ADDENDUM DATED MAY 21, 2014
TO PRELIMINARY OFFICIAL STATEMENT DATED MAY 9, 2014

New Issue **Rating: Moody's Investors Service, Inc. "Aa2"**
Standard & Poor's "AA"

$6,800,000
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2014A

CITY OF WEST ALLIS, WISCONSIN

Schedule of Maturity Dates, Principal Amounts, Interest Rates and Yields

Serial Bonds

Maturity (April 1)	Amount	Interest Rate	Yield	CUSIP Base 951173	Maturity (April 1)	Amount	Interest Rate	Yield	CUSIP Base 951173
2015	$570,000	2.000%	0.300%	LG6	2023	$560,000	2.250%	*2.050%	LQ4
2016	$565,000	2.000%	0.450%	LH4	2024	$560,000	2.500%	*2.200%	LR2
2017	$565,000	2.000%	0.700%	LJ0	2025	$235,000	2.500%	*2.300%	LS0
2018	$565,000	2.000%	1.000%	LK7	2026	$235,000	2.750%	*2.450%	LT8
2019	$560,000	2.000%	1.150%	LL5	2027	$235,000	3.000%	*2.600%	LU5
2020	$560,000	2.000%	1.400%	LM3	2028	$235,000	3.000%	*2.800%	LV3
2021	$560,000	2.000%	1.650%	LN1	2029	$235,000	3.000%	3.000%	LW1
2022	$560,000	2.000%	*1.850%	LP6					

*priced to call

Baird has agreed to purchase the Bonds from the City for an aggregate price of $6,897,314.75 plus accrued interest, if any, to the date of delivery. It is expected that the Bonds will be available for delivery on or about June 12, 2014.

Book-Entry-Only: This offering will be issued as fully registered Bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments on the Bonds will be made.

Paying Agent: City of West Allis, Wisconsin

THIS ADDENDUM TOGETHER WITH THE OFFICIAL STATEMENT DATED MAY 9, 2014, SHALL CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE ISSUER WITH RESPECT TO THE BONDS AS THAT TERM IS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

BAIRD
Milwaukee, Wisconsin

C.L. King & Associates WMBE
Coastal Securities, Inc.
Loop Capital Markets
Cronin & Co., Inc.
Edward Jones
WNJ Capital
Crews & Associates, Inc.
Vining-SparksIBG,Limited Partnership

SAMCO Capital Markets
Davenport & Co. L.L.C.
CastleOak Securities, L.P.
Northland Securities, Inc.
Duncan-Williams, Inc.
Wedbush Securities Inc.
Ross, Sinclaire & Associates,LLC

Bernardi Securities, Inc.
Alamo Capital WMBE
Dougherty & Company, LLC
Oppenheimer & Co.
R. Seelaus & Company Inc.
Country Club Bank
FTN Financial Capital Markets

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Issuer will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue **Rating Requested: Moody's Investors Service and Standard & Poor's**

PRELIMINARY OFFICIAL STATEMENT DATED MAY 9, 2014

CITY OF WEST ALLIS, WISCONSIN
(Milwaukee County)

$6,800,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2014A

BID OPENING: May 20, 2014, 10:00 A.M., C.T. **CONSIDERATION**: May 20, 2014, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $6,800,000* General Obligation Corporate Purpose Bonds, Series 2014A (the "Bonds") of the City of West Allis, Wisconsin (the "City") are being issued pursuant to Wisconsin Statutes, Section 67.04 for the public purpose of financing 2014 capital projects which include street improvement projects, sanitary sewer improvements, water system improvements and a police department roofing project. The Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: June 12, 2014

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2015	$570,000	2020	$560,000	2025	$235,000
2016	565,000	2021	560,000	2026	235,000
2017	565,000	2022	560,000	2027	235,000
2018	565,000	2023	560,000	2028	235,000
2019	560,000	2024	560,000	2029	235,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of $5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: October 1, 2014 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing April 1, 2022 and thereafter are subject to call for prior redemption on April 1, 2021 and any date thereafter, at par.

MINIMUM BID: $6,715,000.

MAXIMUM BID: $7,072,000.

GOOD FAITH DEPOSIT: $136,000.

PAYING AGENT: To be named by the Issuer.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of these Obligations in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement except as described herein and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers, payable entirely by the City, is contingent upon the sale of the issue.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential customers. Its primary purpose is to disclose information regarding these Obligations to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of these Obligations, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Obligations, as defined in the Rule. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which these Obligations are exempt or required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of these Obligations, the purchaser (underwriter) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of these Obligations and all times subsequent thereto up to and including the time of the delivery of these Obligations, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for these Obligations; (3) a certificate evidencing the due execution of these Obligations, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of these Obligations, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of these Obligations have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of these Obligations in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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COMMON COUNCIL

		Term Expires
Dan Devine	Mayor	April 2016
Michael Czaplewski	Alderperson	April 2016
Vincent Vitale	Alderperson	April 2016
Cathleen M. Probst	Alderperson	April 2016
Martin J. Weigel	Alderperson	April 2016
Gary T. Barczak	Alderperson	April 2016
Michael P. May	Alderperson	April 2016
Thomas G. Lajsic	Alderperson	April 2016
Daniel J. Roadt	Alderperson	April 2016
Rosalie L. Reinke	Alderperson	April 2016
Kevin Haas	Alderperson	April 2016

ADMINISTRATION

Mark Wyss, Finance Manager/Comptroller
Kris Moen, Finance Supervisor
Paul Ziehler, City Administrative Officer, Clerk/Treasurer
Scott Post, City Attorney
Paul Murphy, Municipal Judge

PROFESSIONAL SERVICES

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers & Associates, Inc., Financial Advisors, Brookfield, Wisconsin
(*Other offices located in Roseville, Minnesota and Lisle, Illinois*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of West Allis, Wisconsin (the "City") and the issuance of its $6,800,000* General Obligation Corporate Purpose Bonds, Series 2014A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on May 20, 2014.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Financial Advisor"), Brookfield, Wisconsin, (262) 785-1520, the City's Financial Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 12, 2014. The Bonds will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing October 1, 2014, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the resolution awarding the sale of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after April 1, 2022 shall be subject to redemption prior to maturity on April 1, 2021 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

*Preliminary , subject to change.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04 for the public purpose of financing 2014 capital projects which include street improvement projects ($2,750,000), sanitary sewer improvements ($2,025,000), water system improvements ($1,520,000) and a police department roofing project ($505,000).

ESTIMATED SOURCES AND USES

Sources		
Par Amount of Bonds	$6,800,000	
Cost of Issuance Paid by the City	53,395	
Interest Earnings	2,519	
Total Sources		**$6,855,914**
Uses		
Project Costs	$6,717,250	
Contingency	989	
Discount Allowance	85,000	
Finance Related Expenses	52,675	
Total Uses		**$6,855,914**

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrepealable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated “Aa2”by Moody's Investor's Service and “AA” by Standard & Poor's.

The City has requested a rating on this issue from Moody's Investors Service and Standard & Poor's, and bidders will be notified as to the assigned ratings prior to the sale. Such ratings, if and when received, will reflect only the view of the rating agencies and any explanations of the significance of such ratings may only be obtained from Moody's Investors Service and Standard & Poor's. There is no assurance that such ratings, if and when received, will continue for any period of time or that either will not be revised or withdrawn. Any revision or withdrawal of a rating may have an effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to a Resolution adopted by the Governing Body to enter into an undertaking (the "Undertaking") for the benefit of holders, including beneficial holders of the Bonds, to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Bonds are delivered. Such Certificate will be in substantially the form attached hereto as Appendix D. In the previous five years, the City has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the City to comply with the Undertaking will not constitute an event of default on the Bonds (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Tax Exemption" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

> "The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

FINANCIAL ADVISOR

Ehlers has served as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.

RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds of this offering are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Past and future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy property taxes.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Obligations for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the state government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the Issuer with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Undertaking for continuing disclosure (see "Continuing Disclosure") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Wisconsin Statutes, Section 70.57, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Beginning in 1986, the State required that the assessed values must be within 10% of State equalized values at least once every five years. The local assessor values property as of January 1 each year and submits those values to each municipality the second Monday in May. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by this same date.

CURRENT PROPERTY VALUATIONS

2013 Equalized Value	$3,701,354,200
2013 Equalized Value Reduced by Tax Increment Valuation	$3,611,817,200
2013 Assessed Value	$3,732,039,400

2013 EQUALIZED VALUE BY CLASSIFICATION

	2013 Equalized Value	Percent of Total Equalized Value
Residential	$ 2,338,985,100	63.193%
Commercial	1,182,675,200	31.953%
Manufacturing	56,290,300	1.521%
Personal Property	123,403,600	3.334%
Total	$ 3,701,354,200	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2009	4,275,774,900	4,361,120,200	-2.61%
2010	4,080,048,300	4,112,421,800	-5.70%
2011	3,740,576,215	3,906,288,200	-5.01%
2012	4,083,973,400	3,738,930,800	-4.28%
2013	3,732,039,400	3,701,354,200	-1.01%

Source: Wisconsin Department of Revenue, Bureau of Equalization.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2013 Estimated Equalized Value[1]	Percent of City's Total Estimated Equalized Value
Whitnall-Summit Co.	Commercial	$ 38,178,185	1.03%
Ramco Properties Association	Commercial	18,193,964	0.49%
JDN West Allis Association	Commercial	16,210,309	0.44%
Toldt Development Inc.	Commercial	15,213,176	0.41%
Blake Capital Corp.	Apartments	14,244,110	0.38%
Quad Graphics	Commercial	13,943,204	0.38%
Metropolitan Holding Co.	Apartments	13,703,293	0.37%
Sam’s Real Estate	Commercial	10,991,376	0.30%
LES Limited	Apartments	10,763,763	0.29%
Dayton-Hudson Group	Commercial	9,838,732	0.27%
Total		**$ 161,280,112**	**4.36%**

City's Total 2013 Equalized Value $3,701,354,200

[1] Estimated by dividing the assessed values by the ratio of assessed to equalized value for the City.

DEBT

DIRECT DEBT[1] (includes the Bonds of this offering) -

General Obligation Debt (see schedules following)

Total General Obligation Debt	$ 75,644,914

[1] Outstanding debt is as of the dated date of the Bonds.

CITY OF WEST ALLIS, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of June 12, 2014)

	Milwaukee Co. Series 1995		Tax GO Bonds Series 2004B		G.O. Bonds Series 2005		G.O. Bonds Series 2006A		G.O. Bonds Series 2006C		Recycling Series 2006	
Dated	1/1/1995		4/1/2004		5/1/2005		5/1/2006		10/1/2006		11/22/2006	
Amount	$400,000		$4,425,000		$5,040,000		$4,940,000		$3,695,000		$144,426	
Maturity			4/1		4/1		4/1		4/1		5/1	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2014				25,216		10,340		22,750		39,100		
2015	32,959		540,000	38,281	410,000	13,095	395,000	35,625	330,000	71,600	7,221	433
2016	33,545		565,000	13,066	145,000	2,755	395,000	15,875	330,000	58,400	7,221	397
2017	34,140						150,000	3,000	340,000	45,000	7,221	361
2018	34,747								280,000	32,600	7,221	325
2019	35,363								285,000	21,300	7,221	289
2020	35,991								260,000	10,400	7,221	253
2021	36,630								130,000	2,600	7,221	217
2022	37,281										7,221	181
2023	37,943										7,221	144
2024	38,617										7,221	108
2025	39,302										7,221	72
2026											7,221	36
2027												
2028												
2029												
2030												
	396,519	0	1,105,000	76,563	555,000	26,190	940,000	77,250	1,955,000	281,000	86,656	2,816

Continued on next page.

CITY OF WEST ALLIS, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of June 12, 2014)

	Recycling Series 2007		G.O. Bonds Series 2007		Tax. Land Recy. Series 2008		G.O. Bonds Series 2008		Tax. Land Recy. Series 2008		Tax. Land Recy. Series 2008	
Dated	4/11/2007		5/1/2007		1/23/2008		6/1/2008		6/11/2008		12/23/2008	
Amount	$507,716		$4,955,000		$345,902		$6,600,000		$353,377		$50,697	
Maturity	4/1		4/1		5/1		4/1		5/1		5/1	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2014				40,800				65,233				
2015	26,722	1,603	410,000	73,400	18,205	1,092	540,000	120,341	19,632	1,178	2,816	169
2016	26,722	1,470	410,000	57,000	18,205	1,001	540,000	100,091	19,632	1,080	2,816	155
2017	26,722	1,336	410,000	40,600	18,205	910.27	540,000	79,841	19,632	982	2,816	141
2018	26,722	1,202	165,000	29,100	18,205	819.24	540,000	58,916	19,632	883	2,816	127
2019	26,722	1,069	165,000	22,500	18,205	728.21	235,000	43,416	19,632	785	2,816	113
2020	26,722	935	160,000	16,000	18,205	637.19	235,000	34,016	19,632	687	2,816	99
2021	26,722	802	160,000	9,600	18,205	546.16	235,000	24,499	19,632	589	2,816	85
2022	26,722	668	160,000	3,200	18,205	455.13	235,000	14,834	19,632	491	2,816	70
2023	26,722	534			18,205	364.11	235,000	4,994	19,632	393	2,816	56
2024	26,722	401			18,205	273.08			19,632	294	2,816	42
2025	26,722	267			18,205	182.05			19,632	196	2,816	28
2026	26,722	134			18,205	91.03			19,632	98	2,816	14
2027												
2028												
2029												
2030												
	320,663	10,422	2,040,000	292,200	218,464	7,100	3,335,000	546,183	235,584	7,656	33,798	1,098

Continued on next page.

CITY OF WEST ALLIS, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of June 12, 2014)

	G.O. Bonds Series 2009		Tax. G.O. Bonds Series 2009		G.O. Prom. Notes Series 2009		STF Loan Series 2009		Tax. GORFB Series 2010A		GO Ref. Bonds Series 2010B	
Dated	3/27/2009		3/27/2009		4/1/2009		9/23/2009		3/29/2010		3/29/2010	
Amount	$2,945,000		$7,105,000		$6,885,000		$177,372		$17,605,000		$2,445,000	
Maturity	4/1		4/1		4/1		3/15		4/1		4/1	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2014		39,513		201,329		70,600				324,890		18,869
2015	185,000	75,788	50,000	401,034	740,000	128,250	19,982.09	4,919	1,160,000	632,380	115,000	36,588
2016	185,000	69,313	280,000	390,309	740,000	102,350	20,870.27	4,030	1,190,000	594,750	115,000	34,086
2017	185,000	62,606	590,000	366,459	820,000	73,000	21,820.45	3,080	1,235,000	551,673	115,000	31,183
2018	210,000	54,938	670,000	334,540	865,000	39,300	22,802.37	2,098	1,310,000	502,625	115,000	27,905
2019	205,000	46,638	525,000	303,262	550,000	11,000	23,828.39	1,072	1,205,000	451,120	65,000	25,108
2020	205,000	38,438	585,000	273,211					1,305,000	397,105	65,000	22,963
2021	205,000	30,238	795,000	235,010					1,380,000	336,655	65,000	20,720
2022	205,000	21,884	1,115,000	180,973					1,335,000	274,210	65,000	18,380
2023	205,000	13,274	1,200,000	114,095					1,405,000	211,190	70,000	15,880
2024	205,000	4,459	1,295,000	39,498					620,000	164,615	70,000	13,220
2025									620,000	134,390	70,000	10,490
2026									645,000	101,333	75,000	7,590
2027									670,000	65,983	75,000	4,515
2028									665,000	28,606	70,000	1,470
2029									165,000	4,744		
2030												
	1,995,000	457,085	7,105,000	2,839,719	3,715,000	424,500	109,304	15,200	14,910,000	4,776,268	1,150,000	288,965

Continued on next page.

CITY OF WEST ALLIS, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of June 12, 2014)

	STF Loan Series 2010		CWF Loan Series 2010		G.O. Bonds Series 2011		Tax. G.O. Bonds Series 2012A		G.O. Bonds Series 2012B		G.O. Bonds Series 2013A	
Dated	7/2/2010		10/27/2010		5/19/2011		4/5/2012		4/5/2012		6/13/2013	
Amount	$188,018		$1,554,765		$5,635,000		$6,015,000		$6,205,000		$8,140,000	
Maturity	3/15		5/1		4/1		4/1		4/1		4/1	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2014				16,240		59,744		67,164		58,331		67,513
2015	18,064	5,124	70,381	31,636	470,000	114,788	390,000	132,475	495,000	111,713	610,000	131,975
2016	18,820	4,368	72,070	29,927	470,000	105,388	400,000	128,023	495,000	101,813	610,000	125,875
2017	19,632	3,556	73,799	28,176	470,000	93,638	405,000	122,183	495,000	91,913	750,000	118,138
2018	20,466	2,722	75,571	26,384	470,000	79,538	415,000	114,274	495,000	82,013	890,000	106,775
2019	21,336	1,852	77,384	24,548	465,000	65,513	420,000	104,355	495,000	71,494	1,065,000	89,450
2020	22,240	948	79,242	22,669	465,000	51,563	355,000	94,224	505,000	60,244	1,060,000	68,200
2021			81,143	20,744	465,000	37,613	370,000	84,163	505,000	48,881	705,000	50,550
2022			83,091	18,774	190,000	27,788	380,000	73,093	510,000	37,463	475,000	38,750
2023			85,085	16,755	190,000	22,088	385,000	60,850	235,000	28,934	475,000	29,250
2024			87,127	14,689	190,000	16,150	405,000	47,511	235,000	23,206	200,000	22,250
2025			89,218	12,573	190,000	9,856	415,000	33,055	235,000	17,184	200,000	17,500
2026			91,359	10,406	190,000	3,325	250,000	20,960	235,000	10,575	200,000	12,500
2027			93,552	8,187			190,000	12,725	235,000	3,525	200,000	7,500
2028			95,797	5,915			110,000	6,915			200,000	2,500
2029			98,096	3,588			115,000	2,358				
2030			100,451	1,205								
	120,560	18,570	1,353,367	292,417	4,225,000	686,988	5,005,000	1,104,325	5,170,000	747,288	7,640,000	888,725

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CITY OF WEST ALLIS, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of June 12, 2014)

	G.O. Ref. Bonds Series 2013B		G.O. Co. Pur. Bds Series 2014A							
Dated	6/25/2013		6/12/2014							
Amount	$5,560,000		$6,800,000 (This Issue)							
Maturity	4/1		4/1							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Est Interest**	**Total Principal**	**Total Interest**	**Principal & Interest**	**Principal Outstanding**	**Principal %Paid**	**Year**
2014		67,085		38,293	0	1,233,009	1,233,009	75,644,914	0.00%	2014
2015	480,000	126,970	570,000	124,905	8,105,984	2,415,361	10,521,345	67,538,930	10.72%	2015
2016	490,000	112,420	565,000	121,501	8,144,902	2,175,441	10,320,343	59,394,028	21.48%	2016
2017	500,000	100,070	565,000	116,981	7,793,989	1,934,825	9,728,815	51,600,038	31.79%	2017
2018	500,000	90,070	565,000	110,908	7,718,183	1,698,061	9,416,244	43,881,855	41.99%	2018
2019	500,000	80,070	560,000	103,318	6,972,510	1,468,999	8,441,508	36,909,346	51.21%	2019
2020	500,000	70,070	560,000	93,938	6,472,070	1,256,598	7,728,668	30,437,275	59.76%	2020
2021	245,000	61,395	560,000	82,878	6,012,371	1,047,782	7,060,153	24,424,904	67.71%	2021
2022	250,000	54,720	560,000	70,558	5,674,969	836,489	6,511,458	18,749,936	75.21%	2022
2023	265,000	48,076	560,000	57,258	5,422,625	624,136	6,046,760	13,327,311	82.38%	2023
2024	265,000	40,458	560,000	43,118	4,245,341	430,292	4,675,632	9,081,970	87.99%	2024
2025	285,000	32,208	235,000	32,548	2,453,117	300,549	2,753,667	6,628,853	91.24%	2025
2026	295,000	23,213	235,000	25,850	2,290,956	216,124	2,507,080	4,337,896	94.27%	2026
2027	215,000	14,999	235,000	18,859	1,913,552	136,292	2,049,844	2,424,344	96.80%	2027
2028	110,000	9,690	235,000	11,515	1,485,797	66,611	1,552,408	938,547	98.76%	2028
2029	110,000	5,950	235,000	3,878	723,096	20,517	743,613	215,451	99.72%	2029
2030	115,000	2,013			215,451	3,218	218,669	0	100.00%	2030
	5,125,000	939,475	6,800,000	1,056,302	75,644,914	15,864,303	91,509,216			

DEBT LIMIT

The constitutional and statutory general obligation debt limit for most Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	$	3,701,354,200
Multiply by 5%		0.05
Statutory Debt Limit	$	185,067,710
Less: General Obligation Debt		(75,644,914)
Unused Debt Limit	$	109,422,796

OVERLAPPING DEBT[1]

Taxing District	2013 Equalized Value	% In City	Total G.O. Debt	City's Proportionate Share
Milwaukee County	$ 57,127,524,400	6.4791%	$ 721,728,545	$ 46,761,574
Milwaukee Area Technical College	70,216,764,673	5.2713%	83,120,000	4,381,526
West Allis-West Milwaukee School District	4,382,179,488	84.4638%	23,275,582	19,659,435
Milwaukee Metropolitan Sewerage District	56,031,757,800	6.6058%	972,948,617	64,271,185
City's Share of Total Overlapping Debt				$135,073,720

[1] Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $3,701,354,200	Debt/ Per Capita 60,300[1]
Total General Obligation Debt	$ 75,644,914	2.04%	$ 1,254.48
City's Share of Total Overlapping Debt	135,073,720	3.65%	2,240.03
Total	$ 210,718,634	5.69%	$ 3,494.50

DEBT PAYMENT HISTORY

The City has never defaulted in the payment of principal and interest on its debt.

FUTURE FINANCING

The City reports no plans for additional financing in the next six months.

[1] Estimated 2013 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only (Including TIF Levy)	% Collected	Levy/Equalized Value in Dollars per $1,000
2009/10	$38,212,157	100%	$8.76
2010/11	39,196,808	100%	9.53
2011/12	39,788,733	100%	10.19
2012/13	40,010,190	100%	10.70
2013/14	40,137,947	In Process	10.84

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per $1,000 of equalized value (excluding TIF) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total Full Value Effective Rate[3]
2009/10	$11.23	$4.15	$8.76	$2.18	$23.01
2010/11	11.90	4.45	9.53	2.37	25.91
2011/12	12.37	4.72	10.19	2.30	27.30
2012/13	12.58	5.05	10.70	2.71	28.41
2013/14	12.25	5.13	10.84	2.62	28.41

Source: Property Tax Rates were extracted from bulletins prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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[1] The Schools tax rate reflects the composite rate of all local school districts and the technical college district.

[2] Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes any tax increments and taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts.

[3] Property tax less state property tax credit (not including lottery credit).

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1906 and is governed by a Mayor and a ten-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to four-year terms. The appointed City Administrative Officer, Clerk/Treasurer and Finance Manager/Comptroller are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City has 567.13 full-time and 188.25 part-time/seasonal employees. 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.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

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. 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	
	Employee	Employer
General (including Teachers)	5.9%	5.9%
Executives and 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% 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.

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 employees's three highest years' 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.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and collectively bargain with the municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

Certain legal challenges have been brought with respect to the Act. On May 26, 2011, the Dane County Circuit Court (the "Circuit Court") issued a decision which voided the legislative action taken with respect to the Act due to violations of the State's Open Meetings Law. However, on June 14, 2011, the Supreme Court of Wisconsin overturned the Circuit Court's decision by vacating and declaring all orders and judgments of the Circuit Court with respect to the Act to be void. As a result, the Act took effect on June 29, 2011, the day after it was published in accordance with State statutes.

As a result of the amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety or transit employees, with respect to any factor or condition of employment except total base wages. The City or employee union has the option to pursue mediation and grievance arbitration. Voluntary impasse resolution procedures are prohibited for municipal employees, other than public safety or transit employees, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Impasse resolution for public safety or transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

On September 14, 2012, the Circuit Court issued a decision which declared that certain portions of the Act violated State Constitutional rights to freedom of speech and association and equal protection, including portions of the Act that prohibit collectively bargaining with municipal employees with respect to any factor or condition of employment except total base wages. On September 18, 2012, the State Attorney General filed an appeal to the Circuit Court's decision and requested a stay on the enforcement of the decision until such an appeal is decided. On October 22, 2012, the Circuit Court denied the motion for the stay until the appeal is decided. As a consequence, until the appeal is decided, local governments and school districts may be prohibited from following the portions of the Act that have been found unconstitutional. The outcome of these legal proceedings cannot be predicted at this time.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Local 1004 Professional Firefighters Association	December 31, 2014
West Allis Professional Police Association	December 31, 2016

LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS

The City has obligations for other post-employment benefits (some mandated by State Statute and others that cover a portion of the cost of health insurance during retirement) for the majority of its employees. Accounting for these obligations are dictated by new Governmental Accounting Standards Board Statements Nos. 43 and 45 (GASB 43 and 45). The City has completed an actuarial study of its obligations. The City is currently funding these obligations on a pay-as-you-go basis.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver these Bonds or otherwise questioning the validity of these Bonds.

FUNDS ON HAND (as of April 21, 2014)

Fund	Total Cash and Investments
General Fund and Other Funds	$ 73,855,166
Enterprise Funds	7,347,977
Health Insurance Fund	12,939,183
TIF Funds	1,445,431
Library Funds	141,646
Total Funds on Hand	$ 95,729,403

ENTERPRISE FUNDS

Cash flows for the City's enterprise funds have been as follows as of December 31 each year:

	2010	2011	2012
Water			
Total Operating Revenues	$ 7,092,852	$ 7,311,193	$ 7,755,721
Less: Operating Expenses	(5,826,481)	(5,888,424)	(6,070,381)
Operating Income	$ 1,266,371	$ 1,422,769	$ 1,685,340
Plus: Depreciation	572,370	632,731	665,961
Interest Income	0	0	0
Revenues Available for Debt Service	$ 1,838,741	$ 2,055,500	$ 2,351,301
Sanitary Sewer			
Total Operating Revenues	$ 6,186,147	$ 6,999,071	$ 7,257,736
Less: Operating Expenses	(5,221,483)	(5,413,226)	(5,432,257)
Operating Income	$ 964,664	$ 1,585,845	$ 1,825,479
Plus: Depreciation	342,623	385,350	388,739
Interest Income	0	0	0
Revenues Available for Debt Service	$ 1,307,287	$ 1,971,195	$ 2,214,218
Storm Water			
Total Operating Revenues	$ 3,234,118	$ 3,578,777	$ 3,749,021
Less: Operating Expenses	(2,158,200)	(2,179,703)	(2,152,865)
Operating Income	$ 1,075,918	$ 1,399,074	$ 1,596,156
Plus: Depreciation	503,090	538,146	561,382
Interest Income	0	0	0
Revenues Available for Debt Service	$ 1,579,008	$ 1,937,220	$ 2,157,538
Solid Waste			
Total Operating Revenues	$ 1,416,698	$ 1,763,574	$ 2,130,006
Less: Operating Expenses	(1,681,268)	(1,635,879)	(1,722,897)
Operating Income	$ (264,570)	$ 127,695	$ 407,109
Plus: Depreciation	35,021	30,360	44,923
Interest Income	0	0	0
Revenues Available for Debt Service	$ (229,549)	$ 158,055	$ 452,032

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the fiscal years shown below. These summaries are not purported to be the complete audited financial statements of the City. Copies of the complete audited financial statements are available upon request. See Appendix A for excerpts from the City's 2012 audited financial statements.

	FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues					
Taxes and special assessments	$29,767,599	$30,407,936	$31,925,430	$33,209,507	$33,730,775
Intergovernmental	13,458,356	13,668,976	13,279,404	13,408,802	12,109,151
Licenses and permits	1,517,233	1,366,852	1,443,159	1,409,206	1,530,672
Penalties and forfeitures	2,121,677	2,016,671	1,984,350	1,725,585	2,115,717
Public charges for services	2,925,428	2,480,709	2,581,187	2,649,807	2,628,094
Interest	2,298,618	1,133,927	838,210	676,415	711,084
Miscellaneous general revenues	965,017	934,778	3,335,749	1,063,060	886,889
Total Revenues	$53,053,928	$52,009,849	$55,387,489	$54,142,382	$53,712,382
Expenditures					
Current:					
General government	$ 5,623,217	$ 5,645,446	$ 5,946,763	$ 6,375,030	$ 5,556,431
Public safety	29,264,756	30,827,202	31,355,574	31,416,202	32,069,524
Public works	12,120,311	11,496,981	10,969,343	11,139,859	10,092,830
Health and social services	1,978,233	1,988,576	2,073,582	2,045,684	1,826,688
Culture and recreation	2,232,030	2,448,296	2,345,338	2,362,520	2,330,952
Fringe benefits	756,071	820,134	326,782	552,288	968,511
Total Expenditures	$51,974,618	$53,226,635	$53,017,382	$53,891,583	$52,844,936
Excess of revenues over (under) expenditures	$ 1,079,310	$ (1,216,786)	$ 2,370,107	$ 250,799	$ 867,446
Other Financing Sources (Uses)					
Proceeds from capital lease	0	0	0	0	0
Proceeds of long-term debt	0	0	0	0	0
Operating transfers in	1,625,968	1,567,581	1,600,449	1,561,241	1,783,238
Operating transfers out	0	(2,126)	(2,285,000)	(201,000)	(252,440)
Total Other Financing Sources (Uses)	$ 1,625,968	$ 1,565,455	$ (684,551)	$ 1,360,241	$ 1,530,798
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 2,705,278	$ 348,669	$ 1,685,556	$ 1,611,040	$ 2,398,244
General Fund Balance January 1	26,053,784	28,759,062	29,107,731	30,793,287	32,404,327
General Fund Balance December 31	$28,759,062	$29,107,731	$30,793,287	$32,404,327	$34,802,571
DETAILS OF DECEMBER 31 FUND BALANCE					
Reserved	$ 1,874,891	$ 2,034,916	$3,786,310	$ 0	$ 0
Unreserved:					
Designated	0	0	20,567,768	0	0
Undesignated	26,884,171	27,072,815	6,439,209	0	0
Nonspendable	0	0	0	1,208,155	8,701,706
Restricted	0	0	0	0	0
Committed	0	0	0	939,369	823,931
Assigned	0	0	0	20,232,002	21,300,823
Unassigned	0	0	0	10,024,801	3,976,111
Total	$28,759,062	$29,107,731	$30,793,287	$32,404,327	$34,802,571

GENERAL INFORMATION

LOCATION

The City of West Allis, with a 2010 U.S. Census population of 60,411 and an estimated current population of 60,300, comprises an area of 11.402 square miles and is located just to the west of the City of Milwaukee, in southeastern Wisconsin. For additional information about the City, please visit their website at www.ci.west-allis.wi.us.

LARGER EMPLOYERS

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
West Allis Memorial Hospital	Regional Hospital	2,000
School District of West Allis-West Milwaukee	Elementary and secondary education	1,410
Quad Graphics	Commercial printer	600
Performance Clean LLC	Janitor Service	600
City of West Allis	Municipal government and services	567
Visiting Nurse Assn of. Milwaukee/Aurora	Social Service Agency	560
Village at Manor Park	Nursing home and retirement facility	500
Wheaton Franciscan	Health Care Services	310
Chr. Hansen Lab, Inc.	Food Additive Manufacturer	300
Brookdale Senior Living	Assisted care health provider	250

Source: *ReferenceUSA and the Wisconsin Department of Workforce Development.*

BUILDING PERMITS

	2010	2011	2012	2013	2014[1]
No. of All Building Permits *(including additions and remodelings)*	1,673	1,592	1,586	1,588	422
Valuation of All Building Permits *(including additions and remodelings)*	$23,791,748	$32,812,843	$29,295,073	$32,246,059	$9,240,986
New Single Family Homes					
No. of building permits	3	2	4	3	0
Valuation	$439,000	$317,700	$417,250	$604,000	$0
New Multiple Family Buildings					
No. of building permits	0	1	0	0	2
No. of units	0	n/a	0	0	0
Valuation	$0	$6,000,000	$0	$0	$1,945,000
New Commercial/Industrial Buildings					
No. of building permits	2	3	2	1	1
Valuation	$893,000	$1,462,000	$5,057,782	$1,200,000	$900,000

[1] As of April 21, 2014.

U.S. CENSUS DATA

Population Trend: City of West Allis

2000 U.S. Census	61,254
2010 U.S. Census	60,411
2013 Estimated Population	60,300
Percent of Change 2000 - 2010	-1.38%

Income and Age Statistics

	City of West Allis	Milwaukee County	State of Wisconsin	United States
2011 per capita income	$24,715	$24,051	$27,426	$28,051
2011 median household income	$44,200	$43,397	$52,627	$53,046
2011 median family income	$59,809	$55,021	$66,415	$64,585
2012 median gross rent	$743	$786	$749	$889
2012 median value owner occupied units	$155,300	$162,900	$169,000	$181,400
2012 median age	38.2 yrs.	33.7 yrs.	38.5 yrs.	37.2 yrs.

	State of Wisconsin	United States
City % of 2011 per capita income	90.12%	88.11%
City % of 2011 median family income	90.05%	92.61%

Housing Statistics

	City of West Allis		
	2000	2012	Percent of Change
All Housing Units	28,708	29,510	2.79%

Source: *2000 and 2010 Census of Population and Housing, and 2012 American Community Survey, U.S. Census Bureau (www.factfinder2.census.gov).*

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment	Average Unemployment	
Year	City of West Allis	City of West Allis	State of Wisconsin
2010	29,592	9.2%	8.5%
2011	29,950	8.2%	7.5%
2012	29,858	7.6%	6.9%
2013	30,022	7.2%	6.7%
2014, March	29,964	7.2%	6.7%

Source: *Wisconsin Department of Workforce Development.*

APPENDIX A

EXCERPTS FROM FINANCIAL STATEMENTS

Reproduced on the following pages are excerpts from the City's audited Financial Statements for the fiscal year ending December 31, 2012. The Financial Statements have been prepared by the City and audited by a certified public accountant. The Management's Discussion and Analysis and the Notes to Financial Statements are an integral part of the audit and any judgment of the Financial Statements should be based on the Financial Statements as a whole.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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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.

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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.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
July 22, 2013

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 components units are reported separately from the financial information presented for the primary government itself.

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

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

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.

City of West Allis Net Position
(amount expressed in $1,000's)

	Governmental Activities		Business-Type Activities		Total	Total
	2012	2011	2012	2011	2012	2011
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
Total assets	390,977	358,034	101,376	94,218	492,353	452,252
Deferred outflows of resources	0	0	77	0	77	0
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
Total liabilities	166,716	173,528	28,567	26,055	195,283	199,613
Deferred inflows of resources	41,935	41,725	0	0	41,935	41,725
Net position:						
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
Total net position	$182,326	$184,506	$72,888	$68,164	$255,214	$252,670

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

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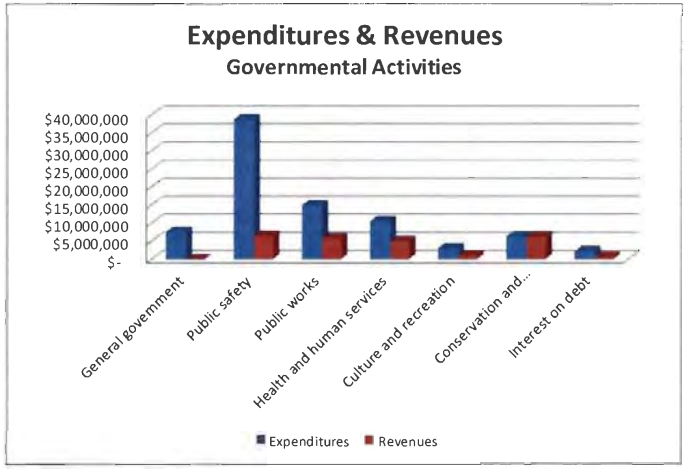
City of West Allis Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
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
General Revenues:						
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
Total Revenues	$80,085,009	$80,827,608	$22,616,461	$20,756,541	$102,701,470	$101,584,149
Expenses						
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	8,360,438	0	0	10,578,888	8,360,438
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
Total Expenses	$83,605,940	$83,086,506	$16,551,731	$11,535,085	$100,157,671	$94,621,591
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
Net position - December 31	$182,326,073	$184,506,272	$72,887,390	$68,163,392	$255,213,463	$252,669,664

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

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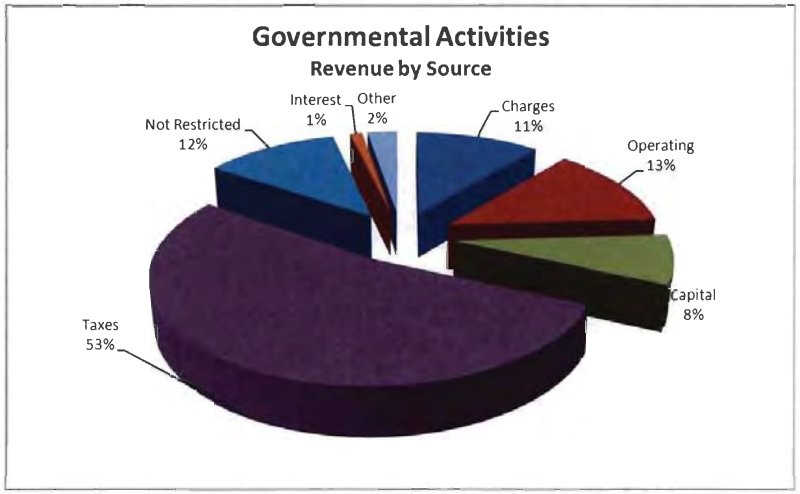


Business-type activities. Business-type activities increased the City's net position by $4,723,998. Key elements of this net increase in net position are as follows:

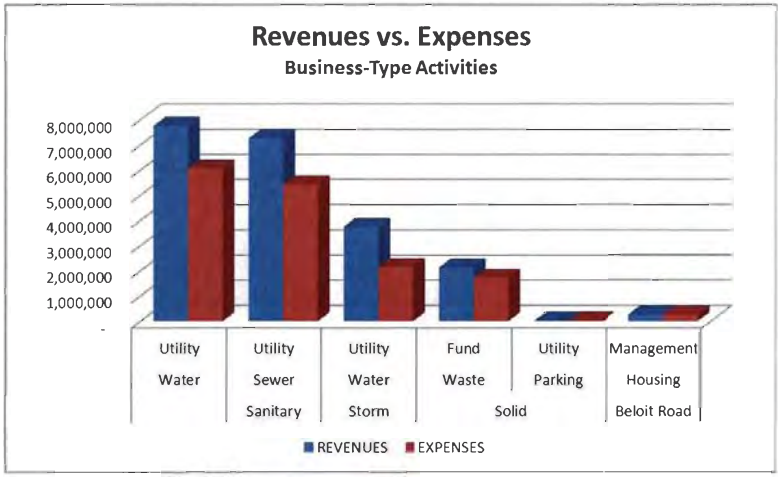
- The Water Utility increased net position by $853,790 as compared to an increase of $515,580 in 2011. The utility realized a 9.41% rate of return in 2011 as compared to 7.83% in 2011 based on the Public Service Commission calculation. The City received a rate increase, effective July 27, 2011, from 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

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.

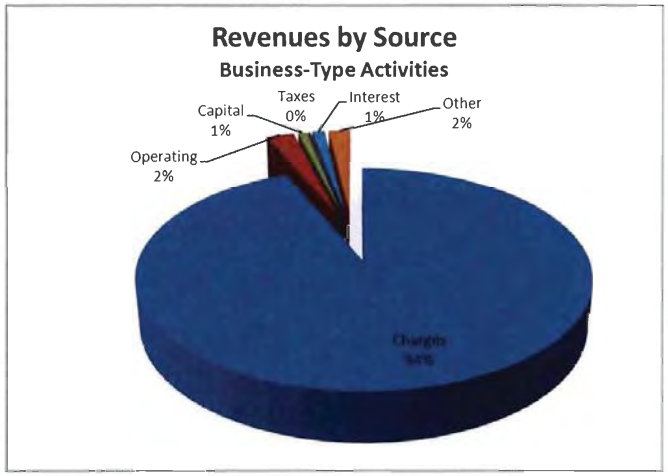
- The Storm Water Utility increased net position by $1,301,102 as compared to an increase of $1,018,010 in 2011. The rate was unchanged from 2011, $6.11 per month. The Storm Water Utility expenditures on infrastructure continue to increase due to efforts to address the recent flooding and clear water 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.



- 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

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 fund 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.

Unrestricted Assets:	2012	2011
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
	$16,772,641	$13,552,705

- 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

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

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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
Total Assets	$453,459,890	$445,810,159	$111,117,386	$106,698,093	$564,577,276	$552,508,252
Less Accumulated Depreciation	($246,480,590)	($235,397,737)	($30,708,910)	($29,347,832)	($277,189,500)	($264,745,569)
Net Capital Assets	$206,979,300	$210,412,422	$80,408,476	$77,350,261	$287,387,776	$287,762,683
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 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
	$54,116,109	$55,778,694	$24,293,727	$22,739,574	$78,409,836	$78,518,268

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.

- 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 .

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

CITY OF WEST ALLIS, WISCONSIN
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
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)
TOTAL ASSETS	390,976,850	101,376,293	492,353,143	5,219,793
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding of debt	-	77,725	77,725	-
LIABILITIES				
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	-
TOTAL LIABILITIES	166,715,886	28,566,628	195,282,514	1,328,745
DEFERRED INFLOWS OF RESOURCES				
Property taxes	41,934,891	-	41,934,891	-
NET POSITION				
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
TOTAL NET POSITION	$ 182,326,073	$ 72,887,390	$ 255,213,463	$ 3,891,048

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
Governmental Activities				
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	-	-
Total Governmental Activities	83,605,940	8,969,449	10,518,040	6,279,436
Business-type Activities				
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	-	-
Total Business-type Activities	16,551,731	21,188,970	543,728	172,493
Total	$ 100,157,671	$ 30,158,419	$ 11,061,768	$ 6,451,929
Component Units				
Terchak Endowment Fund	$ 38,550	$ -	$ -	$ -
FIRE	323,043	1,288,971	-	-
	$ 361,593	$ 1,288,971	$ -	$ -

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)	-
(57,839,015)	-	(57,839,015)	-
-	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	-
-	5,353,460	5,353,460	-
(57,839,015)	5,353,460	(52,485,555)	-
-	-	-	(38,550)
-	-	-	965,928
-	-	-	927,378
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)	-	-
55,658,816	(629,462)	55,029,354	114,217
(2,180,199)	4,723,998	2,543,799	1,041,595
184,506,272	68,163,392	252,669,664	2,849,453
$ 182,326,073	$ 72,887,390	$ 255,213,463	$ 3,891,048

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

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
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
TOTAL ASSETS	$ 145,959,284	$ 6,990,968	$ 16,338,337	$ 169,288,589
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
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
Total Liabilities	77,834,172	-	4,538,762	82,372,934
Deferred Inflows of Resources				
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
Total Deferred Inflows of Resources	33,322,541	6,803,100	8,694,461	48,820,102
Fund Balances				
Nonspendable				
Inventories and prepaid items	1,241,675	-	230,900	1,472,575
Long-term receivables	7,460,031	-	-	7,460,031
Restricted				
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
Unassigned, reported in				
General fund	3,976,111	-	-	3,976,111
Special revenue funds	-	-	(95,248)	(95,248)
Capital projects funds	-	-	(2,353,722)	(2,353,722)
Total Fund Balances	34,802,571	187,868	3,105,114	38,095,553
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 145,959,284	$ 6,990,968	$ 16,338,337	$ 169,288,589

(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		(84,170,085)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 37)		$ 182,326,073

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
Revenues				
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
Total Revenues	53,712,382	7,411,485	11,020,553	72,144,420
Expenditures				
Current				
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
Debt service				
Principal retirement	-	10,422,585	-	10,422,585
Interest and fiscal charges	-	2,349,592	-	2,349,592
Capital outlay	-	-	5,450,263	5,450,263
Total Expenditures	52,844,936	12,772,177	13,879,446	79,496,559
Excess of Revenues Over (Under) Expenditures	867,446	(5,360,692)	(2,858,893)	(7,352,139)
Other Financing Sources (Uses)				
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)
Total Other Financing Sources (Uses)	1,530,798	5,365,239	3,297,201	10,193,238
Net Change in Fund Balances	2,398,244	4,547	438,308	2,841,099
Fund Balances - January 1	32,404,327	183,321	2,666,806	35,254,454
Fund Balances - December 31	$ 34,802,571	$ 187,868	$ 3,105,114	$ 38,095,553

(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	(12,304,923)	
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	(5,607,620)	
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)
Revenues				
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
Total Revenues	52,727,517	52,727,517	53,712,382	984,865
Expenditures				
Current				
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
Total Expenditures	55,591,387	56,602,803	52,844,936	3,757,867
Excess of Revenues Over (Under) Expenditures	(2,863,870)	(3,875,286)	867,446	4,742,732
Other Financing Sources (Uses)				
Transfers in	1,627,280	1,627,280	1,783,238	155,958
Transfers out	-	-	(252,440)	(252,440)
Total Other Financing Sources (Uses)	1,627,280	1,627,280	1,530,798	(96,482)
Net Change in Fund Balance	(1,236,590)	(2,248,006)	2,398,244	4,646,250
Fund Balance - January 1	32,404,327	32,404,327	32,404,327	-
Fund Balance - December 31	$ 31,167,737	$ 30,156,321	$ 34,802,571	$ 4,646,250

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
ASSETS				
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
TOTAL ASSETS	27,254,028	30,339,823	34,003,568	2,389,738
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding of debt	13,002	51,586	13,137	-
LIABILITIES				
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	-
TOTAL LIABILITIES	10,876,017	15,626,564	1,738,130	3,312
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
NET POSITION				
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
TOTAL NET POSITION	$ 16,391,013	$ 14,764,845	$ 32,278,575	$ 2,386,426

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	-
218,379	935,007	15,637,793	14,620,926
905,726	-	963,716	-
-	-	155,113	-
-	-	496,728	-
-	-	104,240,136	-
109,060	-	5,261,693	-
(109,060)	-	(30,708,910)	-
905,726	-	80,408,476	-
-	8,394,957	8,394,957	-
-	-	-	3,244,299
905,726	8,394,957	88,803,433	3,244,299
1,124,105	9,329,964	104,441,226	17,865,225
-	-	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
936	3,386,602	7,980,711	3,635,615
-	-	22,140,610	-
-	-	108,404	-
-	-	1,401,836	-
-	-	23,650,850	-
936	3,386,602	31,631,561	3,635,615
-	-	-	2,000,000
905,726	-	56,114,749	-
217,443	5,943,362	16,772,641	12,229,610
$ 1,123,169	$ 5,943,362	$ 72,887,390	$ 12,229,610

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	7,755,721	7,257,736	3,749,021	2,130,006
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	6,070,381	5,432,257	2,152,865	1,722,897
Operating Income (Loss)	1,685,340	1,825,479	1,596,156	407,109
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)	(265,554)	(185,800)	4,946	549,800
Income Before Contributions and Transfers	1,419,786	1,639,679	1,601,102	956,909
Customer contributions	172,493	-	-	-
Transfers out	(738,489)	(82,224)	(300,000)	(100,000)
Change in Net Position	853,790	1,557,455	1,301,102	856,909
Net Position - January 1	15,537,223	13,207,390	30,977,473	1,529,517
Net Position - December 31	$ 16,391,013	$ 14,764,845	$ 32,278,575	$ 2,386,426

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	-
21,494	259,883	21,173,861	14,428,086
38,123	254,464	14,009,982	-
-	-	-	15,885,896
-	-	1,661,005	-
38,123	254,464	15,670,987	15,885,896
(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	-
43,000	242,971	389,363	2,892,506
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
1,096,798	5,814,991	68,163,392	10,887,420
$ 1,123,169	$ 5,943,362	$ 72,887,390	$ 12,229,610

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
Cash Flows from Operating Activities			
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)
Net Cash Provided (Used) by Operating Activities	2,220,758	1,887,315	2,242,726
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(738,489)	(82,224)	(300,000)
State and local grants	-	289,204	-
Property taxes	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(738,489)	206,980	(300,000)
Cash Flows from Capital and Related Financing Activities			
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)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,503,491)	(791,150)	(1,586,205)
Cash Flows from Investing Activities			
Interest received	21,222	15,842	25,475
Received from other funds	-	-	-
Receivable from others	-	-	-
Notes receivable issued	-	-	-
Total Cash Flows from Investing Activities	21,222	15,842	25,475
Change in Cash and Cash Equivalents	-	1,318,987	381,996
Cash and Cash Equivalents - January 1	-	2,036,461	647,410
Cash and Cash Equivalents - December 31	$ -	$ 3,355,448	$ 1,029,406
Cash Flows from Operating Activities			
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	-
Net Cash Provided (Used) by Operating Activities	$ 2,220,758	$ 1,887,315	$ 2,242,726

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)

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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the government reports the following fund type:

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

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

c. Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are 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.

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:

Assets	Governmental Activities	Business-type 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.

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.

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.

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.

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.

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
Totals	$ 31,779,715	$ -	$ 3,169,056	$ 14,296,092	$ 14,314,567

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:

		Remaining Maturity (in Months)			
Investment Type	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	-	-	-
Totals	$ 31,779,715	$ 12,924,809	$ 1,902,788	$ 10,904,799	$ 6,047,319

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.	$2,612,338

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.

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
Governmental activities:				
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	13,413,458	-	-	13,413,458
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	432,396,701	8,933,223	1,283,492	440,046,432
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	235,397,737	12,304,923	1,222,070	246,480,590
Total capital assets, being depreciated, net	196,998,964	(3,371,700)	61,422	193,565,842
Governmental activities capital assets, net	$ 210,412,422	$ (3,371,700)	$ 61,422	206,979,300
Less related long-term debt outstanding				47,796,109
Net investment in capital assets				$ 159,183,191

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 963,716	$ -	$ -	$ 963,716
Construction in progress	103,059	155,113	103,059	155,113
Total capital assets, not being depreciated	1,066,775	155,113	103,059	1,118,829
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	105,631,318	4,747,893	380,654	109,998,557
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	29,347,832	1,726,567	365,489	30,708,910
Total capital assets, being depreciated, net	76,283,486	3,021,326	15,165	79,289,647
Business-type activities capital assets, net	$ 77,350,261	$ 3,176,439	$ 118,224	80,408,476
Less related long-term debt outstanding				24,293,727
Net investment in capital assets				$ 56,114,749

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

Governmental activities	
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	$ 12,304,923
Business-type activities	
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	$ 1,726,567

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.

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.

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
	$ 1,783,238	$ 672,094	$ 574,295	$ 3,029,627

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.

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
Governmental activities:					
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	55,778,694	8,760,000	10,422,585	54,116,109	5,457,415
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	$ 79,886,874	$ 14,367,620	$ 10,586,585	$ 83,667,909	$ 5,597,415
Business-type activities:					
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	1,136,836	265,000	-	1,401,836	-
Business-type activities					
Long-term obligations	$ 23,876,410	$ 3,833,404	$ 1,905,847	$ 25,803,967	$ 2,153,117

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

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	71,339,218

(Continued)

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	7,070,618
Total General Obligation Debt	$ 78,409,836

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

Year Ended	Governmental Activities		Business-type Activities		Totals	
December 31	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
	$ 54,116,109	$ 13,748,835	$ 24,293,727	$ 5,718,973	$ 78,409,836	$ 19,467,808

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

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.

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	159,183,191
Restricted	
Debt service	187,868
Unrestricted	22,955,014
Total Governmental Activities Net Position	$ 182,326,073

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	$ 823,931
Special Revenue Funds	
Committed for Cable Communications Fund	$ 791,411
Committed for Information Technology Joint Ventures Fund	87,155
	$ 878,566

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
	$ 21,300,823

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.

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	(1,091,335)
Annual OPEB cost (expense)	10,073,291
Contributions made	4,200,671
Change in net OPEB obligation	5,872,620
OPEB obligation - beginning of year	24,470,016
OPEB obligation - end of year	$ 30,342,636

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

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.

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	
	Employee	Employer
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.

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

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.

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.

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.

APPENDIX B

FORM OF LEGAL OPINION

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202
June 12, 2014

Re: City of West Allis, Wisconsin ("Issuer")
$6,800,000 General Obligation Corporate Purpose Bonds, Series 2014A,
dated June 12, 2014 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2015	$570,000	____%
2016	565,000	____
2017	565,000	____
2018	565,000	____
2019	560,000	____
2020	560,000	____
2021	560,000	____
2022	560,000	____
2023	560,000	____
2024	560,000	____
2025	235,000	____
2026	235,000	____
2027	235,000	____
2028	235,000	____
2029	235,000	____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2014.

The Bonds maturing on April 1, 2022 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2021 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the resolution awarding the sale of the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.**]**

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of West Allis, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $6,800,000 General Obligation Corporate Purpose Bonds, Series 2014A, dated June 12, 2014 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on April 15, 2014 and May 20, 2014 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Preliminary Official Statement dated May 9, 2014 (as supplemented by an Addendum dated May 21, 2014) delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of West Allis, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Administrative Officer of the Issuer who can be contacted at City Hall, 7525 West Greenfield Avenue, West Allis, WI 53214, phone (414) 302-8200, fax (414) 302-8207.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year that ended December 31, 2013, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. Direct Debt
2. Debt Limit
3. Current Property Valuations
4. Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Material Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under

the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 12th day of June, 2014.

_____
Dan Devine
Mayor

(SEAL)

_____
Paul M. Ziehler
City Administrative Officer, Clerk/Treasurer

APPENDIX E

NOTICE OF SALE

$6,800,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2014A
CITY OF WEST ALLIS, WISCONSIN

Bids for the purchase of $6,800,000* General Obligation Corporate Purpose Bonds, Series 2014A (the "Bonds") of the City of West Allis, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Financial Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on May 20, 2014, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04 for the public purpose of financing 2014 capital projects which include street improvement projects, sanitary sewer improvements, water system improvements and a police department roofing project. The Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated June 12, 2014, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2015	$570,000	2020	$560,000	2025	$235,000
2016	565,000	2021	560,000	2026	235,000
2017	565,000	2022	560,000	2027	235,000
2018	565,000	2023	560,000	2028	235,000
2019	560,000	2024	560,000	2029	235,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of $5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing October 1, 2014, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after April 1, 2022 shall be subject to redemption prior to maturity on April 1, 2021 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, or overnight delivery service not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 12, 2014, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by

bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than $6,715,000, nor more than $7,072,000, plus accrued interest on the principal sum of $6,800,000 from date of original issue of the Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

1) In a sealed envelope as described herein; or

2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or

3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (the "Deposit") in the amount of $136,000, complying with the provisions below, must be submitted with each bid. The Deposit must be in the form of a certified or cashier's check, or a financial surety bond or a wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the bidder fails to comply therewith. The Deposit will be returned to the winning bidder at the closing for the Bonds.

The Deposit, payable to the City, shall be retained in the offices of Ehlers with the same effect as if delivered to the City. Alternatively, bidders may wire the Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The City and any bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the losing bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin, and preapproved by the City. Such bond must be submitted to Ehlers prior to the opening of the bids. Such bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder using a financial surety bond, then that bidder is required to submit its Deposit to Ehlers in the form of a certified or cashier's check or wire transfer as instructed by Ehlers not later than 3:00 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. The amount securing the successful bid will be retained as liquidated damages if the bid is accepted and the bidder fails to comply therewith. No bid can be withdrawn after

the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution to be adopted by the Common Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement. As a condition of closing, the City will deliver a Continuing Disclosure Certificate at closing (in addition to the legal opinion and non-litigation certificate) setting forth the details and terms of the City's undertaking.

INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager will

be provided with an electronic copy and up to 10 printed copies upon request of the Final Official Statement within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Paul Ziehler, City Administrative Officer, Clerk/Treasurer
City of West Allis, Wisconsin

BID FORM

The Common Council **May 20, 2014**
City of West Allis, Wisconsin

RE: $6,800,000* General Obligation Corporate Purpose Bonds, Series 2014A
DATED: June 12, 2014

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Preliminary Official Statement, we will pay you $_____ (not less than $6,715,000, nor more than $7,072,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2015	_____	% due	2020	_____	% due	2025
_____	% due	2016	_____	% due	2021	_____	% due	2026
_____	% due	2017	_____	% due	2022	_____	% due	2027
_____	% due	2018	_____	% due	2023	_____	% due	2028
_____	% due	2019	_____	% due	2024	_____	% due	2029

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of $5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our good faith deposit in the amount of $136,000, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Preliminary Official Statement dated May 9, 2014. This bid is for prompt acceptance and is conditional upon deposit of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 12, 2014.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager:_____ By:_____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 12, 2014 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of West Allis, Wisconsin, on May 20, 2014.

By:_____ By:_____

Title:_____ Title:_____