<b>Total Assets</b>	<u>3,244,299</u>	<u>14,620,926</u>	<u>17,865,225</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	-	3,542,264	3,542,264
Accrued liabilities	-	1,963	1,963
Deposits	-	25,936	25,936
Unearned revenue	-	65,452	65,452
<b>Total Liabilities</b>	<u>-</u>	<u>3,635,615</u>	<u>3,635,615</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	2,000,000	2,000,000
<b>NET POSITION</b>			
Unrestricted	<u>\$ 3,244,299</u>	<u>\$ 8,985,311</u>	<u>\$ 12,229,610</u>

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2012

	Insurance Management Fund	Health Insurance Fund	Totals
Operating Revenues			
Charges to City departments, employees and retirees	\$ -	\$ 14,428,086	\$ 14,428,086
Operating Expenses			
Insurance claims and estimate changes	-	15,885,896	15,885,896
Operating Income (Loss)	-	(1,457,810)	(1,457,810)
Nonoperating Revenues			
Property taxes	-	2,800,000	2,800,000
Interest income	92,506	-	92,506
Total Nonoperating Revenues	92,506	2,800,000	2,892,506
Income Before Transfers	92,506	1,342,190	1,434,696
Transfers out	(92,506)	-	(92,506)
Change in Net Position	-	1,342,190	1,342,190
Net Position - January 1	3,244,299	7,643,121	10,887,420
Net Position - December 31	\$ 3,244,299	\$ 8,985,311	\$ 12,229,610

**CITY OF WEST ALLIS, WISCONSIN**  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2012

	Insurance Management Fund	Health Insurance Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash from interfund services provided	\$ -	\$ 14,306,870	\$ 14,306,870
Cash paid for insurance	-	(16,119,074)	(16,119,074)
Cash paid to consultants and suppliers	-	(122,264)	(122,264)
Net Cash Provided (Used) by Operating Activities	-	(1,934,468)	(1,934,468)
<b>Cash Flows from Noncapital Financing Activities</b>			
Property taxes	-	2,800,000	2,800,000
Transfers to other funds	(92,506)	-	(92,506)
Net Cash Provided (Used) by Noncapital Financing Activities	(92,506)	2,800,000	2,707,494
<b>Cash Flows from Investing Activities</b>			
Interest received	92,506	-	92,506
Increase in Cash and Cash Equivalents	-	865,532	865,532
Cash and Cash Equivalents - January 1	-	11,691,044	11,691,044
Cash and Cash Equivalents - December 31	\$ -	\$ 12,556,576	\$ 12,556,576
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>			
Operating loss	\$ -	\$ (1,457,810)	\$ (1,457,810)
Adjustments to reconcile operating loss to net cash used by operating activities			
Changes in assets and liabilities			
Accounts receivable	-	6,391	6,391
Accounts payable	-	(340,655)	(340,655)
Accrued liabilities	-	908	908
Deposits	-	(15,695)	(15,695)
Unearned revenues	-	(127,607)	(127,607)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (1,934,468)	\$ (1,934,468)

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Governmental Capital Assets - By Source  
December 31, 2012

Governmental Capital Assets	
City Government	
Land	\$ 12,434,105
Buildings	18,533,459
Machinery and equipment	21,101,452
Infrastructure	153,221,925
	<u>205,290,941</u>
West Allis Memorial Hospital	
Land	84,938
Construction in progress	894,415
Land improvements	1,988,330
Buildings	132,350,921
Machinery and equipment	112,850,345
	<u>248,168,949</u>
Total Governmental Capital Assets	<u><u>\$ 453,459,890</u></u>
Investment in Governmental Capital Assets By Source	
General fund	\$ 167,810,754
Special revenue funds	
Federal and state grants	5,579,232
Capital projects funds	
General obligation debt	31,900,955
Hospital Funds	
Cash	189,038,949
Bonds	59,130,000
	<u>59,130,000</u>
Total Investment in Governmental Capital Assets By Source	<u><u>\$ 453,459,890</u></u>

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Governmental Capital Assets - By Function  
December 31, 2012

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
<b>City Government</b>							
General government	\$ 562,857	\$ -	\$ -	\$ 1,857,610	\$ 2,306,046	\$ -	\$ 4,726,513
Public safety	186,826	-	-	10,935,386	7,379,794	-	18,502,006
Public works	9,673,688	-	-	1,491,614	10,205,961	153,221,925	174,593,188
Health	64,000	-	-	796,605	72,763	-	933,368
Culture and recreation	1,093,379	-	-	3,452,244	1,065,639	-	5,611,262
Development	853,355	-	-	-	71,249	-	924,604
<b>Total City Government</b>	<b>12,434,105</b>	<b>-</b>	<b>-</b>	<b>18,533,459</b>	<b>21,101,452</b>	<b>153,221,925</b>	<b>205,290,941</b>
<b>West Allis Memorial Hospital</b>							
Hospital	84,938	894,415	1,988,330	132,350,921	112,850,345	-	248,168,949
<b>Total</b>	<b>\$ 12,519,043</b>	<b>\$ 894,415</b>	<b>\$ 1,988,330</b>	<b>\$ 150,884,380</b>	<b>\$ 133,951,797</b>	<b>\$ 153,221,925</b>	<b>\$ 453,459,890</b>

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Changes in Governmental Capital Assets - by Function  
 For the Year Ended December 31, 2012

Function and Activity	Balance 1/1/2012	Additions	Deletions	Balance 12/31/2012
<b>City Government</b>				
General government	\$ 4,472,237	\$ 321,468	\$ 67,192	\$ 4,726,513
Public safety	18,405,612	519,838	423,444	18,502,006
Public works	171,575,165	3,810,879	792,856	174,593,188
Health	926,473	6,895	-	933,368
Culture and recreation	5,611,262	-	-	5,611,262
Development	924,604	-	-	924,604
<b>Total City Government</b>	<b>201,915,353</b>	<b>4,659,080</b>	<b>1,283,492</b>	<b>205,290,941</b>
<b>West Allis Memorial Hospital</b>	<b>243,894,806</b>	<b>4,274,143</b>	<b>-</b>	<b>248,168,949</b>
<b>Total</b>	<b>\$ 445,810,159</b>	<b>\$ 8,933,223</b>	<b>\$ 1,283,492</b>	<b>\$ 453,459,890</b>

**CITY OF WEST ALLIS, WISCONSIN**  
Component Units  
Combining Statement of Net Position  
December 31, 2012

	Terchak Endowment Fund	FIRE	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,016,022	\$ 4,102,629	\$ 5,118,651
Accounts receivable	-	70,155	70,155
Due from City of West Allis	-	30,987	30,987
Capital Assets			
Furniture and fixtures	-	11,500	11,500
Accumulated depreciation	-	(11,500)	(11,500)
<b>Total Assets</b>	<b>1,016,022</b>	<b>4,203,771</b>	<b>5,219,793</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	-	3,124	3,124
Accrued liabilities	-	39,508	39,508
Deposits	-	25,000	25,000
Unearned revenue	-	1,261,113	1,261,113
<b>Total Liabilities</b>	<b>-</b>	<b>1,328,745</b>	<b>1,328,745</b>
<b>NET POSITION</b>			
Unrestricted	<b>\$ 1,016,022</b>	<b>\$ 2,875,026</b>	<b>\$ 3,891,048</b>

**CITY OF WEST ALLIS, WISCONSIN**  
 Component Units  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended December 31, 2012

	Terchak Endowment Fund	FIRE	Totals
Revenues			
Service fees	\$ -	\$ 1,288,971	\$ 1,288,971
Interest	108,082	6,135	114,217
Total Revenues	<u>108,082</u>	<u>1,295,106</u>	<u>1,403,188</u>
Expenses			
Capital outlay	38,550	-	38,550
Development projects	-	322,286	322,286
Depreciation	-	757	757
Total Expenses	<u>38,550</u>	<u>323,043</u>	<u>361,593</u>
Change in Net Position	69,532	972,063	1,041,595
Net Position - January 1	<u>946,490</u>	<u>1,902,963</u>	<u>2,849,453</u>
Net Position - December 31	<u>\$ 1,016,022</u>	<u>\$ 2,875,026</u>	<u>\$ 3,891,048</u>

## **STATISTICAL SECTION**



## 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 tenth largest city in the State of Wisconsin, with a population of 60,411 according to the 2010 census.

Companies such as Quad Graphics, Aurora Home Medical Services, Alterra, Chris Hansen Laboratory Inc, C & H Distributors and many other large, medium and small businesses of a diversified nature are located in West Allis, as well as many financial institutions and places of worship.

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

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

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

West Allis is a full service community, providing for: public safety, housing assistance, water distribution and disposal, public works, recreation and general government. The City of West Allis employs on a permanent, full-time basis a total of 518 people. At different times during the year West Allis also employs temporary and part-time help to do seasonal and other work. The City requires that all public safety employees reside within a thirty-minute drive radius of the West Allis city limits within eighteen months of employment. The City operates daily through thirteen departments, headed by ten appointed officials and two elected officials (Attorney & Municipal Judge).

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

The Sanitation and Street Division provides for street and sewer (storm and sanitary) maintenance and improvements, refuse collection and disposal, ice control and snow

removal. The Recycling Office provides for the curbside pick-up of recyclables within the community. The Building and Electrical Services Division provides for maintenance and improvements to all municipal buildings and electrical facilities. The Equipment Repair Division provides for equipment repair and maintenance on all public works vehicles. The Forestry and Grounds Division provides for maintenance of all parks, playgrounds and trees.

The Water Utility provides for the distribution and maintenance of all water supply and storage facilities. The City of West Allis owns and operates its water system. The Water Division is operated as a public utility and is subject to regulation by the Wisconsin Public Service Commission. West Allis purchases its water from the City of Milwaukee Water Utility for storage and distribution through its own system. Clear water storage capacity is 7,000,000 gallons. Average daily water demand was 5,352,438 gallons per day for 2011. Pumping capacity for the system is 15,000,000 gallons per day. The highest gallons pumped on any one day in 2011 were 7,297,000 gallons.

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

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

The Department of Administration and Finance is responsible for all administrative, budgetary, financial, personnel, and support services. The Finance Division provides for all accounting, auditing, water billing, issuance of debt, investment services, F.I.R.E. member and other financial services. The Data Processing/Information Services Division provides all data processing and computer maintenance services. The Personnel Division provides for all recruitment, testing and selection of employees, as well as labor negotiations and benefits program coordination.

The Purchasing/Central Services Division provides for acquisition of supplies, services and equipment, as well as printing, copying, and mail room services. The Office of Cable Communications provides for the administration and regulation of the cable television system in the City, as well as programming and production for the City's governmental channel.

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

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

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

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

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

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

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

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

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

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

The Treasurer acts as the depositor for all city funds. All funds are paid to the treasurer who is also responsible for all investments and disbursements of funds.

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
General Information	111
Financial Trends	115
These schedules contain trend information to help the reader understand how West Allis' financial performance and well-being has changed over time.	
Revenue Capacity	121
These schedules contain information to help the reader assess West Allis' most significant local revenue source, the property tax.	
Debt Capacity	125
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	129
These schedules offer demographic and economic indicators to help the reader understand the environment within which West Allis' financial activities take place.	
Operating Information	131
These schedules contain service and infrastructure data to help the reader understand how the information in West Allis' financial report relates to the services West Allis provides and the activities it performs.	

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

City of West Allis

Net Position by Component  
Last ten fiscal years  
Schedule 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Net investment in capital assets	206,742,069	189,521,112	180,296,657	176,761,317	170,149,762	162,229,941	156,725,902	159,589,960	161,468,728	159,183,191
Restricted for debt service	57,218	1,058,313	1,193,095	1,567,709	1,226,225	763,508	503,693	342,849	183,321	187,868
Unrestricted	(32,645,921)	(26,422,360)	(23,147,843)	(18,171,435)	(11,799,923)	39,160,362	28,848,960	25,632,400	22,854,223	22,955,014
<b>Total governmental activities net position</b>	<b>174,153,366</b>	<b>164,157,065</b>	<b>158,341,909</b>	<b>160,157,590</b>	<b>159,576,064</b>	<b>202,153,811</b>	<b>186,078,555</b>	<b>185,565,209</b>	<b>184,506,272</b>	<b>182,326,073</b>
<b>Business-type Activities</b>										
Net investment in capital assets	43,714,471	44,981,330	45,788,584	47,447,540	48,933,047	50,148,025	52,695,082	53,470,013	54,610,687	56,114,749
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,524,471	5,310,092	5,121,503	4,813,800	5,840,800	5,810,658	5,264,485	6,671,884	13,552,705	16,772,641
<b>Total business-type activities net position</b>	<b>49,238,942</b>	<b>50,291,422</b>	<b>50,910,087</b>	<b>52,261,340</b>	<b>54,773,847</b>	<b>55,958,683</b>	<b>57,959,567</b>	<b>60,141,897</b>	<b>68,163,392</b>	<b>72,887,390</b>
<b>Primary government</b>										
Net investment in capital assets	250,456,540	234,502,442	226,085,241	224,208,857	219,082,809	212,377,966	209,420,984	213,059,973	216,079,415	215,297,940
Restricted for debt service	57,218	1,058,313	1,193,095	1,567,709	1,226,225	763,508	503,693	342,849	183,321	187,868
Unrestricted	(27,121,450)	(21,112,268)	(19,026,340)	(13,357,635)	(5,959,123)	44,971,020	34,113,445	32,304,284	36,406,928	39,727,655
<b>Total primary government net position</b>	<b>223,392,308</b>	<b>214,448,487</b>	<b>209,251,996</b>	<b>212,418,930</b>	<b>214,349,911</b>	<b>258,112,494</b>	<b>244,038,122</b>	<b>245,707,106</b>	<b>252,669,664</b>	<b>255,213,463</b>

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 net position continues to decline is because the amount spent on the replacement of Capital Assets is substantially less than the amount being depreciated for the Capital Assets.
- (c) In 2010 the major increase to Net Investment in Capital Assets for the Governmental Activities was related to the West Allis Memorial Hospital adding new equipment.

City of West Allis

Changes in Net Position  
Last ten fiscal years  
Schedule 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	8,474,859	6,640,927	5,894,021	8,650,622	9,158,568	7,931,317	8,584,181	7,806,361	8,586,090	7,601,000
Public Safety	29,623,206	33,749,668	32,016,133	31,527,661	32,209,833	35,322,808	38,122,733	37,491,260	37,815,973	38,805,269
Public Works	19,165,148	16,123,615	16,959,467	16,043,132	15,492,747	19,059,398	20,775,195	16,122,988	15,308,926	14,917,241
Health & Human Services	18,218,324	11,280,551	9,381,305	12,051,827	10,603,940	11,422,393	11,851,638	10,898,842	8,380,438	10,578,888
Culture, recreation & education	2,943,649	2,752,129	2,984,956	2,716,521	4,204,967	2,953,551	3,415,253	3,189,297	3,223,701	3,121,334
Conservation & development	7,947,593	13,729,073	11,706,621	9,383,343	7,639,845	5,225,216	8,867,397	12,187,021	7,583,983	6,309,345
Interest & Fiscal Charges	2,476,752	2,424,149	2,506,934	2,706,602	2,865,726	2,624,692	2,634,191	2,912,763	2,187,395	2,272,863
<b>Total government activities expense</b>	<b>88,849,531</b>	<b>86,700,112</b>	<b>81,449,437</b>	<b>83,079,708</b>	<b>82,175,626</b>	<b>84,539,375</b>	<b>94,250,588</b>	<b>90,608,532</b>	<b>83,086,506</b>	<b>83,605,940</b>
<b>Business-type Activities:</b>										
Water Utility	5,168,868	4,826,042	5,178,821	5,712,773	5,937,617	6,497,676	6,339,034	6,110,946	6,186,233	6,384,384
Sanitary Sewer Utility	3,871,234	4,304,157	4,432,519	4,167,597	4,305,675	4,866,936	5,147,842	5,695,049	5,902,207	5,925,361
Storm Water Utility	1,470,733	1,188,528	1,671,865	1,762,488	1,565,017	1,633,786	1,744,227	2,215,521	2,254,241	2,226,502
Solid Waste Utility	-	-	-	684,466	792,116	917,135	1,553,697	1,681,268	1,635,879	1,722,897
Parking Utility	25,778	28,190	42,955	83,259	58,847	86,878	53,062	42,601	64,651	38,123
Senior Citizen's Housing	211,847	204,207	339,568	245,991	250,681	358,993	281,149	335,881	395,877	254,464
<b>Total business-type activities expense</b>	<b>10,748,460</b>	<b>10,551,124</b>	<b>11,665,728</b>	<b>12,656,574</b>	<b>12,910,953</b>	<b>14,361,404</b>	<b>15,119,011</b>	<b>16,081,266</b>	<b>16,439,088</b>	<b>16,551,731</b>
<b>Total Primary Government Expense</b>	<b>99,597,991</b>	<b>97,251,236</b>	<b>93,115,165</b>	<b>95,736,282</b>	<b>95,086,579</b>	<b>98,900,779</b>	<b>109,369,599</b>	<b>106,689,798</b>	<b>99,525,594</b>	<b>100,157,671</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services</b>										
General Government	1,301,553	464,243	281,013	743,626	285,483	267,843	316,022	239,886	502,025	65,967
Public Safety	3,807,899	4,465,649	5,320,922	4,557,511	3,666,842	5,335,900	4,953,984	5,021,529	4,086,394	4,265,844
Public Works	379,653	476,106	455,930	613,372	1,770,323	629,056	437,743	397,319	884,235	1,635,627
Health & Human Services	206,797	218,372	229,657	239,713	238,583	237,879	287,905	301,641	276,256	281,228
Culture, recreation & education	593,763	627,705	627,549	97,710	105,208	687,370	717,577	817,404	816,763	868,005
Conservation & development	1,439,000	2,513,496	702,387	168,819	992,456	954,634	640,158	349,862	2,466,220	1,112,821
Interest & Fiscal Charges	898,989	1,245,870	720,953	580,360	492,999	476,460	319,909	187,563	128,860	739,957
<b>Charges for Services</b>	<b>8,627,654</b>	<b>10,011,441</b>	<b>8,338,411</b>	<b>7,001,111</b>	<b>7,551,894</b>	<b>8,589,142</b>	<b>7,673,298</b>	<b>7,315,204</b>	<b>9,160,753</b>	<b>8,969,449</b>
Operating Grants and Contributions	10,935,684	11,172,364	10,724,072	10,089,394	10,386,842	10,417,700	10,853,418	10,832,253	12,721,782	10,518,040
Capital Grants and Contributions	8,533,191	4,672,912	2,914,568	11,270,770	5,655,109	1,473,666	3,415,312	12,535,576	3,901,104	6,279,436
<b>Total governmental activities program revenues</b>	<b>28,096,529</b>	<b>25,856,717</b>	<b>21,977,051</b>	<b>28,361,275</b>	<b>23,593,845</b>	<b>20,480,508</b>	<b>21,942,028</b>	<b>30,683,033</b>	<b>25,783,639</b>	<b>25,766,925</b>

(continued)

City of West Allis

Changes in Net Position  
Last ten fiscal years  
Schedule 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>										
Charges for Services	13,347,564	12,387,928	13,277,530	14,206,554	15,481,812	15,789,002	17,597,067	18,362,363	18,362,363	21,188,970
Operating Grants and Contributions	12,000	-	-	308,070	307,758	389,162	350,296	368,559	368,559	543,728
Capital Grants and Contributions	2,167,980	26,364	107,784	466,915	526,703	633,848	91,039	427,276	427,276	172,493
Total business-type activities program revenues	15,527,544	12,414,292	13,385,314	14,981,539	16,316,273	16,812,012	18,038,402	19,158,198	19,158,198	21,905,191
Total Primary Government Program Revenues	43,624,073	38,271,009	35,362,365	43,342,814	39,910,118	37,292,520	39,980,430	49,841,231	44,941,837	47,672,116
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(60,753,002)	(60,843,395)	(59,472,386)	(54,718,433)	(58,581,781)	(64,058,867)	(72,308,560)	(59,925,499)	(57,302,867)	(57,839,015)
Business-type Activities	4,779,084	1,863,168	1,719,586	2,324,965	3,405,320	2,450,608	2,919,391	3,076,932	2,719,110	5,353,460
Total Primary Government Net Expense	(55,973,918)	(58,980,227)	(57,752,800)	(52,393,468)	(55,176,461)	(61,608,259)	(69,389,169)	(56,848,567)	(54,583,757)	(52,485,555)
<b>General Revenues and Other changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes	30,094,484	33,265,713	34,793,918	36,461,684	37,339,842	38,500,753	38,465,332	40,121,731	41,176,093	41,753,013
Other Taxes	3,528,232	1,010,549	1,019,110	729,680	713,241	736,287	852,851	927,282	881,385	1,246,701
Intergov't revenues not restr to spec programs	11,985,990	10,942,051	11,009,228	11,050,357	11,112,106	11,277,255	11,139,189	10,359,503	10,311,505	9,626,541
Investment Income	1,300,744	1,208,740	1,954,222	3,283,220	4,144,656	4,495,730	1,561,576	1,257,250	1,124,538	886,889
Miscellaneous	-	3,251,805	3,769,828	3,963,466	3,723,817	2,756,598	3,247,009	5,742,633	1,550,448	-
Gain on sale/disposal of capital assets	-	-	-	-	-	-	-	-	-	804,940
Transfers	1,010,527	1,168,236	1,110,924	1,045,687	966,593	966,470	967,347	1,003,754	1,199,961	1,340,732
Total Governmental Activities	47,919,977	50,847,094	53,657,230	56,534,114	58,000,255	58,733,093	56,233,304	59,412,153	56,243,930	55,658,816
<b>Business-type Activities:</b>										
Investment Income	74,208	528	3	3,782	-	-	-	69,152	8,369	242,949
Property Taxes	-	10,000	10,000	10,000	20,000	22,000	22,000	40,000	43,000	43,000
Miscellaneous	-	-	-	58,193	43,013	12,698	26,840	-	419,891	425,321
Gain on sale/disposal of capital assets	-	-	-	-	10,767	-	-	-	4,904,003	-
Transfers	(1,010,527)	(1,168,236)	(1,110,924)	(1,045,687)	(966,593)	(966,470)	(967,347)	(1,003,754)	(1,199,961)	(1,340,732)
Total Business-type Activities	(936,319)	(1,157,708)	(1,100,921)	(973,712)	(892,813)	(931,772)	(918,507)	(894,602)	4,175,302	(629,462)
Total Primary Government	46,983,658	49,689,386	52,556,309	55,560,402	57,107,442	57,801,321	55,314,797	58,517,551	60,419,232	55,029,354
<b>Change in Net Position</b>										
Governmental Activities	(12,833,025)	(9,996,301)	(5,815,156)	1,815,681	(581,526)	(5,325,774)	(16,075,256)	(513,346)	(1,058,937)	(2,180,199)
Business-type Activities	3,842,765	705,460	618,665	1,351,253	2,512,507	1,518,836	2,000,884	2,182,330	8,021,495	4,723,998
Total Primary Government	(8,990,260)	(9,290,841)	(5,196,491)	3,166,934	1,930,981	(3,806,938)	(14,074,372)	1,668,984	6,962,558	2,543,799

Data Source: City of West Allis Audited Financial Statements

City of West Allis

Fund Balances, Governmental Funds  
Last Three Fiscal Years  
Schedule 3

	Fiscal Year <u>2010</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2012</u>
General Fund			
Nonspendable	3,786,310	1,208,155	8,701,706
Restricted	-	-	-
Committed	584,382	939,369	823,931
Assigned	19,983,386	20,232,002	21,300,823
Unassigned	6,439,209	10,024,801	3,976,111
Total General Fund	<u>30,793,287</u>	<u>32,404,327</u>	<u>34,802,571</u>
All Other Governmental Funds			
Nonspendable			
Special Revenue Funds	202,242	195,688	230,900
Restricted			
Debt Service Funds	342,849	183,321	187,868
Special Revenue Funds	2,291,097	1,324,999	1,241,235
Committed			
Special Revenue Funds	784,084	862,180	878,566
Assigned			
Capital Projects Funds	2,406,337	2,924,772	3,203,383
Unassigned			
Special Revenue Funds	(4,367)	-	(95,248)
Capital Projects Funds	(1,083,707)	(2,640,833)	(2,353,722)
Total All Other Governmental Funds	<u>4,938,535</u>	<u>2,850,127</u>	<u>3,292,982</u>
Total Fund Balances	<u>35,731,822</u>	<u>35,254,454</u>	<u>38,095,553</u>

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.)

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

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund									
Reserved	2,439,966	3,348,454	2,309,643	2,337,493	1,858,235	1,730,286	1,910,061	1,874,891	2,034,916
Unreserved	16,845,724	16,974,153	18,344,930	14,639,867	16,615,079	20,590,669	24,143,723	26,884,171	27,072,815
Total General Fund	<u>19,285,690</u>	<u>20,322,607</u>	<u>20,654,573</u>	<u>16,977,360</u>	<u>18,473,314</u>	<u>22,320,955</u>	<u>26,053,784</u>	<u>28,759,062</u>	<u>29,107,731</u>
All Other Governmental Funds									
Reserved	869,888	258,099	2,681,005	3,511,386	4,687,860	2,293,023	1,744,129	1,366,129	1,131,817
Unreserved, reported in:									
Special Revenue Funds	3,365,228	4,170,234	1,904,375	1,523,317	1,543,844	2,147,186	2,135,942	2,230,086	2,495,048
Capital Projects Funds	400,194	7,580,309	(1,563,961)	602,512	293,067	1,739,546	3,039,808	440,270	2,015,882
Debt Service Funds	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>4,635,310</u>	<u>12,008,642</u>	<u>3,021,419</u>	<u>5,637,215</u>	<u>6,524,771</u>	<u>6,179,755</u>	<u>6,919,879</u>	<u>4,036,485</u>	<u>5,642,747</u>
Total Fund Balances	<u>23,921,000</u>	<u>32,331,249</u>	<u>23,675,992</u>	<u>22,614,575</u>	<u>24,998,085</u>	<u>28,500,710</u>	<u>32,973,663</u>	<u>32,795,547</u>	<u>34,750,478</u>

Data Source: City of West Allis Audited Financial Statements

# City of West Allis

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes	30,778,728	31,437,849	32,995,348	34,688,461	35,607,427	36,961,227	36,796,445	38,579,707	39,606,747	40,177,449
Special assessments	886,211	821,266	716,993	1,036,694	1,042,923	812,257	966,982	1,138,632	785,050	1,448,361
Intergovernmental revenues	22,921,674	22,114,415	22,397,093	20,778,580	21,302,282	21,795,547	22,499,361	27,066,761	22,878,787	20,256,266
Licenses & permits	1,260,379	1,543,094	1,789,784	1,462,298	1,533,882	1,517,233	1,366,852	1,443,159	1,409,206	1,530,672
Fines, forfeits, & penalties	1,562,255	1,766,324	1,925,439	1,839,392	2,126,327	2,121,677	2,016,671	1,984,350	1,725,585	2,115,717
Public charges for services	3,032,456	2,849,089	2,785,375	2,929,828	2,985,813	3,512,731	3,110,472	3,252,825	3,365,273	3,362,730
Interdepartmental charges (effective 2004)	-	490,599	52,205	61,050	57,608	67,119	87,231	74,276	-	-
Interest and loan repayments	959,360	618,787	585,904	493,911	770,737	280,063	457,430	357,949	296,005	255,921
Received from hospital	3,278,989	3,310,271	3,301,166	3,315,360	2,542,999	2,534,341	2,544,909	2,499,951	700,238	551,492
Interest (effective 2003)	931,668	840,571	1,586,216	2,609,497	3,472,435	2,401,617	1,150,572	855,044	681,312	712,434
Miscellaneous revenues	1,343,003	2,536,074	1,558,381	2,470,219	1,975,751	1,686,852	1,400,971	3,547,633	1,591,544	1,733,378
<b>Total revenues</b>	<b>66,954,723</b>	<b>68,128,339</b>	<b>69,693,904</b>	<b>71,685,290</b>	<b>73,418,184</b>	<b>73,690,664</b>	<b>72,397,896</b>	<b>80,800,287</b>	<b>73,039,747</b>	<b>72,144,420</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	3,664,436	4,714,952	5,711,014	5,489,267	5,027,547	5,627,880	5,658,712	5,966,552	6,375,030	5,556,431
Public safety	20,174,728	23,429,045	29,587,580	29,527,478	30,091,482	31,369,218	33,253,377	34,029,635	33,517,452	34,162,923
Public works and engineering	8,919,652	9,431,093	12,613,752	11,809,623	12,670,476	12,510,021	12,655,807	10,969,343	11,252,167	10,103,630
Health & human services	1,615,340	1,869,194	2,232,919	2,338,163	2,372,616	2,447,441	2,522,597	2,585,138	2,531,757	2,295,555
Culture & recreation	2,304,435	2,194,548	2,765,816	2,634,225	3,492,521	2,900,481	2,991,494	2,749,018	2,790,093	2,727,106
Conservation & development	6,231,145	7,341,495	5,269,768	4,499,810	4,871,881	4,195,633	4,506,446	9,260,338	7,511,521	5,459,963
Fringe benefits	13,191,555	11,111,343	370,532	312,267	407,448	756,071	820,134	326,782	552,288	968,511
miscellaneous	88,101	-	-	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal	7,337,682	20,014,156	6,816,294	7,076,916	6,145,781	6,407,222	6,299,082	14,070,285	5,036,507	10,422,585
Interest & fiscal charges	2,145,924	1,803,501	2,534,472	2,637,646	2,766,150	2,755,037	2,703,323	2,709,030	2,747,503	2,349,592
<b>Capital Projects:</b>	<b>10,661,448</b>	<b>11,455,458</b>	<b>13,338,958</b>	<b>10,987,383</b>	<b>5,058,638</b>	<b>9,616,221</b>	<b>9,500,536</b>	<b>7,115,930</b>	<b>5,224,038</b>	<b>5,450,263</b>
<b>Total expenditures</b>	<b>76,334,446</b>	<b>93,364,785</b>	<b>81,241,105</b>	<b>77,312,778</b>	<b>72,904,540</b>	<b>78,585,225</b>	<b>80,911,508</b>	<b>89,782,051</b>	<b>77,538,356</b>	<b>79,496,559</b>
<b>Excess of revenues</b>										
<b>Over/(under) expenditures</b>	<b>(9,379,723)</b>	<b>(25,236,446)</b>	<b>(11,547,201)</b>	<b>(5,627,488)</b>	<b>513,644</b>	<b>(4,894,561)</b>	<b>(8,513,612)</b>	<b>(8,981,764)</b>	<b>(4,498,609)</b>	<b>(7,352,139)</b>

(continued)

# City of West Allis

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources/(uses)										
Debt										
General obligation debt issued	2,100,000	12,110,000	12,770,000	8,084,426	2,992,716	3,749,975	9,336,961	4,465,000	2,735,000	8,760,000
Refunded general obligation debt	3,337,128	12,538,000	-	-	-	-	5,505,000	19,600,000	-	-
Premium on debt issued	-	52,975	49,787	-	-	-	95,912	-	-	-
Payment to escrow agent	(3,258,000)	(1,694,182)	-	-	-	-	(5,505,000)	(15,173,966)	-	-
Other sources (uses)	-	-	-	-	-	-	-	-	-	-
Transfers in	3,278,352	5,347,183	1,946,719	3,116,324	4,369,537	5,525,469	4,164,840	6,460,046	3,520,100	3,029,627
Transfers out	(2,267,825)	(4,178,947)	(835,795)	(2,070,637)	(3,402,944)	(4,558,999)	(3,129,170)	(5,387,972)	(2,233,859)	(1,596,389)
Total other financing sources/(uses)	3,189,655	24,175,029	13,930,711	9,130,113	3,959,309	4,716,445	10,468,543	9,963,108	4,021,241	10,193,238
Net change in fund balances	(6,190,068)	(1,061,417)	2,383,510	3,502,625	4,472,953	(178,116)	1,954,931	981,344	(477,368)	2,841,099
Fund balances (Deficit)										
Beginning of year	32,331,249	23,675,992	22,614,575	24,998,085	28,500,710	32,973,663	32,795,547	34,750,478	35,731,822	35,254,454
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
Prior year adjustments	(2,465,189)	-	-	-	-	-	-	-	-	-
End of year	23,675,992	22,614,575	24,998,085	28,500,710	32,973,663	32,795,547	34,750,478	35,731,822	35,254,454	38,095,553
Capital Outlay - (a)	11,291,357	10,744,736	9,083,803	15,661,198	7,982,293	10,089,678	5,354,789	10,142,319	9,571,461	8,933,223
Debt Service as a percentage of noncapital expenditures	14.58%	26.41%	12.96%	15.76%	13.73%	13.38%	11.91%	21.07%	11.45%	18.10%

Data source: City of West Allis Audited Financial Statements

## City of West Allis

### Assessed Value and Actual Value of all Taxable Property

Last ten fiscal years

Schedule 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Total Taxable Assessed Value *	Assessed Direct Tax Rate	Total Taxable Equalized Value	Equalized Direct Tax Rate	Ratio of Assessed to Equalized Value
2003	1,997,472,300	975,494,762	83,662,900	-	3,056,629,962	10.56	3,278,962,400	9.84	93.22%
2004	2,346,374,800	1,060,541,305	87,049,700	-	3,493,965,805	9.69	3,493,894,500	9.69	100.00%
2005	2,350,470,100	1,078,474,900	90,130,159	-	3,519,075,159	9.95	3,846,320,500	9.10	91.49%
2006	2,800,582,800	1,327,751,500	84,720,700	-	4,213,055,000	8.49	4,271,402,600	8.37	98.63%
2007	2,804,502,500	1,347,784,400	82,986,500	-	4,235,273,400	8.65	4,458,719,600	8.22	94.99%
2008	2,808,624,000	1,358,662,700	81,392,200	-	4,248,678,900	8.70	4,477,791,900	8.25	94.88%
2009	2,809,930,900	1,384,746,900	81,097,100	-	4,275,774,900	8.94	4,361,120,200	8.76	98.04%
2010	2,624,941,600	1,375,651,900	79,442,500	-	4,080,036,000	9.61	4,112,421,800	9.53	99.21%
2011	2,630,895,800	1,366,489,600	81,954,300	-	4,079,339,700	9.76	3,906,288,200	10.19	104.43%
2012	2,629,668,000	1,249,708,300	71,215,800	-	4,083,973,400	9.81	3,738,930,800	10.71	109.23%

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					Assessed Total Direct	Overlapping Rates						Net Tax Rate
		City West Allis	Debt Service	Health Fund	Parking Fund	TID Incr		West Allis/ West Milw School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metro Sewage Distr	State of Wisconsin	State Tax Credit	
2003	2004	8.64	0.94	0.80	0.01	0.17	10.56	8.88	2.12	5.13	1.70	0.21	-	28.60
2004	2005	7.98	0.90	0.66	0.01	0.14	9.69	8.36	1.94	4.56	1.54	0.20	-	26.29
2005	2006	8.12	0.96	0.66	0.01	0.20	9.95	7.86	2.06	4.65	1.55	0.21	-	26.28
2006	2007	6.65	0.96	0.66	0.01	0.21	8.49	6.97	1.79	3.98	1.32	0.18	-	22.73
2007	2008	6.75	0.96	0.66	0.02	0.26	8.65	7.43	1.87	4.09	1.35	0.18	-	23.57
2008	2009	6.87	0.96	0.66	0.02	0.19	8.70	7.45	1.93	4.17	1.36	0.18	-	23.79
2009	2010	7.16	0.88	0.65	0.02	0.23	8.94	7.96	1.94	4.23	1.35	0.17	-	24.59
2010	2011	7.82	0.83	0.69	0.01	0.26	9.61	8.46	1.93	4.49	1.45	0.17	-	26.11
2011	2012	7.95	0.85	0.69	0.01	0.26	9.76	8.46	1.94	5.53	1.46	0.17	(1.04)	26.28
2012	2013	8.13	0.92	0.49	0.01	0.26	9.81	8.01	1.94	4.62	1.49	0.15	-	26.02

Data source: City of West Allis Tax File

# City of West Allis

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

Taxpayer	Type of Business	2012 Assessed Value			2003 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	\$42,043,900	1	1.0%	10,185,622	10	0.3%
William Blake	Lincoln Crest Apartments	21,221,600	2	0.5%	17,710,000	3	0.6%
Ramco-Gershenson Prop	Towne Center - Office	19,964,700	3	0.5%	18,790,281	1	0.6%
Quad Graphics	Printing Facility	18,410,900	4	0.5%	18,788,000	2	0.6%
JDN West Allis Assoc	Strip Mall - Pick'n Save/Kohls	17,802,500	5	0.4%	17,428,100	4	0.6%
Toldt Development Inc.	Apartments	17,644,700	6	0.4%	N/03		N/03
Metropolitan Holding Company	The Hills Apartments	14,834,600	7	0.4%	11,898,782	6	0.4%
Sam's Real Estate	Sam's Club	12,980,900	8	0.3%	11,544,483	7	0.4%
Harold Wilde	Car Dealership	11,962,900	9	0.3%	N/03		N/03
Kenneth Hendricks	Warehouses - (HOB0)	11,834,200	10	0.3%	N/03		N/03
Dayton-Hudson Corp.	Commercial - Target	11,720,800	11	0.3%	N/03		N/03
Heritage 6 LLC (MSP Real Estate)	Apartments	11,687,000	12	0.3%	N/03		N/03
LBS Ltd Partnership	Apartments	11,477,900	13	0.3%	9,355,018	14	0.3%
Home Depot	Home Depot	11,394,100	14	0.3%	9,594,390	11	0.3%
1126 West Allis Operating	Commercial - Office	12,502,400	15	0.3%	11,200,917	8	0.4%
Centerpoint Properties -CJF2, LLC	Warehouses	N/12		N/12	13,218,700	5	0.4%
James Krahn	Various Apartments	N/12		N/12	9,502,400	12	0.3%
NDC, LLC	Pick'n Save	N/12		N/12	8,923,300	15	0.3%
Centre Point Development	Office - Warehouse	N/12		N/12	9,490,095	13	0.3%
Charles Benidt	P&S/Storage/Gas Station	N/12		N/12	10,681,223	9	0.4%
<b>Total</b>		<b>\$247,483,100</b>		<b>5.8%</b>	<b>\$188,311,311</b>		<b>6.2%</b>

Data Source: City of West Allis - Assessors Office

( a ) Based on total Assessed Value

1/1/2003 \$3,056,629,962

1/1/2012 \$4,083,973,400

( b ) This table represents the current year and ten years ago, 2002.

( c ) N/12 = Not a top 15 Principal Property Tax Payer in 2012

( d ) N/03 = Not a top 15 Principal Property Tax Payer in 2003

# 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
2003	2004	92,096,669	92,013,615	99.91%	55,798	92,069,413	99.97%
2004	2005	92,979,217	92,894,180	99.91%	70,353	92,964,533	99.98%
2005	2006	93,577,601	93,520,763	99.94%	42,116	93,562,879	99.98%
2006	2007	97,020,376	96,970,309	99.95%	37,225	97,007,534	99.98%
2007	2008	101,348,833	101,266,466	99.92%	59,347	101,325,813	99.97%
2008	2009	102,739,447	102,685,524	99.95%	21,894	102,707,418	99.97%
2009	2010	107,265,288	107,214,684	99.95%	18,219	107,232,903	99.97%
2010	2011	109,084,702	109,032,984	99.95%	14,529	109,047,513	99.97%
2011	2012	110,126,451	110,071,355	99.95%	2,421	110,073,776	99.95%
2012	2013	110,120,559	106,434,011	96.65%	*		

\* Data for the 2013 collection year is not yet available.

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

City of West Allis

Ratios of General Bonded Net Debt Outstanding Chart 1

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

Last ten years

Schedule 9

Fiscal Year	Total General Bonded Debt	Designated Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value	Ratio of General Bonded Debt to Equalized Property Value	Total Taxable Assessed Value	Ratio of General Bonded Debt to Assessed Property Value	Population	Net General Bonded Debt Per Capita
2003	51,275,560	57,218	51,218,342	3,278,962,400	1.56%	3,056,629,962	1.68%	60,923	840.71
2004	59,277,480	1,058,313	58,219,167	3,493,894,500	1.67%	3,493,965,805	1.67%	60,607	960.60
2005	59,565,880	1,193,095	58,372,785	3,846,320,500	1.52%	3,519,075,159	1.66%	60,515	964.60
2006	59,421,446	1,567,709	57,853,737	4,271,402,600	1.35%	4,213,055,000	1.37%	60,300	959.43
2007	58,285,695	1,226,225	57,059,470	4,458,719,600	1.28%	4,235,273,400	1.35%	60,410	944.54
2008	59,264,073	763,508	58,500,565	4,477,791,900	1.31%	4,248,678,900	1.38%	60,370	969.03
2009	69,732,577	503,693	69,228,884	4,361,120,200	1.59%	4,275,774,900	1.62%	60,600	1,142.39
2010	79,299,669	342,849	78,956,820	4,112,421,800	1.92%	4,080,036,000	1.94%	60,411	1,306.99
2011	78,518,268	183,321	78,334,947	3,906,288,200	2.01%	4,079,339,700	1.92%	60,365	1,297.69
2012	78,409,836	187,868	78,221,968	3,738,930,800	2.09%	4,083,973,400	1.92%	60,732	1,287.99

Fiscal Year	Net General Bonded Debt	Bond Anticipation Notes	Bonded Debt and BAN's	Total Taxable Equalized Value	Ratio of General Bonded Debt and BAN to Equalized Property Value	Total Taxable Assessed Value	Ratio of General Bonded Debt and BAN to Assessed Property Value	Population	Net General Bonded Debt and BAN Per Capita
2003	51,218,342	-	51,218,342	3,278,962,400	1.56%	3,056,629,962	1.68%	60,923	840.71
2004	58,219,167	8,765,000	66,984,167	3,493,894,500	1.92%	3,493,965,805	1.92%	60,607	1,105.22
2005	58,372,785	15,625,000	73,997,785	3,846,320,500	1.92%	3,519,075,159	2.10%	60,515	1,222.80
2006	57,853,737	17,965,000	75,818,737	4,271,402,600	1.78%	4,213,055,000	1.80%	60,300	1,257.36
2007	57,059,470	17,205,000	74,264,470	4,458,719,600	1.67%	4,235,273,400	1.75%	60,410	1,229.34
2008	58,500,565	16,205,000	74,705,565	4,477,791,900	1.67%	4,248,678,900	1.76%	60,370	1,237.46
2009	69,228,884	10,360,000	79,588,884	4,361,120,200	1.82%	4,275,774,900	1.86%	60,600	1,313.35
2010	78,956,820	-	78,956,820	4,112,421,800	1.92%	4,080,036,000	1.94%	60,411	1,306.99
2011	78,334,947	-	78,334,947	3,906,288,200	2.01%	4,079,339,700	1.92%	60,365	1,297.69
2012	78,221,968	-	78,221,968	3,738,930,800	2.09%	4,083,973,400	1.92%	60,732	1,287.99

Data sources: Equalized Value - Wisconsin Department of Revenue  
 Estimated Population - Wisconsin Department of Administration  
 Debt - City of West Finance Division records

# City of West Allis

Ratios of Outstanding Debt by Type  
 Last ten years  
 Schedule 10

Fiscal Year	Governmental Activities				Business Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General City	Tax Increment Districts	West-Allis Hospital	Total General Obligation Bonds/Notes	BAN's General City Pension	BAN's Tax Increment Districts	Total Bond Anticipation Notes (BAN)	General Obligation Bonds/Notes			
2003	15,200,179	8,649,885	20,565,000	44,415,064	-	-	-	6,860,496	51,275,560	0.66%	841.65
2004	21,140,124	12,145,026	18,010,000	51,295,150	3,260,000	5,505,000	8,765,000	7,982,301	68,042,451	0.76%	1,122.68
2005	21,026,073	13,681,183	15,380,000	50,087,256	2,790,000	12,835,000	15,625,000	9,478,624	75,190,880	0.88%	1,242.52
2006	20,713,243	15,067,662	12,645,000	48,425,905	2,100,000	15,865,000	17,965,000	10,995,541	77,386,446	0.98%	1,283.36
2007	20,366,538	14,712,282	10,595,000	45,673,820	1,340,000	15,865,000	17,205,000	12,611,875	75,490,695	1.11%	1,249.64
2008	21,063,153	14,483,420	8,470,000	44,016,573	340,000	15,865,000	16,205,000	15,247,500	75,469,073	1.37%	1,250.11
2009	22,757,762	23,896,690	6,245,000	52,899,452	-	10,360,000	10,360,000	16,833,125	80,092,577	1.60%	1,321.66
2010	22,558,385	33,871,816	1,650,000	58,080,201	-	-	-	21,219,468	79,299,669	1.99%	1,312.67
2011	22,560,000	32,213,694	1,005,000	55,778,694	-	-	-	22,739,574	78,518,268	2.12%	1,300.73
2012	22,505,000	31,121,109	490,000	54,116,109	-	-	-	24,293,727	78,409,836	*	1,291.08

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 2012 Personal Income is not yet available.

City of West Allis

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Value of Real and Personal Property	3,278,962,400	3,493,894,500	3,846,320,500	4,271,402,600	4,458,719,600	4,477,791,900	4,361,120,200	4,112,421,800	3,906,288,200	3,738,930,800
<b>General Obligation Debt Limit</b> Five (5) Percent of Equalized Valuation per Section 87.03 of the Wisconsin Statutes	<b>163,948,120</b>	<b>174,694,725</b>	<b>192,316,025</b>	<b>213,570,130</b>	<b>222,935,980</b>	<b>223,889,595</b>	<b>218,056,010</b>	<b>205,621,090</b>	<b>195,314,410</b>	<b>186,946,540</b>
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	51,275,560	59,277,480	59,565,880	59,421,446	58,285,695	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836
Less: Amount Available for Financing GO Debt	(57,218)	(1,058,313)	(1,193,095)	(1,567,709)	(1,226,225)	(763,508)	(503,693)	(342,849)	(183,321)	(187,868)
<b>Net O/S GO Debt Applicable to Debt Limitation</b>	<b>51,218,342</b>	<b>58,219,167</b>	<b>58,372,785</b>	<b>57,853,737</b>	<b>57,059,470</b>	<b>58,500,565</b>	<b>69,228,884</b>	<b>78,956,820</b>	<b>78,334,947</b>	<b>78,221,968</b>
<b>Legal margin for New Debt</b>	<b>112,729,778</b>	<b>116,475,558</b>	<b>133,943,240</b>	<b>155,716,393</b>	<b>165,876,510</b>	<b>165,389,030</b>	<b>148,827,126</b>	<b>126,664,270</b>	<b>116,979,463</b>	<b>108,724,572</b>
Total net debt applicable to the limit as a percentage of debt limit	31.24%	33.33%	30.35%	27.09%	25.59%	26.13%	31.75%	38.40%	40.11%	41.84%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Value of Real and Personal Property	3,278,962,400	3,493,894,500	3,846,320,500	4,271,402,600	4,458,719,600	4,477,791,900	4,361,120,200	4,112,421,800	3,906,288,200	3,738,930,800
<b>General Obligation Debt Limit</b> Five (5) Percent of Equalized Valuation per Section 87.03 of the Wisconsin Statutes	<b>163,948,120</b>	<b>174,694,725</b>	<b>192,316,025</b>	<b>213,570,130</b>	<b>222,935,980</b>	<b>223,889,595</b>	<b>218,056,010</b>	<b>205,621,090</b>	<b>195,314,410</b>	<b>186,946,540</b>
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	51,275,560	59,277,480	59,565,880	59,421,446	58,285,695	59,264,073	69,732,577	79,299,669	78,518,268	78,409,836
Bond Anticipation Notes/Bonds	-	8,765,000	15,625,000	17,965,000	17,205,000	16,205,000	10,360,000	-	-	-
Less: Amount Available for Financing GO Debt	(57,218)	(1,058,313)	(1,193,095)	(1,567,709)	(1,226,225)	(763,508)	(503,693)	(342,849)	(183,321)	(187,868)
<b>Net O/S GO Debt Applicable to Debt Limitation</b>	<b>51,218,342</b>	<b>66,984,167</b>	<b>73,997,785</b>	<b>75,818,737</b>	<b>74,264,470</b>	<b>74,705,565</b>	<b>79,588,884</b>	<b>78,956,820</b>	<b>78,334,947</b>	<b>78,221,968</b>
<b>Legal margin for New Debt</b>	<b>112,729,778</b>	<b>107,710,558</b>	<b>118,318,240</b>	<b>137,751,393</b>	<b>148,671,510</b>	<b>149,184,030</b>	<b>138,467,126</b>	<b>126,664,270</b>	<b>116,979,463</b>	<b>108,724,572</b>
Total net debt applicable to the limit as a percentage of debt limit	31.24%	38.34%	38.48%	35.50%	33.31%	33.37%	36.50%	38.40%	40.11%	41.84%

Includes Anticipation Notes although not required under state law.

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	12/31/2012 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt (schedule 11a)	78,221,968	100%	78,221,968
Milwaukee Area Technical College	118,560,000	5.26%	6,239,457
Milwaukee County	753,600,000	6.47%	48,763,195
West Allis/West Milwaukee School District	29,234,983	84.63%	24,741,566
Milwaukee Metropolitan Sewage District	1,009,013,839	6.60%	66,594,913
Total Overlapping	1,910,408,822		146,339,131
Total Direct and Overlapping Debt	1,988,630,790		224,561,099

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	12/31/2003 General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City - all outstanding debt (schedule 11a)	51,218,342	100%	51,218,342
Milwaukee Area Technical College	59,955,000	5.65%	3,387,458
Milwaukee County	489,152,001	6.94%	33,947,149
West Allis/West Milwaukee School District	15,255,000	86.23%	13,154,387
Milwaukee Metropolitan Sewage District	636,371,600	7.20%	45,818,755
Total Overlapping	1,200,733,601		96,307,748
Total Direct and Overlapping Debt	1,251,951,943		147,526,090

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

# City of West Allis

## Demographic & Economic Statistics

Last ten years

Schedule 13

Year	Population	Personal Income (in thousands)	Per Capita Adjusted Gross Income			Unemployment Rates as of December not seasonally adjusted		
			City of West Allis	Milwaukee County	State of Wisconsin	City of West Allis	Milwaukee County	State of Wisconsin
2003	60,923	1,041,539,608	17,096	17,900	20,606	6.0%	7.0%	5.6%
2004	60,607	1,049,470,812	17,316	18,240	21,055	5.4%	6.3%	5.0%
2005	60,515	1,075,412,065	17,771	19,372	22,214	4.9%	5.8%	4.8%
2006	60,300	1,122,318,254	18,612	20,782	23,845	4.9%	5.6%	4.7%
2007	60,410	1,140,721,796	18,883	21,603	24,374	4.9%	5.7%	4.8%
2008	60,370	1,114,633,491	18,463	21,233	24,329	5.1%	5.7%	4.9%
2009	60,600	1,052,799,187	17,373	20,195	23,211	9.2%	9.6%	8.7%
2010	60,411	1,065,367,628	17,365	20,486	24,214	8.1%	9.6%	8.3%
2011	60,635	1,072,587,150	17,689	20,681	24,218	8.1%	9.0%	6.6%
2012	60,732	*	*	*	*	7.6%	7.9%	6.9%

\* : not available at this time

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

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

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

Personal Income = Per Capita Adjusted Gross Income times population

## City of West Allis

Principal Employers  
Current year and ten years prior  
Schedule 14

Employer	Type of Business	2012			2003		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
West Allis Memorial Hospital	Regional Hospital	1671	1	0.36%	1560	1	0.36%
West Allis School District	Elementary/Secondary Education	1400	2	0.30%	947	2	0.22%
Quad Graphics	Commercial Printer	914	3	0.20%	724	3	0.17%
City of West Allis	Municipal Government	517	4	0.11%	536	4	0.12%
Brookdale Senior Living (previously Alterra)	Assisted Care Health Provider	343	5	0.07%	N/03		N/03
*Covenant Health Systems	Health Care Services	332	6	0.07%	303	6	0.07%
Village of Manor Park	Nursing Home & Retirement Facility	287	7	0.06%	383	5	0.09%
*Aurora Visiting Nurses Assn. Of Milwaukee	Social Service Agency	293	8	0.06%	245	8	0.06%
Anthem Blue Cross	Health Insurance	290	9	0.06%	N/03		N/03
Milwaukee Technical Area College	Technical College	289	10	0.06%	194	13	0.05%
Chr. Hansen Lab, Inc.	Food Additive Manufacturer	285	11	0.06%	207	9	0.05%
*US Bank	Banking Services	261	12	0.06%	N/03		N/03
Sullivan/Schein Dental Products	Dental Equipment Distributor	220	13	0.05%	194	12	0.05%
*Motor Castings Company	Foundry	225	14	0.05%	175	17	0.04%
Wilde Toyota	Auto Dealership	209	15	0.05%	144	21	0.03%
ReGENco (Now Toshiba International Corp)	Fabrication/Repair Turbines	175	16	0.04%	N/03		N/03
C & H Distributors	Industrial Products Direct Marketer	173	17	0.04%	195	11	0.05%
*Rogers Memorial Hospital	Psychiatric Hospital	173	18	0.04%	182	15	0.04%
Mitchell Manor/Meadowmere Campus	Assisted Living	170	19	0.04%	N/03		N/03
Unit Drop Forge Company	Iron, Steel Forgings	161	20	0.03%	N/03		N/03
Grebes Bakery	Commercial Bakery	150	21	0.03%	150	19	0.03%
Poblocki & Sons	Custom Electrical Signs	130	22	0.03%	148	20	0.03%
Poblocki Paving Corp.	Paving Contractor	120	23	0.03%	125	25	0.03%
International Auto's	Auto Dealership	118	24	0.03%	N/03		N/03
HM Graphics	Advertising/Marketing	110	25	0.02%	160	18	0.04%
Coiders Furniture Showplace	Furniture/Appliance Dealership	116		0.03%	180	16	0.04%
Metal Technologies (Milwaukee Ductile Iron Inc)	Foundry	N/12		N/12	293	7	0.07%
Sentry-Crestwood Bakery	Commercial Bakery	N/12		N/12	130	23	0.03%
Home Depot	Retail Hardware	N/12		N/12	194	14	0.05%
Langer Roofing	Roofing/Construction	N/12		N/12	130	24	0.03%
SaAI Specialty Assoc.	Roofing Technologies	N/12		N/12	200	10	0.05%
Gordon Flesch	Office Machines Sales/Services	N/12		N/12	135	22	0.03%
Total		9132		1.98%	7834		1.82%

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

City of West Allis

Various Statistics  
Last ten years  
Schedule 15

General Government - City Employees - Full Time Equivalents

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Mayor	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Attorney	6.00	5.50	5.87	5.87	6.05	6.05	6.25	6.25	6.25	
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	
City Assessor	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Administration										
Administrative Office	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Information Services	7.75	6.75	7.00	7.30	7.30	7.30	8.30	8.15	8.75	
Purchasing/Central Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
Human Resources	4.50	4.25	4.25	4.25	4.25	4.25	4.33	4.38	4.38	
Finance	5.90	5.90	5.90	5.85	5.85	5.85	5.85	5.85	5.85	
Clerk/Treasurer	8.00	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	
Police Department	162.00	159.00	159.00	158.00	154.00	155.00	157.25	157.25	157.25	
Fire Department	119.00	116.00	113.00	113.00	110.00	110.00	110.00	110.00	110.00	
Planning (Development)	1.87	1.87	1.78	1.78	1.78	1.78	1.88	2.10	2.40	
Building Inspection & Zoning	12.00	12.00	12.00	12.00	11.50	11.50	12.00	12.50	12.05	
Health Department	26.45	25.54	24.35	24.35	24.81	24.81	25.11	25.11	25.40	
Senior Center	3.00	2.50	2.50	2.50	2.10	2.10	2.10	2.10	2.10	
Public Library	24.80	23.80	22.80	22.30	22.30	22.30	22.30	21.30	21.00	
Public Works										
Administrative Office	4.75	4.75		4.50	4.50	4.50	4.50	4.50	4.25	
Building and Electrical	32.00	31.00	30.00	30.00	30.00	30.00	30.00	30.00	29.50	
Street and Sanitation	67.50	60.00	57.00	56.25	56.00	56.00	56.00	56.00	56.00	
Forestry	16.75	16.75	16.75	16.75	15.75	15.75	15.75	15.75	16.00	
Equipment Repair	14.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	
Inventory Services Recycling	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	3.50	
Engineering	20.00	18.00	18.00	18.00	18.00	17.00	17.00	17.00	16.50	
<b>Total</b>	<b>559.02</b>	<b>536.11</b>	<b>521.70</b>	<b>524.20</b>	<b>515.69</b>	<b>515.44</b>	<b>519.87</b>	<b>518.49</b>	<b>517.43</b>	
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	
Police Sub Station	0	0	0	1	1	1	1	1	1	
Fire Stations	3	3	3	3	3	3	3	3	3	
Public Works/Engineering										
Streets (miles)	194	194	194	194	194	194	194	194	194	
Alleys (miles)	43	43	43	43	43	43	43	43	43	
Side Walks (miles)	278	278	278	278	278	278	278	278	278	
Sanitary Sewer (miles)	177	177	177	177	177	177	175	177	177	
Storm Sewer (miles) (changed calc method 2009)	152	152	152	152	152	152	163	163	163	
Street Lights (in 2010 added double lights)	7,086	7,086	7,086	7,086	7,086	7,086	7,086	7,322	7,322	
Alley Lights	756	756	756	756	756	756	756	756	756	
City owned parking lots	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	
Water Utility										
Number of feet of Water Main	1,100,995	1,100,995	1,101,346	1,102,207	1,102,205	1,102,466	1,102,557	1,102,428	1,102,941	
Number of Hydrants	2,621	2,622	2,622	2,622	2,623	2,619	2,619	2,620	2,621	
Daily Average Used (gallons)	6,245,732	6,074,126	5,827,548	5,658,540	5,523,307	6,364,132	5,933,825	5,933,825	5,244,126	
Water Storage										
Tower - 84th and National - gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	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	
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	

Data Source: City of West Allis - various departmental reports

City of West Allis

Operating Indicators by Program/Function  
Ten Year Trend  
Schedule 16

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
<b>Fire</b>										
<b>Alarm Data</b>										
Fire	227	194	234	184	172	160	167	172	145	172
Rupture/Explosion	7	3	8	5	2	3	-	3	4	3
Hazardous Condition	182	233	254	245	231	243	283	259	248	214
Service	377	316	403	382	392	453	375	153	145	116
Good Intent	246	240	224	287	289	269	286	252	257	190
False Alarms	388	411	418	532	515	498	557	519	517	451
Weather	3	-	4	2	1	16	1	2	1	2
Other	4	6	4	5	1	3	5	2	2	2
<b>Total Alarm</b>	<b>1,434</b>	<b>1,403</b>	<b>1,549</b>	<b>1,622</b>	<b>1,603</b>	<b>1,643</b>	<b>1,674</b>	<b>1,362</b>	<b>1,319</b>	<b>1,150</b>
<b>Emergency Medical Services</b>										
Paramedic Unit (Advance Life)	775	939	1,194	1,209	1,310	1,400	1,549	1,536	1,964	2,052
Fire Rescue Unit (Basic Life)	3,200	3,385	3,777	3,747	3,424	3,587	2,696	3,269	3,096	3,078
Other Units on Scene	5	81	50	60	92	80	51	78	44	22
<b>Total Patient Transports</b>	<b>3,980</b>	<b>4,405</b>	<b>5,021</b>	<b>5,016</b>	<b>4,826</b>	<b>5,067</b>	<b>4,296</b>	<b>4,883</b>	<b>5,094</b>	<b>5,152</b>
<b>Bureau of Fire Prevention Activity</b>										
Compliance Inspections	8,642	8,399	8,628	8,546	8,613	8,516	8,430	8,793	9,723	6,241
Plan Reviews	218	340	427	433	397	361	322	364	277	300
Site Inspections	146	173	211	286	214	273	263	226	150	137
<b>General Government</b>										
Building Permits Issued	1,761	1,928	1,919	1,811	1,648	1,649	1,480	1,673	1,592	1,586
Building Permit Value	\$32,734,798	\$50,029,340	\$62,729,841	\$38,452,724	\$50,101,452	\$39,108,752	\$20,636,858	\$23,791,748	\$32,812,843	\$29,295,073
<b>Library</b>										
Registered Borrowers	39,305	41,720	33,402	35,172	37,500	34,116	36,603	38,798	33,910	35,993
References	56,371	58,845	55,301	51,766	47,642	68,194	89,064	109,470	75,086	91,784
Library Visits	34,436	349,544	358,956	339,612	294,528	287,970	295,308	371,332	309,898	409,392
Circulation Transactions	786,414	734,253	745,932	764,674	718,185	688,048	735,736	778,409	774,833	743,520
Items Loaned	66,616	82,284	88,446	91,099	58,875	48,001	51,564	67,116	73,733	75,027
Items Received	43,213	47,649	46,166	49,513	54,709	51,005	60,832	78,309	83,118	77,027
<b>Library Collection</b>										
Books Owned	212,083	215,767	218,251	224,868	218,587	217,983	217,747	211,993	208,223	207,461
Audio Materials	12,702	12,634	13,225	13,526	14,200	14,611	15,181	15,547	16,401	17,355
Data Bases	-	8	10	8	10	19	21	18	67	66
Video Materials	12,260	12,993	14,270	14,859	14,883	14,114	15,346	16,198	16,019	17,415
Subscriptions	363	372	398	396	439	357	326	307	309	294
Other - Includes Electronic Format	878	616	984	1,001	985	1,044	799	760	865	917
Electronic Books/Audio/Video(new)	-	-	-	-	-	-	16,026	17,871	38,049	72,733
(continued)										
<b>Water Utility</b>										
<b>Number of Metered Customers</b>										
Residential	17,377	17,367	17,343	17,365	17,387	17,385	17,369	17,348	17,349	17,311
Commercial	2,027	2,032	2,040	2,043	2,039	2,038	2,036	2,031	2,031	2,085
Industrial	82	81	80	75	73	70	65	64	64	63
Public Authority (new 2008)	N/A	N/A	N/A	N/A	N/A	79	78	78	76	81
<b>Total</b>	<b>19,486</b>	<b>19,480</b>	<b>19,463</b>	<b>19,483</b>	<b>19,499</b>	<b>19,572</b>	<b>19,548</b>	<b>19,521</b>	<b>19,522</b>	<b>19,540</b>
<b>Gallons Sold (thousands)</b>										
Residential	1,148,136	1,130,735	1,149,784	962,445	1,044,385	1,021,885	1,011,479	958,161	963,787	981,401
Commercial	638,303	622,127	611,083	640,416	623,803	653,641	588,911	599,183	585,032	616,844
Industrial	320,467	330,502	254,734	286,289	222,001	177,749	143,206	82,047	86,900	94,007
Public Authority (new 2008)	N/A	N/A	N/A	N/A	N/A	126,421	131,863	132,134	123,465	124,470
<b>Total</b>	<b>2,106,906</b>	<b>2,083,364</b>	<b>2,015,601</b>	<b>1,869,150</b>	<b>1,890,189</b>	<b>1,981,696</b>	<b>1,875,481</b>	<b>1,771,525</b>	<b>1,759,184</b>	<b>1,816,722</b>
Gallons Pumped into System (1,000)	2,537,559	2,392,526	2,503,403	2,314,713	2,295,387	2,322,908	2,165,846	1,953,640	1,914,106	1,978,427
Total Gallons Sold (1,000)	2,279,692	2,217,056	2,127,055	2,065,367	2,016,007	1,981,696	1,875,461	1,771,525	1,759,184	1,816,722
Lost Water Unaccounted For (1,000)	228,380	143,552	325,442	208,324	206,585	213,365	160,385	155,115	154,922	134,705
Percent of water lost	9%	6%	13%	9%	9%	9%	7%	8%	8%	7%
Total KWH used for pumping	1,070,128	972,296	1,056,791	1,002,582	1,115,140	1,169,460	1,323,425	1,271,438	1,004,555	901,732

Data Source (Public Safety): 2012 City of West Allis Annual Fire Report  
 Data Source (General Government): City of West Allis Building Inspection records  
 Data Source (Library): 2012 City of West Allis Library Report  
 Data Source (Water Utility): 2012 City of West Allis Wisconsin Public Service Commission Annual Report

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





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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Allis, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of West Allis, Wisconsin's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 19 dated July 22, 2013. Other auditors audited the financial statements of the First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), as described in our report on City of West Allis, Wisconsin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

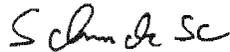


## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Certified Public Accountants  
Green Bay, Wisconsin  
July 22, 2013

## **SINGLE AUDIT SECTION**





## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE

### Independent Auditors' Report

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

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

We have audited the City of West Allis, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City of West Allis, Wisconsin's major federal and state programs for the year ended December 31, 2012. The City of West Allis, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the City of West Allis, Wisconsin's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of West Allis, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the City of West Allis, Wisconsin complied, in all material respects, with the 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, 2012.

## Other Matter

The results of our auditing procedures disclosed an instance of noncompliance with the requirements referred to above that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2012-01.

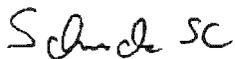
## Internal Control Over Compliance

Management of the City of West Allis, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of West Allis, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
July 22, 2013

**CITY OF WEST ALLIS, WISCONSIN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2012**

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/12	Cash Receipts	Accrued (Deferred) 12/31/12	Total Revenues	Total Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed through Wisconsin Department of Health and Family Services						
Supplemental Food Program for Women, Infants and Children	10.557	\$ (112,924)	\$ 356,110	\$ 18,537	\$ 261,723	\$ 261,723
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(7,368)	7,368	-	-	-
WIC Farmers' Market Nutrition Program	10.572	-	282	-	282	282
Passed through Wisconsin Department of Natural Resources						
Recreation Resource- Emerald Ash Borer Readiness Program	10.680	-	8,005	-	8,005	8,005
Total U.S. Department of Agriculture		(120,292)	371,765	18,537	270,010	270,010
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
<b>Direct Programs</b>						
<i>CDBG Cluster</i>						
Community Development Block Grants	14.218	(467,225)	1,414,262	89,044	1,036,081	1,036,081
Recovery Act - Homelessness Prevention and Rapid Re-Housing Program	14.257	(32,875)	101,578	-	68,703	68,703
<i>Section 8 Cluster</i>						
Section 8 Housing Choice Vouchers	14.871	-	2,229,817	-	2,229,817	2,229,817
Section 8 Housing Choice Vouchers- VASH	14.871	-	354,240	-	354,240	354,240
Total Section 8 Cluster		-	2,584,057	-	2,584,057	2,584,057
<i>Community Development Block Grant Cluster</i>						
Passed through Wisconsin Department of Commerce						
Community Development Block Grant - State's Program	14.228	(719,293)	1,214,567	42,279	537,553	537,553
Passed through the City of Milwaukee, Wisconsin						
Community Development Block Grant - State's Program	14.228	(328,963)	311,476	42,889	25,402	25,402
Total Community Development Block Grant Cluster		(1,048,256)	1,526,043	85,168	562,955	562,955
Passed through Milwaukee County						
HOME Investment Partnerships Program	14.239	(192,676)	34,648	351,053	193,025	193,025
Total U.S. Department of Housing and Urban Development		(1,741,032)	5,660,588	525,265	4,444,821	4,444,821
<b>U.S. DEPARTMENT OF JUSTICE</b>						
<b>Direct Program</b>						
Public Safety Partnerships and Community Policing Grants	16.710	-	195,116	-	195,116	195,116
Secure Our Schools - Project #2008-CK-WX-0768						
<i>Byrne Memorial Justice Assistance Grant Cluster</i>						
Passed through Milwaukee County						
Byrne Memorial Justice Assistance Grant	16.738	(2,520)	9,521	21,695	28,696	28,696
Passed through Milwaukee County, Wisconsin						
Recovery Act - Edward Byrne Memorial Justice Assistance Grant	16.804	(3,703)	2,840	-	(863)	(863)
Total Byrne Memorial Justice Assistance Grant Cluster		(6,223)	12,361	21,695	27,833	27,833
Total U.S. Department of Justice		(6,223)	207,477	21,695	222,949	222,949

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended December 31, 2012

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/12	Cash Receipts	Accrued (Deferred) 12/31/12	Total Revenues	Total Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed through Wisconsin Department of Transportation						
Highway Safety	20.600					
Project #0950-80-02 Pedestrian Safety Grant		-	2,000	-	2,000	2,000
Project #0950-30-21 Alcohol Enforcement Grant		(9,373)	39,161	4,871	34,659	34,659
Project #0950-80-08 Bicycle Safety Program		-	1,935	-	1,935	1,935
Click it or ticket		(4,393)	19,352	2,322	17,281	17,281
Project #0950-40-20 Speed Int Aggr Driver		(9,726)	42,337	5,930	38,541	38,541
Passed through WI Department of Justice						
Passed through Milwaukee County						
OWI Task Force	20.601	(962)	1,519	-	557	557
Total U.S. Department of Transportation		(24,454)	106,304	13,123	94,973	94,973
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>						
Passed through the WI Department of Natural Resources						
Ready for Reuse Grant	66.469	-	-	8,600	8,600	8,600
Direct Program						
Brownfield's Assessment and Cleanup Cooperative Agreements						
Project #BF-00E68001-0	66.818	-	200,000	-	200,000	200,000
Project #BF-00E00911-0		-	200,000	-	200,000	200,000
Total U.S. Environmental Protection Agency		-	400,000	8,600	408,600	408,600
<b>U.S. DEPARTMENT OF ENERGY</b>						
Direct Program						
Recovery Act - Energy Efficiency and Conservation Block Grant	81.128	(12,253)	134,404	157	122,308	122,308
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Passed through Wisconsin Department of Health Services						
Public Health Emergency Preparedness	93.069	(14,621)	75,377	-	60,756	60,756
Immunization Cooperative Agreements	93.268	-	8,638	10,560	19,198	19,198
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	-	1,947	2,303	4,250	4,250
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507	(12,517)	22,517	-	10,000	10,000
Medical Assistance Program	93.778	-	1,460	185	1,645	1,645
Maternal and Child Health Services Block Grant	93.994	-	19,673	2,486	22,159	22,159
Passed through Community Advocates, Inc.						
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(39,054)	78,938	34,333	74,217	74,217
Total U.S. Department of Health and Human Services		(66,192)	208,550	49,867	192,225	192,225

(Continued)

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended December 31, 2012

Grantor Agency/Pass-through Agency/Program Title	Federal CFDA Number	(Accrued) Deferred 1/1/12	Cash Receipts	Accrued (Deferred) 12/31/12	Total Revenues	Total Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Direct Program						
Assistance to Firefighters Grant Project #EMW-2008-FO-06640	97.044	(17,182)	-	18,823	1,641	1,641
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
Direct Program						
High Intensity Drug Trafficking Area Program	95.001	(193,812)	1,381,371	311,589	1,499,148	1,499,148
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ (2,181,440)</u>	<u>\$ 8,470,459</u>	<u>\$ 967,656</u>	<u>\$ 7,256,675</u>	<u>\$ 7,256,675</u>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of State Financial Assistance  
For the Year Ended December 31, 2012

Grantor Agency/Pass-through Agency/Program Title	State I.D. Number	(Accrued) Deferred Revenue 1/1/12	Cash Receipts	Accrued (Deferred) Revenue 12/31/12	Total Revenues	Total Expenditures
<b><u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u></b>						
Brownfield Site Assessments	370.687					
Urban Forestry Grant - Emerald Ash Borer Readiness Program	370.587	\$ -	\$ 3,394	\$ -	\$ 3,394	\$ 3,394
<b><u>WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES</u></b>						
WIC Farmers' Market	435.154720	(1,784)	3,286	-	1,502	1,502
WWWP-GPR	435.157000	-	60,785	11,003	71,788	71,788
Maternal and Child Health Services	435.159320	-	1,460	185	1,645	1,645
Total Wisconsin Department of Health and Family Services		(1,784)	65,531	11,188	74,935	74,935
<b><u>WISCONSIN DEPARTMENT OF ADMINISTRATION</u></b>						
Beat Patrol Grant #2009-BP-01-1579-3	505.603	-	121,434	-	121,434	121,434
<b><u>WISCONSIN DEPARTMENT OF COMMERCE</u></b>						
Brownfields Grants	N/A					
Project #BF FY07-17657		49,114	-	49,114	98,228	98,228
Petroleum Storage Environment Grant		(35,500)	35,500	-	-	-
Total Wisconsin Department of Commerce		13,614	35,500	49,114	98,228	98,228
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<b>\$ 11,830</b>	<b>\$ 225,859</b>	<b>\$ 60,302</b>	<b>\$ 297,991</b>	<b>\$ 297,991</b>

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

**CITY OF WEST ALLIS, WISCONSIN**  
Notes to the Schedule of Expenditures of Federal Awards  
and the Schedule of State Financial Assistance  
December 31, 2012

**NOTE A - BASIS OF PRESENTATION**

In accordance with the audit requirements issued by the Office of Management and Budget (OMB) Circular A-133 and the State Single Audit Guidelines issued by the Wisconsin Department of Administration, supplementary information is presented by the City in regard to federal and state financial assistance programs administered by the City.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedule are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2012 financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while deferred revenue represents advances for federal and state programs that exceed recorded City expenditures.

Federal Programs: The City of West Allis qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered non-major programs.

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

**NOTE C - OVERSIGHT AGENCIES**

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

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

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2012

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

**Basic Financial Statements**

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

**Federal Awards Programs**

Internal control over major program:  
   • Material weakness(es) identified? No  
   • Significant deficiencies identified? None Reported  
 Type of auditors' report issued on compliance for major programs Unmodified  
 Any audit findings disclosed that are required to be reported  
   in accordance with Section 510(a) of Circular A-133? Yes  
 Audit threshold used to determine between Type A and Type B programs: \$300,000  
 Auditee qualified as low-risk auditee Yes

Identification of major federal programs:

CFDA Number	Name of Federal Program
66.818	Brownfields Assessment and Clean up Cooperative Agreement
81.128	Energy Efficiency and Conservation Block Grant ARRA
95.001	High Intensity Drug Trafficking Areas Program

**State Awards Programs**

Internal control over major program:  
   • Material weakness(es) identified? No  
   • Significant deficiencies identified? None Reported  
 Type of auditors' report issued on compliance for major programs Unmodified  
 Any audit findings disclosed that are required to be reported  
   in accordance with State Single Audit Guidelines? No  
 Audit threshold used to determine between Type A and Type B programs: \$100,000  
 Auditee qualified as low-risk auditee Yes

Identification of major state programs:

State ID Number	Name of State Program
505.603	Beat Patrol Grant

**CITY OF WEST ALLIS, WISCONSIN**  
 Schedule of Findings and Questioned Costs (continued)  
 For the Year Ended December 31, 2012

**Section II - Financial Statement Findings**

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2012.

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

Finding No.	Control Deficiencies
<b>2012-01</b>	<b>Grant Reporting Using the SF-425 Report and the Section 1512 Report</b>
Federal CFDA #:	81.128
Agency:	U.S. Department of Energy Direct Award
Program Name:	Energy Efficiency and Conservation Block Grant ARRA
Condition:	Auditor was not able to perform compliance tests regarding the quarterly SF-425 reports and the Section 1512 ARRA reports filed for calendar year 2012 for this grant.
Criteria:	OMB Circular A-133 states that it is the entity's responsibility "to provide reasonable assurance that reports of Federal awards submitted to the Federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements." This program requires the SF- 425 reports to be filed quarterly. In addition, the program requires the Section 1512 Quarterly reports to be filed under the American Recovery and Investment Act of 2009.
Cause:	The personnel in charge of this grant in the City's Development Department did not keep copies of the reports filed. In addition, the personnel were unable to reprint the online reports.
Effect:	The SF-425 reports and the Section 1512 ARRA quarterly reports filed for calendar year 2012 may not contain accurate information.
Recommendation:	We recommend that copies of the SF-425 and Section 1512 quarterly reports filed be kept and retained by the City along with the supporting documentation used to prepare the reports. Also, a copy of these reports should be forwarded to the grant accountant in the Finance Department in a timely basis for proper monitoring.

**CITY OF WEST ALLIS, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2012

**Prior Year Audit Findings**

There were no findings or questioned costs for federal awards and state financial assistance for the year ended December 31, 2011.

**Corrective Action Plan**

The City did not submit the SF-425 reports on time in 2012. The issue was that the City had project amendments in late 2011 which were reflected on PAGE which made updating our performance reporting impossible.

The City hired an outside contractor to manage the grant and problems were the result of software and project changes/updates. City staff are currently working with the contractor and the U.S. Department of Energy office out of Oak Ridge, Tennessee to resolve the PAGE issue and will be able to update our SF-425s when that is complete.

