

**CITY OF WAUWATOSA,  
WISCONSIN**



**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2018**

**CITY OF WAUWATOSA, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2018**

**PREPARED BY:**  
**CITY OF WAUWATOSA, WISCONSIN**  
**FINANCE DEPARTMENT**  
**JOHN RUGGINI, FINANCE DIRECTOR**

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## **INTRODUCTORY SECTION**



## CITY OF WUWATOSA

Finance Department  
7725 W. North Avenue  
Wauwatosa, WI 53213

July 2, 2019

Citizens, Honorable Mayor and Common Council of the City of Wauwatosa:

Wisconsin Statutes and the Wisconsin Administrative Code require that cities with a population greater than 25,000 publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, the Comprehensive Annual Financial Report of the City of Wauwatosa for the fiscal year ended December 31, 2018 is hereby submitted.

This report was prepared by the City's Finance Department and contains representations concerning the finances of the City. Responsibility for the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for these representations, management has established and maintained an internal control structure designed to ensure that City assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow the accurate preparation of financial statements in conformity with GAAP in the United States of America. The system of internal control has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefit derived. To the best of our knowledge and belief, the presented data is complete and reliable in all material aspects and is reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

As indicated above, state law requires that the City's financial records be audited annually by independent certified public accountants. Based upon the recommendation of the Budget and Finance Committee and the approval of the Common Council, the City retained the services of CliftonLarsonAllen, LLP to perform its audit. CliftonLarsonAllen, LLP concluded based upon its audit procedures that the City's financial statements for the year ended December 31, 2018 are fairly presented in accordance with GAAP. The auditor's opinion is included as the first item in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE CITY OF WAUWATOSA

The City of Wauwatosa is located in Milwaukee County, approximately five miles from downtown Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the City of Wauwatosa covers thirteen square miles and has a population of 47,781 (per state Department of Administration). The City operates under the Council-Administrator form of government. The sixteen aldermen represent eight districts, serving four-year staggered terms, with one alderman per district elected every two years. The Mayor is elected to serve a four-year term while the City Administrator is appointed by the Common Council to manage the day-to-day operations of the City. Wauwatosa provides a full range of services typical of municipal governments, including police, fire and emergency medical protection; public works activities such as highway and street maintenance, refuse and recycling collection, water utility and sewer services; public health; public library; parks and recreation activities; community development activities including planning and zoning enforcement, economic development, engineering, building inspection and code enforcement; and general and financial administration.

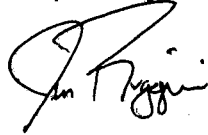
The annual budget process serves as the City's basis for financial planning and control. Departmental budgets are prepared on an annual basis by department heads and are submitted for examination in August of each year. The initial review of these budgets is conducted by the Mayor, City Administrator, and the Finance Department. After review of the department requests, the Mayor submits her recommendations to the Budget Committee for its review and approval. Public meetings are held starting in October by the Budget Committee whereby the budget is submitted to the Common Council for final approval. A public hearing on the proposed budget is held prior to approval by the Common Council, which usually occurs on the third Tuesday in November. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

## ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wauwatosa for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report was made possible by the efficient and dedicated services of the entire staff of the Finance Department along with the advice of the independent auditors, CliftonLarsonAllen, LLP. We would also like to thank the Common Council for their continued interest and support of the financial operations of the City.

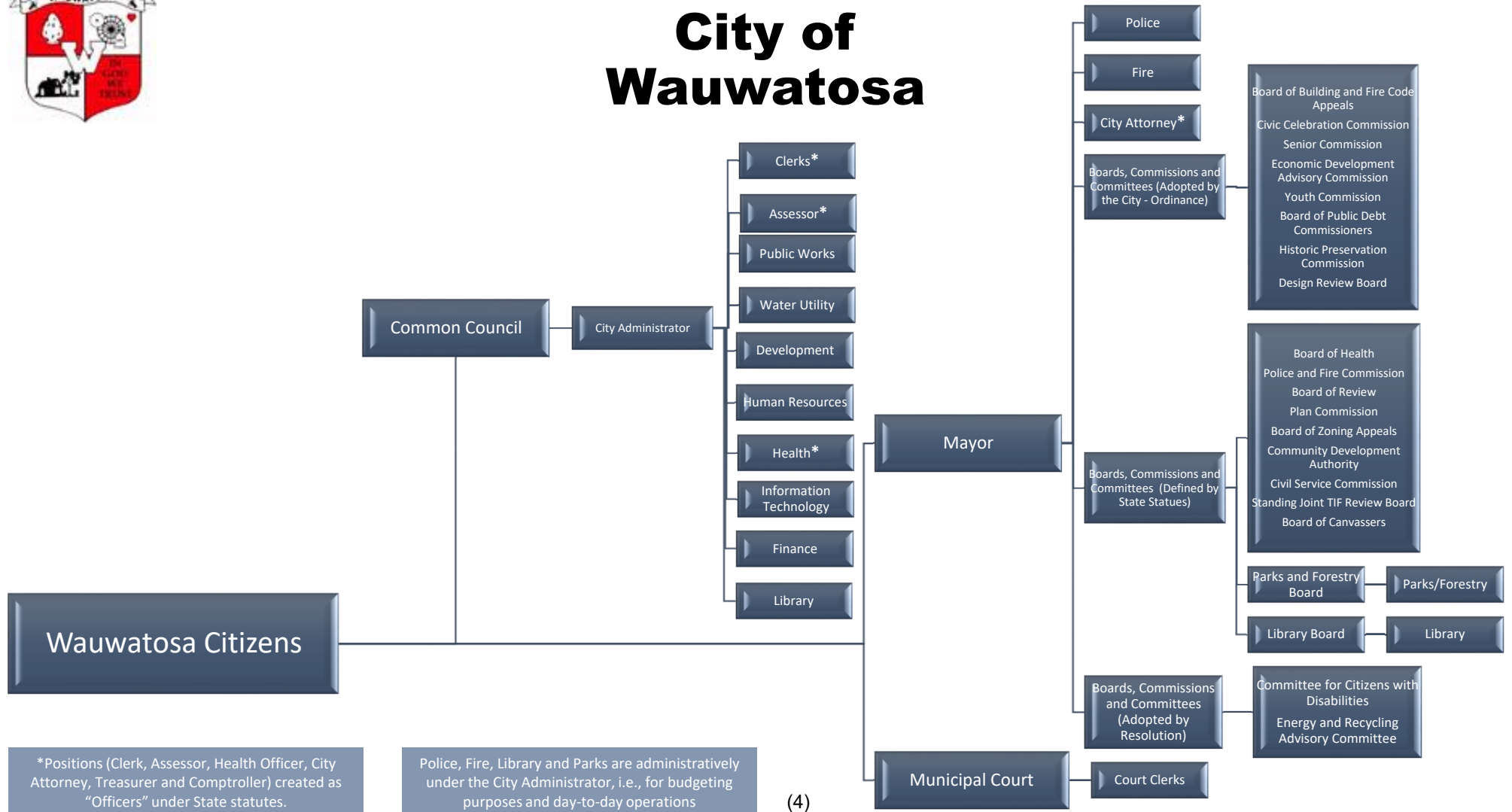
Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Ruggini". The signature is stylized with a large, sweeping initial "J" and "R".

John Ruggini  
Director of Finance



# City of Wauwatosa



\*Positions (Clerk, Assessor, Health Officer, City Attorney, Treasurer and Comptroller) created as "Officers" under State statutes.

Police, Fire, Library and Parks are administratively under the City Administrator, i.e., for budgeting purposes and day-to-day operations

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended December 31, 2018

## THE CITY OF WAUWATOSA, WISCONSIN

7725 W North Avenue  
WAUWATOSA, WISCONSIN 53213

**Kathleen Ehley, Mayor**  
**Cheryl Berdan, Common Council President**

### MEMBERS OF THE COMMON COUNCIL

Matt Stippich	Alderman, District # 1	Heather Kuhl	Alderman, District # 5
Jim Moldenhauer	Alderman, District # 1	Joel Tilleson	Alderman, District # 5
Kathleen Causier	Alderman, District # 2	Allison Byrne	Alderman, District # 6
John Dubinski	Alderman, District # 2	Kelly Rifelj	Alderman, District # 6
Tim J Hanson	Alderman, District # 3	Jason Kofroth	Alderman, District # 7
Nancy Welch	Alderman, District # 3	Cheryl Berdan	Alderman, District # 7
Michael Walsh	Alderman, District # 4	Craig Wilson	Alderman, District # 8
Ernst Franzen	Alderman, District # 4	Jason G Wilke	Alderman, District # 8

### ADMINISTRATORS

James Archambo	City Administrator
Beth Mbow	Human Resources Director
Richard Baker	Municipal Judge
Paulette Enders	Development Director
Alan Kesner	City Attorney
Laura Conklin	Health Officer
Carla Ledesma	City Clerk
Shannon Krause	City Assessor
Peter Loeffel	Library Director
Jalal Ali	Information Systems Director
David Simpson	Public Works Director
John Ruggini	Finance Director
James Case	Fire Chief
Barry Weber	Police Chief

### OFFICIALS ISSUING REPORT

John Ruggini	Finance Director
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Government Finance Officers Association

**Certificate of  
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Presented to

**City of Wauwatosa  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Common Council  
City of Wauwatosa, Wisconsin  
Milwaukee County, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, Wisconsin, as of and for the year ended December 31, 2018, and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended, and the related notes to the financial statements, which collectively comprise the entity'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 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 from 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis-of-Matters***

As discussed in Note 5.G to the financial statement, in 2018, the City of Wauwatosa adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result of the implementation, the City of Wauwatosa reported a restatement for the change in accounting principle. Our opinion is 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 and the Schedule of Changes in the City's' Total Other Post-Employment Benefit Liability and Related Ratios, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of the City's Pension Contributions, as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not a 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 of Wauwatosa, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules, the introductory section, and the statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules listed as other supplementary information in the table of contents 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 combining and individual fund financial statements and schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2019, on our consideration of the City of Wauwatosa, Wisconsin'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Wauwatosa, Wisconsin's 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 City of Wauwatosa, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
July 3, 2019

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## Management Discussion and Analysis

This section of the City of Wauwatosa's (the City) comprehensive annual financial report provides the reader with management's narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, and (4) identify any changes in the City's financial plan (approved budget). The financial discussion and analysis presented in the section is intended to be used in conjunction with the accompanying financial statements. Additional information is provided in the transmittal letter which can be found on pages 1-2 of this report.

## Financial Highlights

- ◆ The assets and deferred outflows of resources of the City of Wauwatosa exceeded its liabilities and deferred inflows of resources by \$162,986,084 (net position) as of December 31, 2018.
- ◆ As of December 31, 2018, the City of Wauwatosa's governmental funds reported combined ending fund balances of \$46,122,254. Of this balance, \$19,156,416 is available for spending at the government's discretion (unassigned fund balance)
- ◆ At the end of the current fiscal year, \$19,164,364 of unassigned fund balance for the general fund is equal to 32% of general fund expenditures and transfers out.
- ◆ The City's net Other Postemployment Benefit (OPEB) obligation was adjusted by \$11,635,664 to \$35,286,135 in accordance with GASB 75 and decreased to \$34,960,827 as of December 31, 2018.
- ◆ Total primary government bonds and notes payable increased \$20,961,239 to \$118,674,330 while business-type debt increased \$3,066,828 to \$65,154,933. Government debt increased due to bonds issued to finance infrastructure replacement including a downtown revitalization project, as well as \$13,843,674 in additional Municipal Revenue Obligations. Business-type debt increased as part of a planned enhanced capital improvement plan to address end-of-life infrastructure as well as street and basement flooding.
- ◆ The City maintained an Aaa rating from Moody's.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Wauwatosa's basic financial statements. The City of Wauwatosa's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 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 of Wauwatosa's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the City of Wauwatosa's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wauwatosa 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. Thus, 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 of Wauwatosa that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Wauwatosa include general government, protection of persons and property, health and sanitation, highway and transportation, education and recreation, conservation and development, and interest and fiscal charges. The business-type activities of the City of Wauwatosa include the Water Utility, Sanitary Sewer Reserve and Storm Water Management.

The government-wide financial statements include the activities of the City of Wauwatosa itself (known as the *primary government*). The Government-wide financial statements can be found on pages 23-24.

## 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 of Wauwatosa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wauwatosa can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### Governmental Funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, 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 the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 of Wauwatosa maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects General Obligation Debt Issue Fund, and the Tax Incremental Fund, which are considered to be major funds. Data from the other ten funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City has also presented budgetary comparison information for the General Fund and major Special Revenue Funds in the basic financial statements.

The basic governmental fund financial statements can be found on pages 25-29.

#### **Proprietary funds.**

The City of Wauwatosa maintains eleven proprietary funds. *Enterprise funds* are used to report the same function presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Wauwatosa's various functions. The City of Wauwatosa uses enterprise funds to account for its Water Utility, Storm Water Management and Sanitary Sewer Funds. The City of Wauwatosa uses internal service funds to account for its fleet of vehicles, rental of space in the Municipal Complex, information systems, rental of occupied space in the public works garage, and four self-insured insurance programs (health, dental, general liability, workers compensation). In the government-wide financial statements, these services have been allocated between the *governmental activities* and *business-type activities* based on cost drivers associated with the services provided.

The basic proprietary fund financial statements can be found on pages 30-34.

#### **Fiduciary Funds.**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Wauwatosa's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35-36.

## **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 37-89.

## **Other information.**

In addition to the basic financial statements and accompanying notes, this report also presents certain additional supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. A detailed budgetary comparison schedule for the General Fund is presented to demonstrate compliance with the budget. The City has also presented cumulative information related to its Tax Increment Districts and included a statistical section with 10 years of comparative financial, demographic and operational data.

The supplementary information can be found on pages 90-116. The statistical section can be found on pages 117-137.

## **Government-wide Financial Analysis-**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wauwatosa assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$162,986,084 at the close of 2018 as shown below in Figure 1.

The largest portion of the City of Wauwatosa's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). Although the City of Wauwatosa's 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 most of the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Wauwatosa's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the city's ongoing obligations to citizens and creditors.

*Figure 1*  
*CITY OF WAUWATOSA NET POSITION*  
*December 31, 2018*

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Other Assets	\$ 128,888,896	\$ 110,492,787	\$ 29,517,848	\$ 25,038,288	\$ 158,406,744	\$ 135,531,075
Capital Assets	128,041,812	121,170,948	156,111,887	150,549,922	284,153,699	271,720,870
Total Assets	<u>256,930,708</u>	<u>231,663,735</u>	<u>185,629,735</u>	<u>175,588,210</u>	<u>442,560,443</u>	<u>407,251,945</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows of Resources	19,295,652	17,473,997	513,967	611,014	19,809,619	18,085,011
<b>LIABILITIES</b>						
Current Liabilities	8,910,344	9,401,313	3,163,109	2,761,732	12,073,453	12,163,045
Noncurrent Liabilities	156,047,188	125,947,034	63,964,933	61,316,390	220,012,121	187,263,424
Total Liabilities	<u>164,957,532</u>	<u>135,348,347</u>	<u>67,128,042</u>	<u>64,078,122</u>	<u>232,085,574</u>	<u>199,426,469</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows of Resources	66,751,551	55,528,370	546,853	246,198	67,298,404	55,774,568
<b>NET POSITION</b>						
Net Investment in Capital Assets	75,671,459	71,678,472	98,721,747	95,399,607	174,393,206	167,078,079
Restricted	12,549,461	1,322,268	3,250,121	2,344,924	15,799,582	3,667,192
Unrestricted	(43,703,643)	(14,739,725)	16,496,939	14,130,373	(27,206,704)	(609,352)
Total Net Position	<u>\$ 44,517,277</u>	<u>\$ 58,261,015</u>	<u>\$ 118,468,807</u>	<u>\$ 111,874,904</u>	<u>\$ 162,986,084</u>	<u>\$ 170,135,919</u>

## Change in Net Position

Net position of the City of Wauwatosa decreased by \$7,149,835 (-4.2%) in 2018 as the increase in the Business-Type Activates Net Position was offset by the decrease in Governmental Activities. Net position of the City's governmental activities totaled \$44,517,277 as of December 31, 2018, a decrease of \$13,743,738 (-23.6%). The City's unrestricted net position for governmental activities is negative due development incentives associated with Tax Increment Districts that result in a liability without an associated asset. As the debt is repaid and when the TIF closes, this negative amount will be reduced. The net position of business-type activities totaled \$118,468,807, an increase of \$6,593,903 (5.9%). Following is a summary of the changes in net position for the City of Wauwatosa.

## Governmental Activities

Governmental activities for 2018 decreased the City's net position by \$13,743,738 as detailed below. \$7,082,044 of the reduction was due to a GASB 75 related restatement of the prior period. Some of the significant changes that contributed to the remaining \$6,661,694 reduction include:

- ◆ \$6.96 million less in contributed assets was reported in the governmental statements in 2018.
- ◆ \$20.8 million in debt proceeds net repayments were reported in 2018 in the governmental funds. This was \$10.4 million more than in 2017 so revenue was decreased by a greater amount in 2018 as part of the conversion to the Statement of Activities.
- ◆ These two changes were offset by:
  - A \$6.9 million increase in the governmental fund balance from 2017. This was primarily a result of unspent bond proceeds in the capital projects and special revenue funds as described under the "Fund Financial Analysis" section.

- Net position was increased by \$1.92 million as the increase in accrued interest payable, accrued vacation payable and pension expenses was less in 2018 than 2017.
- Similarly, the net revenue from internal service funds was greater in 2018 than 2017 by \$1.94 million.

*Figure 2*

**CHANGE IN NET POSITION- GOVERNMENTAL ACTIVITIES**  
*For The Years Ended December 31, 2018 and 2017*

	Governmental Activities		
	2018	2017	Variance
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 7,044,761	\$ 6,759,455	\$ 285,306
Operating Grants	3,207,335	3,075,840	131,495
Capital Grants/Contributions	3,649,928	10,456,801	(6,806,873)
General Revenues:			
Property Taxes	48,577,102	45,657,605	2,919,497
Other Taxes	2,073,728	1,966,144	107,584
Grants not Restricted to Specific Programs	2,672,403	2,631,583	40,820
Investments	1,415,384	692,056	723,328
Gain (loss) -sales/disposal of capital assets	(17,863)	88,579	(106,442)
Total Revenues	<u>68,622,778</u>	<u>71,328,063</u>	<u>(2,705,285)</u>
<b>EXPENSES</b>			
General Government	6,139,403	7,005,559	(866,156)
Protection of Persons and Property	32,518,369	33,938,926	(1,420,557)
Health and Sanitation	3,587,126	3,671,541	(84,415)
Highway and Transportation	8,546,258	8,697,116	(150,858)
Education and Recreation	5,114,314	5,064,666	49,648
Conservation and Development	18,152,760	10,014,449	8,138,311
Interest and Fiscal Charges	2,204,069	1,909,106	294,963
Total Government Activities Expense	<u>76,262,299</u>	<u>70,301,363</u>	<u>5,960,936</u>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	(7,639,521)	1,026,700	(8,666,221)
<b>NET TRANSFERS</b>	<u>977,827</u>	<u>40,526</u>	<u>937,301</u>
Change in Net Position	<u>(6,661,694)</u>	<u>1,067,226</u>	<u>(7,728,920)</u>
Net Position - Beginning	58,261,015	57,193,789	1,067,226
Prior Period Restatement	<u>(7,082,044)</u>	<u>-</u>	<u>(7,082,044)</u>
Restated Net Position - Beginning	<u>51,178,971</u>	<u>57,193,789</u>	<u>(6,014,818)</u>
<b>NET POSITION - ENDING</b>	<u>\$ 44,517,277</u>	<u>\$ 58,261,015</u>	<u>\$ (13,743,738)</u>

## Business Activities

Business activities for 2018 increased the City's net position by \$6,593,903 as detailed below. Some of the significant changes in revenues and expenses as shown in Figure 3 that contributed to that change were as follows:

### Revenues

- ◆ Higher charges for service are due to sanitary and storm rate increases necessary to fund increasing capital improvement costs associated with aging infrastructure. Sanitary rates increased 4.0% and storm rates increased 6.0%.
- ◆ Capital Grants and contributions decreased 85% to \$641,190 due largely to recording one-time improvements made by the Wisconsin Department of Transportation to the City of Wauwatosa Sanitary, Storm and Water utilities in 2017.
- ◆ Investments increased 168% to \$362,293 due to rising interest rates which improved earnings on the City's investment portfolio.

### Expenses

- ◆ Water expenses rose 5.6%. This was largely due to an 11% rise in wages as vacant positions in 2017 were filled. In addition, maintenance and repairs increased 15.5% while interest costs rose 66,008.
- ◆ Sanitary expenses increased 5.1% due largely to a 10.5% increase in the pass through expense to the Milwaukee Metropolitan Sewage District for wastewater treatment totaling \$357,672.
- ◆ Storm water expenses increased 8.6%. The majority of this increase was in Sundry contractual due to sewer televising and processing of leaves into compost.
- ◆ Transfers decreased to a net transfer out of -977,827 reflecting the payment-in-lieu of taxes made by the Water Utility and Sanitary Sewer to the General Fund.
- ◆ The prior period restatement is related to the implementation of GASB 75.

*Figure 3*  
**CHANGE IN NET POSITION- BUSINESS ACTIVITIES**  
*For The Years Ended December 31, 2018 and 2017*

	Business Activities		
	2018	2017	Variance
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 24,497,824	\$ 22,992,167	\$ 1,505,657
Capital Grants/Contributions	641,190	4,313,708	(3,672,518)
General Revenues:			
Investments	362,293	135,347	226,946
Total Revenues	<u>25,501,307</u>	<u>27,441,222</u>	<u>(1,939,915)</u>
<b>EXPENSES</b>			
Water Utility	7,521,107	7,122,106	399,001
Sanitary Sewer	6,799,993	6,467,574	332,419
Storm Water Management	2,648,156	2,437,468	210,688
Total Business Activities Expense	<u>16,969,256</u>	<u>16,027,148</u>	<u>942,108</u>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	8,532,051	11,414,074	(2,882,023)
<b>NET TRANSFERS</b>	<u>(977,827)</u>	<u>(40,526)</u>	<u>(937,301)</u>
Change in Net Position	<u>7,554,224</u>	<u>11,373,548</u>	<u>(3,819,324)</u>
Net Position - Beginning	111,874,904	100,501,356	11,373,548
Prior Period Restatement	<u>(960,321)</u>	<u>-</u>	<u>(960,321)</u>
Restated Net Position - Beginning	<u>110,914,583</u>	<u>100,501,356</u>	<u>10,413,227</u>
<b>NET POSITION - ENDING</b>	<u>\$ 118,468,807</u>	<u>\$ 111,874,904</u>	<u>\$ 6,593,903</u>

## Fund Financial Analysis

As noted earlier, the City of Wauwatosa uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial reporting focuses on short-term spendable resources and balances of spendable resources available at year-end.

## Governmental Funds

As of December 31, 2018, the City of Wauwatosa's governmental funds reported combined ending balances of \$46,122,254 an increase of \$6,931,268 from the prior year. This increase is due to several factors described below and presented in Figure 4.

- The largest factor for the increase in the fund balances was timing related to capital projects. The amount of unspent bond proceeds in the capital projects fund increased from \$1,962,353 to \$4,581,903 at the end of the year. These prior year bond proceeds will be spent down over the course of 2019 and 2020 as capital projects are completed.

- The General Fund balance increased \$554,834 to \$23,315,381. This was largely the result of a continued high level of building activity producing permit revenue surplus and salary savings due to vacancies in public safety and engineering that were offset by increased spending on property assessment litigation.
- The Tax Increment Fund (TIF) achieved a surplus of \$3,148,642 largely due to \$2.5 million of unspent bond proceeds related to developer performance-based payments for Tax Increment District 7. The payments are based on increased property tax value which will be achieved in 2019.
- The Community Development Fund increased \$347,688 due to the receipt of funds for affordable housing projects from Tax Increment District 5 which was kept open an additional year to generate increment for this purpose.
- The Tourism Commission had a surplus of \$358,971 as hotel/motel tax revenue exceeded allowable tourism related expenditures by this much.
- The Fleet Equipment fund increased by \$152,829 due to cost of the regularly replacement schedule of vehicles being less than the annual set-aside charged to departments.
- The Public Works Building Improvement Reserve decreased \$75,173 as funds were used for a roof replacement project.

*Figure 4*  
**CHANGE IN GOVERNMENTAL FUND BALANCES**

	General Fund	TIF	Debt Service	CP - General Obligation Debt Issue Fund	Special Assessments	Community Development Block Grant	Park	Library
Beginning Year Balance	\$ 22,760,547	\$ 1,956,172	\$ 2,168,051	\$ 6,273,900	\$ -	\$ (2,422)	\$ 1,175,668	\$ 184,683
Current Year Activity	554,834	3,148,642	(173,645)	2,499,368	-	1	(70,262)	15,010
End of Year Balance	\$ 23,315,381	\$ 5,104,814	\$ 1,994,406	\$ 8,773,268	\$ -	\$ (2,421)	\$ 1,105,406	\$ 199,693
Nonspendable	\$ 2,196,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	5,104,814	1,994,406	4,581,903	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	1,954,342	-	-	4,191,365	-	-	1,105,406	199,693
Unassigned	19,164,364	-	-	-	-	(2,421)	-	-

	Redevelopment Authority Reserve Fund	Community Development Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	Total
Beginning Year Balance	\$ 1,435,526	\$ 1,484,750	\$ 133,670	\$ 470,208	\$ 1,080,587	\$ 69,646	\$ 39,190,986
Current Year Activity	79,892	347,688	358,971	93,113	152,829	(75,173)	6,931,268
End of Year Balance	\$ 1,515,418	\$ 1,832,438	\$ 492,641	\$ 563,321	\$ 1,233,416	\$ (5,527)	\$ 46,122,254
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,196,675
Restricted	-	985,593	492,641	-	-	-	13,159,357
Committed	-	-	-	-	-	-	-
Assigned	1,515,418	846,845	-	563,321	1,233,416	-	11,609,806
Unassigned	-	-	-	-	-	(5,527)	19,156,416

## Proprietary Funds

Revenue and Expense highlights related to Water, Sanitary, and Storm water funds are discussed above. Internal Service Funds showed an increase in net position of \$2,489,912 following the restatement for GASB 75. The following funds contributed to his change:

- The Public Works Building fund increased its net position \$701,214 due largely to a \$835,128 capital contribution as the expenditures for the remodeled Public Works Building were recorded in the Capital Projects Fund.
- Information Systems posted a surplus of \$403,931 that was due to timing issues related to the installation of the new data center for which revenue was received in 2018 but installation will take place in 2019.
- The Employee Health Insurance Fund increased its net position by \$1,032,717 due largely to a negative OPEB expense.

The total OPEB liability is recorded in the Employee Health Insurance Fund. It was restated as of December 31, 2017 by \$11,635,664 to \$35,286,135 in accordance with GASB 75 and decreased to \$34,960,827 as of December 31, 2018. The OPEB Liability equaled 120.17% as a percentage of covered payroll.

## General Fund Budgetary Highlights

Differences between actual revenues and expenses and the final amended budget resulted in a positive revenue variance of \$586,995 (1.0% of total) and a positive expenditure variance of \$943,699 (1.9% of total). The following explains these variances:

### Revenues

- ◆ Tax revenue posted a \$287,509 surplus due largely to hotel/motel tax exceeding revenue projections and \$118,103 of unbudgeted revenue from chargebacks of appealed property tax payments to other taxing jurisdictions. This was offset by payments made in lieu of taxes by several assisted senior living facilities being less than budgeted due to higher than anticipated vacancy rates.
- ◆ Intergovernmental revenues exceeded budget by \$70,022 due to the Fire Insurance Tax exceeding budget by \$25,407, state grants exceeding budget by \$14,259 and federal grants by \$23,495.
- ◆ Fines, penalties and forfeitures was \$75,351 under the original budget due largely to vacancies in the police department which impacted the number of municipal citations and parking tickets issued. This was offset by a surplus of \$45,600 in alarm fee revenue.
- ◆ Public charges for services was \$74,249 under budget largely due to ambulance fees raising less revenue than budgeted due to assumptions related to a rate change.
- ◆ Commercial revenues posted a \$325,693 surplus due mostly to interest earnings being better than anticipated due to rising interest rates which has a positive impact on the City's investment portfolio.

## Expenditures

- ◆ General Government expenditures were \$112,911 less than budget. This was largely due to budget savings in nearly every department which helped offset a deficit in property assessment litigation spending.
- ◆ Protection of Persons and Property has a positive budget variance of \$503,673. This was partially due however to a budget mistake in which the final fire overtime budget and equipment reserve budget were incorrectly entered. This accounted for approximately \$200,000 of the variance but did not result in actual over-spending. The majority of the remainder was from salary savings due to vacancies in the fire department.
- ◆ Health and Sanitation had a negative budget to actual variance of \$209,956 due higher than budgeted wages of \$72,788 for solid waste removal, \$157,323 in higher than budgeted equipment costs for solid waste and \$57,067 in additional solid waste disposal fees due to decreased recycling rebates. This was mitigated by \$63,531 in wage savings in the Health Department due to vacancies.
- ◆ Highway and Transportation had a \$664,002 surplus due to \$150,314 in Engineering projects that were not completed in 2018 but will be expended in 2019. \$245,667 in wage and fringe savings due to vacancies in Roadway Maintenance also contributed to the surplus as well as \$101,286 in equipment rental savings. Similarly, \$128,931 of wage and fringe savings in the Electrical Service division due to vacancies also resulted in the surplus. There was also \$30,271 in electricity savings for street lights.
- ◆ The Conservation and Development surplus of \$141,890 is savings throughout the Forestry Department including wages, benefits, operating expenditures and inter-departmental charges.
- ◆ Capital outlay is budgeted with in the functional areas resulting in the financial statement variance.
- ◆ Transfers-in shows a large variance because use of fund balance related to carry-overs is included on a budget basis as a revenue for tracking purposes.

## Capital Assets and Debt Administration

### Capital Assets

The City of Wauwatosa investments in capital assets for its governmental and business-type activities as of December 31, 2018 increased \$12,432,829 to \$284,153,699 net of accumulated depreciation. This investment in capital assets includes land, buildings, sewer and water main improvements, machinery and equipment, parks facilities, roads, and bridges. The increase in the City of Wauwatosa's investment in capital assets for the current fiscal year was 5.7% for governmental and 3.7% for business-type functions. This increase reflects the continuation of the City's enhanced capital improvement plan to replace infrastructure (largely roads, bridges and sewer mains) that are past-their useful life or of insufficient capacity.

Major capital assets improvements during 2018 included the following:

- ◆ 12,878 linear feet of reconstructed and resurfaced streets.

- ◆ 24,675 linear feet of replaced or relined sanitary sewer mains
- ◆ 9,929 linear feet of replaced or relined storm sewer mains
- ◆ 4,478 linear feet of replaced water mains
- ◆ Approximately \$1.5 million in additional governmental improvements including in public bike share stations, downtown wayfinding signs and the complete reconstruction of the Root Commons and Pocket Parks in the downtown.

Additional information on the City of Wauwatosa’s capital assets can be found on pages 59-60.

### **Debt Administration**

At the end of the current fiscal year, the City of Wauwatosa had total general bonded and other debt outstanding of \$121,874,985. During 2018, the City of Wauwatosa issued \$20,060,000 in General Obligation bonds for street and sewer improvements, equipment purchases and a remodel of the Public Works building as well as developer performance-based payments. The City maintains an “Aaa” rating from Moody’s for its general obligation debt.

State Statutes limit the amount of general obligation debt a government entity may issue to 5% of its total equalized valuation. The current debt limitation for the City of Wauwatosa is \$317,106,435 of which the City has utilized 38.43% for its current outstanding general obligation debt.

The remainder of the City of Wauwatosa’s debt represents bonds secured solely by specific revenue sources. The Wauwatosa Water Utility has outstanding debt of \$21,270,000 and issued \$3,620,000 in water revenue bonds for water infrastructure projects during 2018. The Water Utility maintains an Aa2 rating from Moody’s.

Additional information on the City of Wauwatosa’s long-term debt can be found in note 4.G on pages 63-70 of this report.

### **Economic Factors and Next Year’s Budget and Rates**

The City of Wauwatosa is an inner ring suburban community located in Milwaukee County. Wauwatosa is strategically located at the center of the Milwaukee metropolitan area with excellent transportation access. It is the home of a number of regionally significant institutions and companies – including the Milwaukee County Grounds, the County Medical Center, Research Park, Harley-Davidson, GE Health Care and Briggs and Stratton – and is second only to downtown Milwaukee as a regional employment center. The City of Wauwatosa features diverse neighborhoods, an excellent variety of housing stock, a thriving Village business district, and a key regional shopping center; the City is noted for its level of municipal services, excellent schools, the civic engagement of its citizens, and its high quality of life.

Other key economic factors include:

- ◆ The City’s equalized property valuation (including tax increment district value) has increased from \$5.65 billion in 2008 to \$6.34 billion in 2018.

- ◆ The unemployment rate for the City of Wauwatosa is currently 2.7% annually for 2018. This compares favorably to the state's average of 3.0% and Milwaukee County's average rate of 3.6%.
- ◆ The City maintains an Aaa bond rating from Moody's Investors Service, based in part on the relatively strong economic climate of the City.

The City adopts operating budgets for its governmental funds (General, Special Revenue, Debt Service, Capital Projects) and enterprise funds (Water and Sewer Utilities). The 2019 fiscal year operating budget for the General Fund includes \$61.3 million in projected revenues and expenditures. The budget does not include the use of any unassigned fund balance.

Funding for the operating budget of the City is provided from many sources, including property taxes, room taxes, grants and aids from the State and County, user fees, permits and licenses, fines, and other miscellaneous revenues. Several revenue sources are more sensitive to economic factors, in particular building permits, room taxes and investment earnings. Building permit and room tax revenue show positive growth due to local economic recovery and modest increases are budgeted. However, beginning in 2016, the state has imposed additional limits on the use of room tax revenue. Property tax limitations put in place by the State of Wisconsin and flat or declining state and federal revenues will continue to put pressure on the City's operating budget.

Full-time equivalent positions decreased 1.78 to 455.61 in the 2019 budget as the City faced continued revenue and expenditure pressures. These pressures which will cause the City to continue to pursue tax base expansion, expenditure efficiencies and new revenue sources.

Rate increases for sanitary and storm water are planned for 2019 due largely to increases in debt service associated with enhanced capital spending. The increases in capital spending are predominately related to replacing infrastructure at the end of its useful life as well as expanding capacity of the storm and sanitary sewer system to address surface and basement flooding that has been experienced in recent years. A simplified rate increase of 3% for the water utility was also planned due to increases in the cost of water purchased from the City of Milwaukee Waterworks.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 58,766,448	\$ 13,915,998	\$ 72,682,446
Receivables (Net of Allowance for Uncollectible Accounts)	58,579,493	7,080,858	65,660,351
Internal Balances	1,855,309	(1,855,309)	-
Inventories	195,652	145,566	341,218
Prepaid Items	38,495	8,833	47,328
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	3,281,021	3,281,021
Net Pension Asset	8,269,046	277,770	8,546,816
Designated Assets - Cash and Cash Equivalents	-	6,660,032	6,660,032
Unamortized Maintenance Costs	-	395	395
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	29,087,149	1,614,984	30,702,133
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	98,954,663	154,496,903	253,451,566
Total Assets	<u>256,930,708</u>	<u>185,629,735</u>	<u>442,560,443</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts Related to the Pension	15,299,905	513,967	15,813,872
Deferred Amounts Related to the OPEB	3,995,747	-	3,995,747
Total Deferred Outflows of Resources	<u>19,295,652</u>	<u>513,967</u>	<u>19,809,619</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	8,300,850	1,379,225	9,680,075
Accrued Interest Payable	417,218	161,588	578,806
Deposits and Unearned Revenue	99,503	-	99,503
Due to Other Governments	92,773	-	92,773
Liabilities Payable from Restricted Assets	-	1,622,296	1,622,296
Noncurrent Liabilities:			
Due Within One Year	9,419,334	5,099,661	14,518,995
Due in More than One Year	111,667,027	58,865,272	170,532,299
OPEB Liability	34,960,827	-	34,960,827
Total Liabilities	<u>164,957,532</u>	<u>67,128,042</u>	<u>232,085,574</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts Related to the Pension	16,279,407	546,853	16,826,260
Subsequent Year Tax Levy	50,472,144	-	50,472,144
Total Deferred Inflows of Resources	<u>66,751,551</u>	<u>546,853</u>	<u>67,298,404</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	75,671,459	98,721,747	174,393,206
Restricted for Debt Service	2,802,181	2,972,351	5,774,532
Restricted for Pension Obligations	8,269,046	277,770	8,546,816
Restricted for Other	1,478,234	-	1,478,234
Unrestricted (Deficit)	<u>(43,703,643)</u>	<u>16,496,939</u>	<u>(27,206,704)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 44,517,277</u>	<u>\$ 118,468,807</u>	<u>\$ 162,986,084</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Governmental Activities:</b>							
General Government	\$ 6,139,403	\$ 1,254,496	\$ 15,581	\$ 50,000	\$ (4,819,326)	\$ -	\$ (4,819,326)
Protection of Persons and Property	32,518,369	4,537,538	1,955,959	45,017	(25,979,855)	-	(25,979,855)
Health and Sanitation	3,587,126	191,648	295,245	-	(3,100,233)	-	(3,100,233)
Highway and Transportation	8,546,258	298,666	-	3,554,911	(4,692,681)	-	(4,692,681)
Education and Recreation	5,114,314	745,415	300,332	-	(4,068,567)	-	(4,068,567)
Conservation and Development	18,152,760	16,998	640,218	-	(17,495,544)	-	(17,495,544)
Interest and Fiscal Charges	2,204,069	-	-	-	(2,204,069)	-	(2,204,069)
Total Governmental Activities	76,262,299	7,044,761	3,207,335	3,649,928	(62,360,275)	-	(62,360,275)
<b>Business-Type Activities:</b>							
Water Utility	7,521,107	9,157,995	-	1,650	-	1,638,538	1,638,538
Sanitary Sewer	6,799,993	10,194,937	-	-	-	3,394,944	3,394,944
Storm Water Management	2,648,156	5,144,892	-	639,540	-	3,136,276	3,136,276
Total Business-Type Activities	16,969,256	24,497,824	-	641,190	-	8,169,758	8,169,758
Total	\$ 93,231,555	\$ 31,542,585	\$ 3,207,335	\$ 4,291,118	(62,360,275)	8,169,758	(54,190,517)
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes and Debt Service					42,064,888	-	42,064,888
Property Taxes, Levied for TIF					6,512,214	-	6,512,214
Other Taxes					2,073,728	-	2,073,728
Loss on Sale of Capital Assets					(17,863)	-	(17,863)
Intergovernmental Revenues not Restricted to Specific Programs					2,672,403	-	2,672,403
Investment Income					1,415,384	362,293	1,777,677
Total General Revenues					54,720,754	362,293	55,083,047
Transfers					977,827	(977,827)	-
Change in Net Position					(6,661,694)	7,554,224	892,530
<b>NET POSITION - BEGINNING OF YEAR</b>					58,261,015	111,874,904	170,135,919
<b>PRIOR PERIOD RESTATEMENT</b>					(7,082,044)	(960,321)	(8,042,365)
<b>RESTATED NET POSITION - BEGINNING OF YEAR</b>					51,178,971	110,914,583	162,093,554
<b>NET POSITION - END OF YEAR</b>					\$ 44,517,277	\$ 118,468,807	\$ 162,986,084

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	Special		Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Revenue Fund Tax Incremental District Fund		General Obligation Debt Issue Fund		
<b>ASSETS</b>						
Cash and Investments	\$ 22,200,014	\$ 6,984,106	\$ 169,406	\$ 9,881,607	\$ 6,847,500	\$ 46,082,633
Taxes Receivable	43,382,335	7,584,819	-	-	125,345	51,092,499
Delinquent Personal Property Taxes	111,433	-	-	-	-	111,433
Special Assessments Receivable:						
Due in Installments	365	-	-	-	749,772	750,137
Accounts Receivable, Net	3,476,475	-	-	-	-	3,476,475
Accrued Investment Income Receivable	232,275	-	-	-	-	232,275
Notes Receivable	345,000	-	1,825,000	-	-	2,170,000
Other Accrued Receivables	336,721	-	-	38,788	194,576	570,085
Due from Other Funds	1,040,513	-	-	-	33,358	1,073,871
Prepayments	38,495	-	-	-	-	38,495
Inventories	1,423	-	-	-	-	1,423
Advance to Other Funds	1,700,324	-	-	-	-	1,700,324
<b>Total Assets</b>	<b>\$ 72,865,373</b>	<b>\$ 14,568,925</b>	<b>\$ 1,994,406</b>	<b>\$ 9,920,395</b>	<b>\$ 7,950,551</b>	<b>\$ 107,299,650</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 4,156,506	\$ 178,968	\$ -	\$ 891,576	\$ 37,327	\$ 5,264,377
Accrued Payroll	1,379,981	-	-	-	-	1,379,981
Unearned Revenues	-	-	-	-	99,503	99,503
Due to Other Governments	92,773	-	-	-	-	92,773
Due to Other Funds	1,013,855	-	-	-	129,564	1,143,419
Advance from Other Funds	-	1,700,324	-	-	-	1,700,324
<b>Total Liabilities</b>	<b>6,643,115</b>	<b>1,879,292</b>	<b>-</b>	<b>891,576</b>	<b>266,394</b>	<b>9,680,377</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Subsequent Year Tax Levy	42,887,325	7,584,819	-	-	-	50,472,144
Special Assessments	-	-	-	-	749,772	749,772
Other Accounts Receivable	19,552	-	-	255,551	-	275,103
<b>Total Deferred Inflows of Resources</b>	<b>42,906,877</b>	<b>7,584,819</b>	<b>-</b>	<b>255,551</b>	<b>749,772</b>	<b>51,497,019</b>
<b>FUND BALANCES</b>						
Nonspendable	2,196,675	-	-	-	-	2,196,675
Restricted	-	5,104,814	1,994,406	4,581,903	1,478,234	13,159,357
Assigned	1,954,342	-	-	4,191,365	5,464,099	11,609,806
Unassigned	19,164,364	-	-	-	(7,948)	19,156,416
<b>Total Fund Balances</b>	<b>23,315,381</b>	<b>5,104,814</b>	<b>1,994,406</b>	<b>8,773,268</b>	<b>6,934,385</b>	<b>46,122,254</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 72,865,373</b>	<b>\$ 14,568,925</b>	<b>\$ 1,994,406</b>	<b>\$ 9,920,395</b>	<b>\$ 7,950,551</b>	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	122,927,357
Long-term pension related liability, deferred outflows and deferred inflows are not related to the current period and, therefore, are not reported in the funds.	7,289,544
Internal service funds net position	(11,487,321)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Special assessments	749,772
Other accounts receivable	275,103
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(121,359,432)
	<u>\$ 44,517,277</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	General Fund	Special Revenue Fund Tax Incremental District Fund	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
				General Obligation Debt Issue Fund		
<b>REVENUES</b>						
Taxes	\$ 44,119,064	\$ 6,512,214	\$ -	\$ -	\$ -	\$ 50,631,278
Intergovernmental Revenues	5,730,536	27,355	-	355,274	640,327	6,753,492
Licenses and Permits	1,579,421	-	-	-	-	1,579,421
Penalties and Forfeitures	1,194,649	-	-	-	-	1,194,649
Public Improvement Revenues	2,010	-	-	-	916,499	918,509
Public Charges for Services	3,162,824	-	-	-	709,992	3,872,816
Intergovernmental Charges for Services	1,663,509	-	-	-	-	1,663,509
Commercial Revenues	1,201,052	170,733	61,531	237,110	131,217	1,801,643
Total Revenues	58,653,065	6,710,302	61,531	592,384	2,398,035	68,415,317
<b>EXPENDITURES</b>						
Current:						
General Government	6,353,838	-	-	-	-	6,353,838
Protection of Persons and Property	32,136,484	-	-	-	-	32,136,484
Health and Sanitation	3,689,989	-	-	-	-	3,689,989
Highway and Transportation	4,414,178	-	-	-	-	4,414,178
Education and Recreation	-	-	-	-	4,483,213	4,483,213
Conservation and Development	1,534,098	14,165,898	-	1,500,000	646,039	17,846,035
Unclassified	148,437	-	-	-	-	148,437
Debt Service:						
Principal	-	1,407,849	6,567,548	-	-	7,975,397
Interest and Other Fiscal Charges	-	95,037	2,202,574	-	-	2,297,611
Capital Outlay	353,092	-	-	12,000,067	1,122,164	13,475,323
Total Expenditures	48,630,116	15,668,784	8,770,122	13,500,067	6,251,416	92,820,505
Excess of Revenues Over (Under) Expenditures	10,022,949	(8,958,482)	(8,708,591)	(12,907,683)	(3,853,381)	(24,405,188)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	17,533,674	-	11,235,000	-	28,768,674
Premium on Long-Term Debt	-	47,255	319,179	-	-	366,434
Transfers In	1,009,633	-	8,215,767	4,172,051	6,087,829	19,485,280
Transfers Out	(10,477,748)	(5,473,805)	-	-	(1,332,379)	(17,283,932)
Net Change in Fund Balances	554,834	3,148,642	(173,645)	2,499,368	902,069	6,931,268
Fund Balances - Beginning of Year	22,760,547	1,956,172	2,168,051	6,273,900	6,032,316	39,190,986
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 23,315,381</b>	<b>\$ 5,104,814</b>	<b>\$ 1,994,406</b>	<b>\$ 8,773,268</b>	<b>\$ 6,934,385</b>	<b>\$ 46,122,254</b>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Total Governmental Funds	\$ 6,931,268
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets are capitalized and they are depreciated over their useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as capital outlay expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	13,475,323
Capital outlay is reported as expenditures in other categories in the fund financial statements, but is capitalized in the government-wide financial statements.	150,954
Some items reported as capital outlay were not capitalized.	(737,880)
Capital assets purchased in the current year by the governmental funds are reported as capital outlay on the fund financial statements and capital contributions on the internal service fund statements, but are eliminated on the government-wide statements	(1,621,268)
Contributed assets are reported in the government-wide financial statements	184,442
Depreciation is reported in the government-wide financial statements	(5,538,498)
Capital assets disposed of for a loss are not recognized as an expenditure on the fund financial statements	(17,863)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds (\$28,768,674) were greater than the repayments (\$7,975,397).	(20,793,277)
Governmental funds report debt premiums, discounts, as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Premium on debt issued	(366,434)
Amortization of debt premium	198,509
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	55,527
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in accrued interest payable (\$104,967), the increase in accrued vacation payable (\$24,396), and an increase in expenses related to pension activity (\$908,856).	(1,038,219)
Some expenses in the governmental funds are recorded as a reduction in long-term liabilities in the statement of net position. This amount represents payments on landfill closure obligation.	5,588
The net revenue (expense) of internal service funds is reported with governmental activities.	2,450,134
Change in Net Position of Governmental Activities	<u>\$ (6,661,694)</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 43,595,285	\$ 43,831,555	\$ 44,119,064	\$ 287,509
Intergovernmental Revenues	5,661,978	5,660,514	5,730,536	70,022
Licenses and Permits	1,480,065	1,563,054	1,579,421	16,367
Fines, Penalties and Forfeitures	1,270,000	1,270,000	1,194,649	(75,351)
Public Improvement Revenues	21,100	21,750	2,010	(19,740)
Public Charges for Services	3,179,442	3,237,073	3,162,824	(74,249)
Intergovernmental Charges for Services	1,606,765	1,606,765	1,663,509	56,744
Commercial Revenues	1,015,064	875,359	1,201,052	325,693
Total Revenues	57,829,699	58,066,070	58,653,065	586,995
<b>EXPENDITURES</b>				
General Government	6,140,019	6,466,749	6,353,838	112,911
Protection of Persons and Property	32,216,508	32,640,157	32,136,484	503,673
Health and Sanitation	3,444,109	3,480,033	3,689,989	(209,956)
Highway and Transportation	4,867,201	5,078,180	4,414,178	664,002
Conservation and Development	1,608,514	1,675,988	1,534,098	141,890
Unclassified	259,506	232,708	148,437	84,271
Capital Outlay	-	-	353,092	(353,092)
Total Expenditures	48,535,857	49,573,815	48,630,116	943,699
Excess of Revenues Over (Under) Expenditures	9,293,842	8,492,255	10,022,949	1,530,694
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,851,827	2,001,414	1,009,633	(991,781)
Transfers out	(11,145,669)	(10,493,669)	(10,477,748)	15,921
Net Change in Fund Balances	\$ -	\$ -	554,834	\$ 554,834
Fund Balances - Beginning of Year			22,760,547	
<b>FUND BALANCES - END OF YEAR</b>			<b>\$ 23,315,381</b>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SPECIAL REVENUE FUND TAX INCREMENTAL DISTRICT FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 6,826,491	6,512,214	\$ 6,512,214	\$ -
Intergovernmental Revenues	105,307	31,362	27,355	(4,007)
Commercial Revenues	60,700	107,345	170,733	63,388
Total Revenues	<u>6,992,498</u>	<u>6,650,921</u>	<u>6,710,302</u>	<u>59,381</u>
<b>EXPENDITURES</b>				
Conservation and Development	4,564,545	4,475,763	14,165,898	(9,690,135)
Principal	1,194,107	1,409,892	1,407,849	2,043
Interest and Other Fiscal Charges	101,013	200,000	95,037	104,963
Total Expenditures	<u>5,859,665</u>	<u>6,085,655</u>	<u>15,668,784</u>	<u>(9,583,129)</u>
Excess of Revenues Over (Under) Expenditures	1,132,833	565,266	(8,958,482)	(9,523,748)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	(2,826,000)	(3,692,000)	17,533,674	21,225,674
Premium on Long-Term Debt	-	-	47,255	47,255
Transfers Out	<u>(3,524,549)</u>	<u>(3,524,549)</u>	<u>(5,473,805)</u>	<u>(1,949,256)</u>
Net Change in Fund Balance	<u>\$ (5,217,716)</u>	<u>\$ (6,651,283)</u>	3,148,642	<u>\$ 9,799,925</u>
Fund Balance - Beginning of Year			<u>1,956,172</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 5,104,814</u>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2018**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	\$ 4,537,379	\$ 7,245,193	\$ 2,133,426	\$ 13,915,998	\$ 12,683,815
Receivables, Net	2,573,222	3,218,463	1,289,173	7,080,858	176,589
Due from Other Funds	435,627	392,969	158,167	986,763	-
Inventories	145,566	-	-	145,566	194,229
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund	1,498,030	-	-	1,498,030	-
Prepayments	8,833	-	-	8,833	-
Total Current Assets	<u>9,198,657</u>	<u>10,856,625</u>	<u>3,580,766</u>	<u>23,636,048</u>	<u>13,054,633</u>
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund	1,782,991	-	-	1,782,991	-
Net Pension Asset	203,413	23,077	51,280	277,770	-
Designated Cash - System Improvement	1,556,063	4,309,429	794,540	6,660,032	-
Unamortized Maintenance Costs	395	-	-	395	-
Nonutility Property	2,684	-	-	2,684	-
Deposit in Cities and Villages Mutual Insurance Company	-	-	-	-	1,184,453
Capital Assets:					
Land	81,405	-	-	81,405	22,617
Buildings	789,794	-	-	789,794	1,583,045
Improvements Other than Buildings	64,727,277	77,759,757	63,127,857	205,614,891	-
Machinery and Equipment	1,755,469	1,380,636	-	3,136,105	14,227,299
Construction in Progress	-	689,127	844,452	1,533,579	814,622
Less: Accumulated Depreciation	(17,719,782)	(24,848,811)	(12,475,294)	(55,043,887)	(11,533,128)
Total Capital Assets, Net	<u>49,634,163</u>	<u>54,980,709</u>	<u>51,497,015</u>	<u>156,111,887</u>	<u>5,114,455</u>
Total Noncurrent Assets	<u>53,179,709</u>	<u>59,313,215</u>	<u>52,342,835</u>	<u>164,835,759</u>	<u>6,298,908</u>
Total Assets	62,378,366	70,169,840	55,923,601	188,471,807	19,353,541
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts Related to the Pension	376,307	42,793	94,867	513,967	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	3,995,747
Total Deferred Outflows of Resources	<u>376,307</u>	<u>42,793</u>	<u>94,867</u>	<u>513,967</u>	<u>3,995,747</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
DECEMBER 31, 2018**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	263,512	942,980	208	1,206,700	1,656,492
Accrued Payroll	76,599	-	-	76,599	-
Due to Other Funds	910,949	6,266	-	917,215	-
Current Portion of Long-Term Debt	-	2,084,678	2,976,772	5,061,450	-
Current Portion of Refunding Bond	26,654	4,394	7,163	38,211	-
Current Portion of Capital Lease	-	-	-	-	13,508
Accrued Interest Payable	-	90,905	70,683	161,588	-
Other Accrued Liabilities	95,926	-	-	95,926	90,115
Liabilities Payable from Restricted Assets:					
Accounts Payable - Construction Account	123,626	-	-	123,626	-
Current Portion of Long-Term Debt	1,190,000	-	-	1,190,000	-
Accrued Interest Payable	308,670	-	-	308,670	-
Total Current Liabilities	<u>2,995,936</u>	<u>3,129,223</u>	<u>3,054,826</u>	<u>9,179,985</u>	<u>1,760,115</u>
Noncurrent Liabilities:					
Bonds Payable	20,380,093	20,077,006	18,187,772	58,644,871	-
Refunding Bond	153,738	25,346	41,317	220,401	-
Capital Lease	-	-	-	-	40,524
Net OPEB Obligation	-	-	-	-	34,960,827
Total Noncurrent Liabilities	<u>20,533,831</u>	<u>20,102,352</u>	<u>18,229,089</u>	<u>58,865,272</u>	<u>35,001,351</u>
Total Liabilities	<u>23,529,767</u>	<u>23,231,575</u>	<u>21,283,915</u>	<u>68,045,257</u>	<u>36,761,466</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts Related to the Pension	<u>400,465</u>	<u>45,431</u>	<u>100,957</u>	<u>546,853</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	29,920,226	37,412,620	31,388,901	98,721,747	5,114,455
Restricted for Debt Service	2,972,351	-	-	2,972,351	-
Restricted for Pension obligations	203,413	23,077	51,280	277,770	-
Unrestricted	5,728,451	9,499,930	3,193,415	18,421,796	(18,526,633)
Total Net Position	<u>\$ 38,824,441</u>	<u>\$ 46,935,627</u>	<u>\$ 34,633,596</u>	<u>120,393,664</u>	<u>\$ (13,412,178)</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.				<u>(1,924,857)</u>	
Net Position of Business-Type Activities				<u>\$ 118,468,807</u>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION – PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities			Total Enterprise Funds	Governmental
	Enterprise Funds				Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services and Sales	\$ 8,738,172	\$ 10,194,937	\$ 5,144,892	\$ 24,078,001	\$ 16,087,271
Other Operating Revenues	419,823	-	-	419,823	1,646,201
Total Operating Revenues	<u>9,157,995</u>	<u>10,194,937</u>	<u>5,144,892</u>	<u>24,497,824</u>	<u>17,733,472</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	5,711,661	5,118,670	1,348,743	12,179,074	14,944,419
Depreciation	1,059,827	1,082,939	820,662	2,963,428	983,935
Taxes	91,394	-	-	91,394	-
Total Operating Expenses	<u>6,862,882</u>	<u>6,201,609</u>	<u>2,169,405</u>	<u>15,233,896</u>	<u>15,928,354</u>
Operating Income	2,295,113	3,993,328	2,975,487	9,263,928	1,805,118
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Dividend Income	-	-	-	-	47,873
Investment Income	115,170	192,859	54,264	362,293	178,095
Intergovernmental Income	-	-	639,540	639,540	-
Gain on Sale or Trade of Assets	-	-	-	-	64,320
Interest on Long-Term Debt	(660,880)	(608,018)	(506,240)	(1,775,138)	-
Total Nonoperating Revenues (Expenses)	<u>(545,710)</u>	<u>(415,159)</u>	<u>187,564</u>	<u>(773,305)</u>	<u>290,288</u>
Income Before Capital Contributions and Transfers	1,749,403	3,578,169	3,163,051	8,490,623	2,095,406
<b>CAPITAL CONTRIBUTIONS</b>	7,885	-	5,169	13,054	1,621,268
<b>TRANSFERS IN</b>	215,960	-	-	215,960	7,578
<b>TRANSFERS OUT</b>	<u>(963,108)</u>	<u>(26,123)</u>	<u>(215,960)</u>	<u>(1,205,191)</u>	<u>(1,234,340)</u>
<b>CHANGE IN NET POSITION</b>	1,010,140	3,552,046	2,952,260	7,514,446	2,489,912
Net Position - Beginning of Year, As Previously Reported	37,814,301	43,383,581	31,681,336		(7,859,725)
Restatement	-	-	-		(8,042,365)
Net Position - Beginning of Year, Restated	<u>37,814,301</u>	<u>43,383,581</u>	<u>31,681,336</u>		<u>(15,902,090)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 38,824,441</u>	<u>\$ 46,935,627</u>	<u>\$ 34,633,596</u>		<u>\$ (13,412,178)</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

	39,778
Change in Net Position of Business-Type Activities	\$ 7,554,224

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total	
				Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 9,197,334	\$ 10,160,485	\$ 5,131,421	\$ 24,489,240	\$ 2,194,899
Payments from Other Funds	-	-	-	-	15,433,630
Payments to Suppliers	(3,862,865)	(4,804,558)	(848,085)	(9,515,508)	(13,314,110)
Payments to Employees	(1,728,444)	(214,331)	(491,332)	(2,434,107)	(2,164,146)
Net Cash Provided by Operating Activities	<u>3,606,025</u>	<u>5,141,596</u>	<u>3,792,004</u>	<u>12,539,625</u>	<u>2,150,273</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Principal Paid on Noncapital Debt	(25,588)	(4,218)	(6,877)	(36,683)	-
Interest Paid on Noncapital Debt	(9,354)	(1,486)	(2,422)	(13,262)	-
Payments from Other Funds	41,875	-	-	41,875	7,578
Payments from (to) Other Funds	(1,119,385)	38,234	(13,957)	(1,095,108)	(1,234,340)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,112,452)</u>	<u>32,530</u>	<u>(23,256)</u>	<u>(1,103,178)</u>	<u>(1,226,762)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Long-Term Debt	3,620,000	1,590,000	3,545,000	8,755,000	67,540
Premium from Issuance of Long-Term Debt	92,693	22,488	50,138	165,319	-
Acquisition and Construction of Capital Assets	(1,728,292)	(1,818,486)	(4,950,506)	(8,497,284)	(361,161)
Proceeds from the Sale of Property, Plant, and Equipment	-	-	-	-	87,160
Grant Funds Received	-	-	639,540	639,540	-
Principal Paid on Capital Debt	(850,000)	(2,024,738)	(2,826,068)	(5,700,806)	(13,508)
Interest Paid on Capital Debt	(644,402)	(650,663)	(537,361)	(1,832,426)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>489,999</u>	<u>(2,881,399)</u>	<u>(4,079,257)</u>	<u>(6,470,657)</u>	<u>(219,969)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and Dividends Received	<u>115,170</u>	<u>192,859</u>	<u>54,264</u>	<u>362,293</u>	<u>225,968</u>
Net Cash Provided by Investing Activities	<u>115,170</u>	<u>192,859</u>	<u>54,264</u>	<u>362,293</u>	<u>225,968</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,098,742	2,485,586	(256,245)	5,328,083	929,510
Cash and Cash Equivalents - Beginning of Year	<u>6,275,721</u>	<u>9,069,036</u>	<u>3,184,211</u>	<u>18,528,968</u>	<u>11,754,305</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 9,374,463</u>	<u>\$ 11,554,622</u>	<u>\$ 2,927,966</u>	<u>\$ 23,857,051</u>	<u>\$ 12,683,815</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 2,295,113	\$ 3,993,328	\$ 2,975,487	\$ 9,263,928	\$ 1,805,118
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,059,827	1,082,939	820,662	2,963,428	983,935
Depreciation Charged to Other Accounts	73,025	-	-	73,025	-
Amortization of Maintenance Costs	250,089	-	-	250,089	-
(Increase) Decrease:					
Accounts Receivable	39,589	(34,452)	(13,471)	(8,334)	(10,641)
Inventories	28,992	-	-	28,992	2,254
Prepaid Items	(995)	-	-	(995)	-
Net Pension Liability	(256,453)	(33,036)	(66,566)	(356,055)	-
Deferred Outflows Related to the Pension	37,521	35,024	24,502	-	(6,418)
Deferred Outflows Related to OPEB	-	-	-	-	(402,448)
Increase (Decrease):					
Accounts Payable	(201,735)	83,683	(1,493)	(119,545)	198,083
Accrued Payroll	8,212	-	-	8,212	-
Customer Deposits	(250)	-	-	(250)	-
Other Accrued Liabilities	39,428	-	-	39,428	-
Due to Other Funds	-	-	-	-	(94,302)
Unearned Revenue	-	-	-	-	-
Net OPEB Liability	-	-	-	-	(325,308)
Deferred Inflows Related to the Pension	233,662	14,110	52,883	300,655	-
Total Adjustments	1,310,912	1,148,268	816,517	3,178,650	345,155
Net Cash Provided by Operating Activities	<u>\$ 3,606,025</u>	<u>\$ 5,141,596</u>	<u>\$ 3,792,004</u>	<u>\$ 12,539,625</u>	<u>\$ 2,150,273</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Capital Additions Contributed:					
City of Wauwatosa	\$ 6,235	\$ -	\$ 5,169	\$ 11,404	\$ 1,621,268
Developers	1,650	-	-	1,650	-
Total	<u>\$ 7,885</u>	<u>\$ -</u>	<u>\$ 5,169</u>	<u>\$ 13,054</u>	<u>\$ 1,621,268</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>					
Unrestricted Cash and Cash Equivalents	\$ 4,537,379	\$ 7,245,193	\$ 2,133,426	\$ 13,915,998	\$ 12,683,815
Restricted Cash and Cash Equivalents					
Special Redemption Funds:					
Bond Reserve Fund	1,782,991	-	-	1,782,991	-
Bond Principal and Interest Fund	1,498,030	-	-	1,498,030	-
Designated Cash - System Improvement	1,556,063	4,309,429	794,540	6,660,032	-
Cash and Cash Equivalents - End of Year	<u>\$ 9,374,463</u>	<u>\$ 11,554,622</u>	<u>\$ 2,927,966</u>	<u>\$ 23,857,051</u>	<u>\$ 12,683,815</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
DECEMBER 31, 2018**

	Private Purpose Trust Funds <u>Total</u>	Agency Funds <u>Total</u>
<b>ASSETS</b>		
Cash and Investments	\$ 298,999	\$ 65,900,150
Taxes Receivable	-	27,628,098
	<u>\$ 298,999</u>	<u>\$ 93,528,248</u>
<b>LIABILITIES</b>		
Special Deposits	\$ -	\$ 171,617
Due to Other Taxing Units	-	93,356,631
	<u>-</u>	<u>\$ 93,528,248</u>
<b>NET POSITION - RESTRICTED</b>	<u>\$ 298,999</u>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Private Purpose Trust Funds
<b>ADDITIONS</b>	
Contributions	\$ 33,764
Investment Income	100
Total Additions	33,864
<b>DEDUCTIONS</b>	11,271
<b>CHANGES IN NET ASSETS</b>	22,593
Net Position - Beginning of Year	276,406
<b>NET POSITION - END OF YEAR</b>	\$ 298,999

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Wauwatosa, Wisconsin (the City) conform to generally accepted accounting principles as applicable to governmental units.

**A. Reporting Entity**

This report includes all of the funds of the City of Wauwatosa, Wisconsin. The reporting entity for the City consists of a) the primary government, b) organizations for which the primary government is financially, accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and 1) it is able to impose its will on that organization or 2) there is a 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. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: 1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; 2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; 3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The Community Development Authority (the Authority) is reported as a blended component unit. The Authority serves the City and is governed by a seven member board appointed by the Mayor and approved by the Common Council, and provides services almost entirely to the primary government by managing certain Tax Incremental District (TID) development projects for the benefit of the City. The Authority does not issue separate financial statements.

**B. Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. An emphasis is placed on major and nonmajor funds within the governmental and enterprise categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type (that is; total governmental funds or total enterprise funds), and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

*General Fund* – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Fund Tax Incremental District Fund* – accounts for the City’s eight Tax Incremental Districts.

*Debt Service Fund* – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Fund General Obligation Debt Issue Fund* – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The City reports the following major enterprise funds:

*Water Utility* – accounts for operations of the water system.

*Sanitary Sewer* – accounts for operations of the sewer system.

*Storm Water Management* – accounts for operations of the storm water management system.

The City reports the following nonmajor governmental:

*Nonmajor Governmental Funds*

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

*Special Assessments*

*Community Development Block Grant*

*Public Library*

*Parks*

*Redevelopment Reserve Fund*

*Community Development Fund*

*Tourism Commission Fund*

Capital Projects Funds – used to account for resources to be used for capital improvement projects.

*Fleet Equipment*

*Information Systems Equipment*

*Public Works Building Improvement Reserve Fund*

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide and Fund Financial Statements (Continued)**

Fund Financial Statements (Continued)

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. Funds included are *Fleet Maintenance, Public Works Building, General Liability, Workers Compensation Insurance, Employee Dental Insurance, Employee Health Insurance, Information Systems, and Municipal Building Complex*.

Private-purpose trust funds are used to report any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. Funds included are the *Firemen's Special Endowment, Bachman Flag Account, Land Conservation Account, Hart Park Senior Center, Automated License Plate Reader Association Fund, and Cemetery Perpetual Care Fund*.

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Funds included are *Special Deposits* and the *Subsequent Year's Tax Roll Collections*.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, other postemployment benefits and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are recorded as unearned revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Fund Financial Statements (Continued)

The City reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent year's operations. Deferred inflows also arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues are recognized when resources are received before the City has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues are reported for grants and contributions that are received and intended for general operational purposes. Grants received that are restricted to capital purchases are reported as capital contributions.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity**

**1. Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

Investment of library trust funds is regulated by Chapter 112 of the Wisconsin Statutes, which gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds, and debentures.

Investments, other than the Local Government Investment Pool, are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the General Fund and the TIF Fund based on average fund balance. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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, 2018, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying agency fund statement of net position.

Property tax calendar - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	March 31, 2019
Third installment due	May 31, 2019
Personal property taxes in full	January 31, 2019
Tax deed - 2018 delinquent real estate taxes	October 2021

Accounts receivable have been shown net of an allowance for doubtful accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the utilities have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the general fund, advances to other funds are classified as nonspendable fund balance to demonstrate that a portion of fund balance is not available for appropriation.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**3. Inventories and Prepaid Items**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid are reported on the purchases method in the governmental funds.

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. Restricted net position represents cash and investments restricted for debt service and amount restricted for Pension obligations.

**5. Capital Assets**

**Government-Wide Statements**

In the government-wide financial statements, capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of two years. Capital assets are valued at historical cost, less accumulated depreciation. Donated capital assets, donated works of art and similar items are reported at acquisition value. The costs of maintenance and repairs are charged to operations as incurred.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead. The cost of renewals and betterments relating to retirement units is added to capital assets. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are valued at their acquisition value. The cost of property replaced, retired or otherwise disposed of, is deducted from capital assets and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

5. Capital Assets (Continued)

Government-Wide Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 to 40 Years
Land Improvements Other than Buildings	20 to 30 Years
Machinery and Equipment	2 to 23 Years
Utility System (Improvements Other than Buildings)	18 to 77 Years
Infrastructure	15 to 40 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Pensions

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

7. Other Postemployment Benefits (OPEB) Retiree Health Insurance

The City will pay a portion of health insurance premiums for employees retiring under certain conditions until the employee reaches age 65. Eligibility and benefit provisions are based on contractual agreements with employee union contracts or employee benefit policies.

The City funds these benefits on a pay-as-you-go basis and funding is expected to come primarily from the City's General Fund. The City has obtained an actuarial evaluation to determine the cost of these benefits. The net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are reported on the government-wide financial statements as a governmental activities liability and on the fund-financial statements as an internal service fund liability.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**8. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only vacation benefits considered to be vested are disclosed in these statements. All vested vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources. Payments for vacation will be made at rates in effect when the benefits are used. Historically, the balance of the compensated absences has been used in the subsequent year through use by active employees. As such, the ending balance has been classified as due within one year.

Accumulated vacation liabilities at December 31, 2018 are determined on the basis of current salary rates and include salary related payments. Employees, except police and fire employees, hired after January 1, 2008 but prior to January 1, 2015, that meet certain length of service or age requirements upon retirement, will receive their accumulated sick days, update to a maximum 156 days, paid into a retiree health savings plan at the rate of pay in effect upon retirement. Police and fire employees, hired after January 1, 2008, that meet certain length of service or age requirements upon retirement, will receive their accumulated sick days paid into a retiree health savings plan at the rate of pay in effect upon retirement. The liability for the accrued sick leave is recorded in the government-wide and proprietary financial statements to the extent that it is probable that the City will compensate the employees for the benefits through cash payments at the time of the employees' retirement rather than be taken as absences. The City has not estimated the probability of cash payments on accumulated sick leave, as the total accumulated sick leave earned by employees hired after January 1, 2008 is immaterial to the financial statements. Based on historical trends all compensated absences accrued at the end of the year are anticipated to be used within the next fiscal year. As such all absences are reported as current liabilities.

**9. Long-Term Obligations/Conduit Debt**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as other financing sources and payments of principal, interest and debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**9. Long-Term Obligations/Conduit Debt (Continued)**

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5.0 million, made up of one issue.

**10. Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

**11. Net Position and Fund Balance Classifications**

**Government-Wide Statements**

Net position is classified in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The unrestricted component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**11. Net Position and Fund Balance Classifications (Continued)**

**Fund Statements**

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by adopted resolution of the Common Council.

Assigned fund balance is reported for amounts that are constrained by the City management's intent to be used for specific purposes, but is neither restricted nor committed. Assignments are made by the City's Finance Director.

Unassigned fund balance is the residual classification for the General Fund or deficit balances in other funds.

When restricted, committed, assigned and unassigned resources are available for use for the same purposes it is the City's policy to use the restricted resources first, then committed, assigned, and unassigned resources as they are needed.

**E. Other Policies – Tax Incremental Districts**

1. In 2007, the City adopted the Resolution #07-79 creating "City of Wauwatosa Tax Incremental District No. 5" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$1.95 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan. The City of Wauwatosa Tax Incremental District No. 5 was terminated on March 6, 2018.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Other Policies – Tax Incremental Districts (Continued)**

2. In 2010, the City adopted the Resolution #10-73 creating “City of Wauwatosa Tax Incremental District No. 6” to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$12 million. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 6 through adoption of Resolution #R-15-198 and #13-32.
3. In 2012, the City adopted the Resolution #12-211 creating “City of Wauwatosa Tax Incremental District No. 7” to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$10.8 million. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 7 through adoption of Resolution #R16-21.
4. In 2014, the City adopted the Resolution #14-63 creating “City of Wauwatosa Tax Incremental District #8” to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$13.1 million. The costs are to be paid by futures debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue.
5. In 2015, the City adopted the Resolution #15-84 creating “City of Wauwatosa Tax Incremental District #9” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$2.87 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.
6. In 2015, the City adopted the Resolution #15-145 creating “City of Wauwatosa Tax Incremental District #10” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$4.9 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Other Policies – Tax Incremental Districts (Continued)**

7. In 2015, the City adopted the Resolution #15-217 creating “City of Wauwatosa Tax Incremental District #11” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$14.79 million. The costs are to be paid by future debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue.
8. In 2018, the City adopted the Resolution #18-15 creating “City of Wauwatosa Tax Incremental District #12” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with Wisconsin Statutes. Project costs are estimated at \$19.6 million. The costs are to be paid by the future debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire interest and principal of the debt issue.

**F. Other Policies – New Accounting Pronouncements**

The following Government Accounting Standards Board (GASB) Statements have been implemented in the current year:

1. Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* was adopted as a part of the City’s financial statements as of December 31, 2018. This resulted in the restatement of the City’s Net Position for of the inclusion in the City’s statement of net position the total other postemployment benefit (OPEB) obligation. See Note 5.G for additional details.
2. Statement No. 85 – *Omnibus 2017* – was adopted as part of the City’s financial statements as of December 31, 2018.
3. Statement No. 86 – *Certain Debt Extinguishment Issues* – was adopted as part of the City’s financial statements as of December 31, 2018.
4. Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period* – was early adopted as part of the City’s financial statements as of December 31, 2018.

The GASB has adopted the following standards to be adopted in future financial statements of the City:

1. Statement No. 83 – *Certain Asset Retirement Obligations* – will be adopted as part of the City’s financial statements as of December 31, 2019.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Other Policies – New Accounting Pronouncements (Continued)**

2. Statement No. 84 – *Fiduciary Activities* – will be adopted as part of the City’s financial statements as of December 31, 2019.
3. Statement No. 87 – *Leases* – will be adopted as part of the City’s financial statements as of December 31, 2020.
4. Statement No. 88 – *Certain Disclosures Related to Debt, including, Direct Borrowings and Direct Placements* – will be adopted as part of the City’s financial statements as of December 31, 2019.
5. Statement No. 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61* – will be adopted as part of the City’s financial statements as of December 31, 2019.
6. Statement No. 91 – *Conduit Debt Obligations* – will be adopted as part of the City’s financial statements as of December 31, 2021.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Position**

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Bonds and Notes Payable	\$ 116,595,544
Bond Premium	2,078,786
Compensated Absences	2,134,784
Accrued Interest Payable	417,218
Landfill Postclosure Liability	133,100
Combined Adjustment for Long-Term Liabilities	<u><u>\$ 121,359,432</u></u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. A budget has been adopted for the General Fund and all Special Revenue Funds, except the Redevelopment Reserve Fund and the Community Development Fund, as well as the Debt Service Fund and all Capital Project Funds in accordance with Wisconsin Statute Section 65.90. The capital projects fund adopts a five-year capital improvement plan annually rather than an annual budget.

The budgeted amounts presented include any amendments made. Management may authorize transfers of budgeted amounts within departments. Certain transfers between departments and changes to the overall budget must be approved by a two-thirds council action. Supplemental appropriations during the year were approximately \$853,484. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$748,328. Expenditures are monitored by management at the department level for all funds.

**Deficit Fund Equity**

As of December 31, 2018 the following individual funds had deficit fund equity:

Nonmajor Governmental Funds:

Special Revenue Funds:

Community Development Block Grant	\$	2,421
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Capital Project Funds:

Public Works Building Improvement Reserve Fund	\$	5,527
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Internal Service Funds:

Employee Health Insurance Fund	\$	25,800,432
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The governmental fund deficits are anticipated to be funded with charges for services, future contributions, general tax revenue or long-term borrowing.

The Employee Health Insurance Fund deficit is the result of the long-term OPEB liability as described in Notes 5.B and 5.C. The City pays the related health and dental claims of retirees in the year they are billed. The City plans to continue pursuing efforts to manage this liability, including active management of the plan, continued negotiations through the collective bargaining process and other cost management strategies.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Petty Cash	\$ 22,475	\$ -
Deposits:		
Demand Deposits	49,888,498	50,175,672
Certificates of Deposit	<u>22,018,676</u>	<u>22,036,391</u>
Total Deposits	71,907,174	72,212,063
Investments:		
U.S. Agency Securities	10,304,026	10,304,026
Municipal Securities	13,874,894	13,874,894
Commercial Paper	3,997,576	3,997,576
Bankers Acceptances	3,525,644	3,870,644
Mutual Bond Fund	3,539,623	3,539,623
Investment Pools:		
WISC - Investment Class Fund	6,651,757	6,651,757
Local Government Investment Pool (LGIP)	<u>34,999,479</u>	<u>34,999,479</u>
Total Investments	<u>76,892,999</u>	<u>77,237,999</u>
Total Cash and Investments	<u>\$ 148,822,648</u>	<u>\$ 149,450,062</u>
Reconciliation to the Statement of Net Position:		
Unrestricted Cash and Investments	\$ 72,682,446	
Restricted Cash and Investments	3,281,021	
Designated Cash and Investments	6,660,032	
Fiduciary Funds:		
Private Purpose Trust Funds	298,999	
Agency Funds	<u>65,900,150</u>	
Total Cash and Investments	<u>\$ 148,822,648</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2018, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositories for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). Wells Fargo, Bank of Oklahoma, and BMO Harris Bank's SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, Wells Fargo, through Lexington Insurance Company, has additional securities coverage of \$1 billion per customer, subject to a \$1 billion aggregate limit and \$1.9 million limit on cash.

The City also maintains collateral agreements with certain depository banks to cover uninsured balances.

**Custodial Credit Risk**

*Deposits* – Custodial risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. The City's investment policy does not address custodial credit risk for deposits.

As of December 31, 2018, \$14,573,397 of the City's bank balance of \$72,212,063 was exposed to custodial credit risk as uninsured and uncollateralized.

*Investments* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City investment policy does not address custodial credit risk for investments.

As of December 31, 2018, \$40,738,520 of the City's investment balance of \$77,237,999 was exposed to custodial credit risk as uninsured and uncollateralized.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk for investments.

Wisconsin Statutes limit investments in commercial paper and corporate bonds to securities which bear a rating in the top two rating categories issued by recognized statistical rating organizations. As of December 31, 2018 the City is exposed to credit risk with investments in the following:

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's Rating</u>
Local Government Investment Pool	\$ 34,999,479	Unrated
WISC - Investment Class Fund	6,651,757	Unrated
U.S. Agency Securities	10,304,026	AAA
Municipal Securities	924,304	AAA
Municipal Securities	12,612,484	AA
Municipal Securities	338,106	A
Commercial Paper	2,997,793	A-2
Commercial Paper	999,783	A-1
Bankers Acceptances	3,525,644	Unrated
Mutual Bond Fund	3,539,623	Unrated
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 76,892,999</u>	

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. As of December 31, 2018 the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
U.S. Agency Securities	\$ 10,304,026	20.6
Municipal Securities	13,874,894	25.9
WISC - Investment Class Fund	6,651,757	0.0
Local Government Investment Pool	34,999,479	0.7
Commercial Paper	3,997,576	0.3
Bankers Acceptances	3,525,644	2.9
Mutual Bond Fund	3,539,623	0.0
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 76,892,999</u>	

**Concentration of Credit Risk**

As of December 31, 2018, the City's investment portfolio did not hold investments from individual issuers which comprised over 5% of their investment balances.

**Fair Value Measurement**

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Fair Value Measurement (continued)

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

The City has the following assets that are subject to fair value measurements as of:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agency Securities	\$ 10,304,026	\$ -	\$ 10,304,026	\$ -
Municipal Securities	13,874,894	-	13,874,894	-
WISC - Investment Class Fund	6,651,757	-	6,651,757	-
Commercial Paper	3,997,576	-	3,997,576	-
Bankers Acceptances	3,525,644	-	3,525,644	-
Mutual Bond Fund	3,539,623	-	3,539,623	-
Total Fair Value of Investments	<u>\$ 41,893,520</u>	<u>\$ -</u>	<u>\$ 41,893,520</u>	<u>\$ -</u>

**B. Receivables**

Receivables as of year-end for the government’s individual major funds and nonmajor and fiduciary funds detailed according to source are displayed on the face of the fund financial statements. As of December 31, 2018, an allowance for uncollectible accounts has been established for ambulance billings of \$772,456.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables (Continued)**

On December 20, 2016, the City entered into a promissory note agreement with the Milwaukee Area Domestic Animal Control Commission (MADACC) to refinance \$575,000 of the promissory note executed July 1, 2015. The note has stated annual interest rate of 2.75%. Principal and interest payments are to be repaid through November 30, 2021. As of December 31, 2018, the outstanding principal on the note is \$345,000.

On December 20, 2016, the City entered into a promissory note agreement with the Milwaukee Area Domestic Animal Control Commission (MADACC) to refinance \$1,925,000 of the promissory note executed July 1, 2015. The note has stated annual interest rate ranging from 3.0 – 4.0%. Principal and interest are to be repaid through December 1, 2031. As of December 31, 2018, the outstanding principal on the note is \$1,825,000.

**C. Deferred Inflows**

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	Unavailable	Tax Levy	Total
Property Taxes Receivable	\$ -	50,472,144	\$ 50,472,144
Special Assessments	749,772	-	749,772
Other Accounts Receivable	275,103	-	275,103
Total	\$ 1,024,875	\$ 50,472,144	\$ 51,497,019

**D. Restricted Assets**

Following is a list of restricted assets at December 31, 2018:

Governmental Activities:	
Net Pension Asset	\$ 8,269,046
Business-Type Activities:	
Cash and Investments:	
Special Redemption Funds:	
Bond Reserve Fund	\$ 1,782,991
Bond Principal and Interest Fund	1,498,030
Total Cash and Investments	3,281,021
Net Pension Asset	277,770
Total Business-Type Activities	\$ 3,558,791

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 24,324,209	\$ 66,430	\$ -	\$ 24,390,639
Construction in Progress	533,432	4,692,723	529,645	4,696,510
Total Capital Assets not Being Depreciated	24,857,641	4,759,153	529,645	29,087,149
Capital Assets Being Depreciated:				
Buildings	25,680,421	499,627	25,643	26,154,405
Improvements	9,058,099	1,500,162	-	10,558,261
Machinery and Equipment	22,531,327	2,021,237	622,497	23,930,067
Infrastructure	108,164,552	5,183,466	2,346,650	111,001,368
Total Capital Assets Being Depreciated	165,434,399	9,204,492	2,994,790	171,644,101
Less: Accumulated Depreciation for:				
Buildings	12,912,970	539,863	940	13,451,893
Improvements	2,829,784	516,615	-	3,346,399
Machinery and Equipment	14,163,767	1,585,392	606,497	15,142,662
Infrastructure	39,214,571	3,880,563	2,346,650	40,748,484
Total Accumulated Depreciation	69,121,092	6,522,433	2,954,087	72,689,438
Capital Assets Being Depreciated, Net of Depreciation	96,313,307	2,682,059	40,703	98,954,663
Total Capital Assets, Net of Depreciation	<u>\$ 121,170,948</u>	<u>\$ 7,441,212</u>	<u>\$ 570,348</u>	<u>\$ 128,041,812</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 85,400
Protection of Persons and Property	863,814
Health and Sanitation	11,200
Highway and Transportation, which Includes the Depreciation of Infrastructure	3,913,309
Education and Recreation	664,775
Depreciation Expense-Allocated with Internal Service Fund	983,935
Total Governmental Activities Depreciation Expense	<u>\$ 6,522,433</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets (Continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 81,405	\$ -	\$ -	\$ 81,405
Construction in Progress	2,735,085	4,065,374	5,266,880	1,533,579
Total Capital Assets not Being Depreciated	2,816,490	4,065,374	5,266,880	1,614,984
Capital Assets Being Depreciated:				
Buildings	789,794	-	-	789,794
Machinery and Equipment	3,135,420	685	-	3,136,105
Improvements Other Than Buildings	196,449,769	9,799,239	634,117	205,614,891
Total Capital Assets Being Depreciated	200,374,983	9,799,924	634,117	209,540,790
Less: Accumulated Depreciation for:				
Buildings	629,318	23,967	-	653,285
Machinery and Equipment	2,585,048	128,998	-	2,714,046
Improvements Other Than Buildings	49,427,185	2,883,488	634,117	51,676,556
Total Accumulated Depreciation	52,641,551	3,036,453	634,117	55,043,887
Capital Assets Being Depreciated, Net of Depreciation	147,733,432	6,763,471	-	154,496,903
Total Capital Assets, Net of Depreciation	<u>\$ 150,549,922</u>	<u>\$ 10,828,845</u>	<u>\$ 5,266,880</u>	<u>\$ 156,111,887</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility:	
Depreciation	\$ 1,059,827
Depreciation Charged to Sanitary Sewer Expenses	73,025
	<u>1,132,852</u>
Sanitary Sewer	1,082,939
Storm Water Management	820,662
Total Business-Type Activities Depreciation Expense	<u>\$ 3,036,453</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers**

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Water Utility	\$ 910,949
General Fund	Special Assessments	89,178
General Fund	Community Development Block Grant	34,859
General Fund	Public Works Building Improvement Reserve	5,527
Library Fund	General Fund	33,358
		<u>1,073,871</u>
Proprietary Funds:		
Sanitary Sewer	General Fund	392,969
Storm Water Management	General Fund	158,167
Water Utility	General Fund	429,361
Water Utility	Sanitary Sewer	6,266
		<u>986,763</u>
Total Interfund Receivables		<u>\$ 2,060,634</u>

The principal purpose of these interfund balances result 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.

The General Fund advanced \$2,000,000 to the Special Revenue Fund – Tax Incremental District No. 7 in 2015. This advance earns interest at 5.25%. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2018 was \$1,700,324.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers (Continued)**

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>
General Fund	Water Utility	\$ 963,108
	Sanitary Sewer	26,123
	Tax Increment Districts	18,698
	Internal Service Funds	1,704
		<u>1,009,633</u>
Debt Service Fund	General Fund	5,410,348
	Tax Increment Districts	2,389,539
	Nonmajor Governmental	415,880
		<u>8,215,767</u>
Capital Projects Fund - General Obligation Debt Issued	Tax Increment Districts	2,687,133
	General Fund	568,419
	Nonmajor Governmental	916,499
		<u>4,172,051</u>
Nonmajor Governmental Funds	General Fund	4,498,981
	Internal Service Funds	1,210,413
	Tax Increment Districts	378,435
		<u>6,087,829</u>
Water Utility	Storm Water Management	215,960
Internal Service Funds	Internal Service Funds	7,578
		<u>19,708,818</u>
Governmental Activities - Capital Assets	Internal Service Funds	14,645
		<u>19,723,463</u>
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 19,485,280
Governmental Funds Transfers Out		(17,283,932)
Internal Service Funds Transfers In		7,578
Internal Service Funds Transfers Out		(1,234,340)
Governmental Fund Transfers In from Business-Type Activities		<u>974,586</u>
Net Capital Contributions Reported as Transfers on the Statement of Activities		3,241
Governmental Activities Transfers In (Out) from Business-Type Activities		<u>\$ 977,827</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers (Continued)**

Generally, transfers are used to (1) move revenue from the funds that collect them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund and (3) use unrestricted revenue collected in the General Fund to finance various program accounted for in other funds in accordance with budgetary authorizations (4) transfer assets purchased in one fund that relate to other funds.

**G. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Debt:					
Promissory Notes and Bonds	\$ 70,478,195	\$ 14,925,000	\$ 6,567,511	\$ 78,835,684	\$ 7,175,339
Bond Premium	1,910,861	366,434	198,509	2,078,786	-
Total General Obligation Debt	<u>72,389,056</u>	<u>15,291,434</u>	<u>6,766,020</u>	<u>80,914,470</u>	<u>7,175,339</u>
Municipal Revenue Obligation	25,324,035	13,843,674	1,407,849	37,759,860	-
Total Bonds and Notes Payable	<u>97,713,091</u>	<u>29,135,108</u>	<u>8,173,869</u>	<u>118,674,330</u>	<u>7,175,339</u>
Other Liabilities:					
Capital Lease Obligations	-	67,540	13,508	54,032	13,508
Accrued Unused Vacation	2,206,958	2,576,580	2,558,639	2,224,899	2,224,899
Landfill Postclosure Liability	138,688	-	5,588	133,100	5,588
Total Other Liabilities	<u>2,345,646</u>	<u>2,644,120</u>	<u>2,577,735</u>	<u>2,412,031</u>	<u>2,243,995</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 100,058,737</u>	<u>\$ 31,779,228</u>	<u>\$ 10,751,604</u>	<u>\$ 121,086,361</u>	<u>\$ 9,419,334</u>
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 42,791,790	\$ 5,135,000	\$ 4,887,489	\$ 43,039,301	\$ 5,099,661
Revenue Bonds	18,500,000	3,620,000	850,000	21,270,000	1,190,000
Unamortized Bond Premium	796,315	165,319	116,002	845,632	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 62,088,105</u>	<u>\$ 8,920,319</u>	<u>\$ 5,853,491</u>	<u>\$ 65,154,933</u>	<u>\$ 6,289,661</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Governmental Activities Debt

General Obligation Debt

General obligation debt of the governmental activities is shown below.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/18
Promissory Notes	11/29/11	11/01/21	2.000 - 2.500	\$ 1,772,190	\$ 865,000
	08/21/12	06/01/22	0.350 - 2.250	6,675,000	3,275,000
	08/20/13	06/01/23	2.000 - 3.000	3,440,000	1,250,000
	12/02/14	12/01/24	1.000 - 3.000	7,430,000	5,240,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	3,675,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	5,825,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	16,100,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	6,250,000
	12/01/16	12/01/36	3.0-4.0	7,495,000	6,395,000
	12/06/16	12/01/31	3.0-4.0	1,925,000	1,825,000
	11/03/17	11/01/32	2.0-3.0	10,180,000	9,240,000
	11/20/18	11/01/34	3.75 - 4.50	3,690,000	3,690,000
	11/20/18	11/01/33	3.0-4.0	10,020,000	10,020,000
	11/20/18	11/01/28	3.0-4.0	6,500,000	1,215,000
					74,865,000
Refunding Bonds	08/03/10	03/01/24	3.000 - 4.000	7,933,387	3,970,684
Total General Obligation Debt					\$ 78,835,684

Municipal Revenue Obligation

On July 30, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 6 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$4,500,000 and became eligible for repayment beginning in 2016. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 6. The outstanding balance as of December 31, 2018 was \$3,829,249.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

On December 15, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 8 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$1,500,000 and became eligible for repayment beginning in 2016. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 8. The outstanding balance as of December 31, 2018 was \$874,787.

On December 15, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 9 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$1,994,000 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 9. The outstanding balance as of December 31, 2018 was \$1,994,000.

On January 20, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 10 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$4,500,000 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 10. The outstanding balance as of December 31, 2018 was \$4,131,123.

On December 18, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$3,926,500 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. The outstanding balance as of December 31, 2018 was \$3,745,214.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

On September 27, 2016, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer completed eligible costs in 2016 of \$1,438,269 and will become eligible for repayment beginning in 2019. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. The outstanding balance as of December 31, 2018 was \$1,438,269.

On September 27, 2016, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer has not yet completed eligible costs of \$924,327 and is not yet eligible for repayment. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. The outstanding balance as of December 31, 2018 was \$924,327.

On November 7, 2017, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 7 project costs, as described in the project plan. The Developer completed eligible costs in 2017 of \$6,979,218 and will become eligible for repayment beginning in 2019. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 17. The outstanding balance as of December 31, 2018 was \$6,979,217.

On October 25, 2018, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 12 project costs, as described in the project plan. The Developer completed eligible costs in 2018 of \$13,843,674 and will become eligible for repayment beginning in 2021. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 12. The outstanding balance as of December 31, 2018 was \$13,843,674.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Governmental Activities Debt (Continued)

Capital Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment for use in the governmental funds. Equipment acquired through these lease agreements includes various phone system equipment and the related five-year term licensing.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through capital leases are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2019	\$ 13,508
2020	13,508
2021	13,508
2022	13,508
Present Value of Minimum Lease Payments	<u>\$ 54,032</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

	<u>Governmental Activities</u>
Equipment	\$ 67,540
Less: Accumulated Depreciation	<u>(13,508)</u>
Total	<u>\$ 54,032</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

**Business-Type Activities Debt**

Debt of the business-type activities is shown below.

Type	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/18
<b>WATER</b>						
Waterworks System						
Revenue Bonds:						
Series 2010	10/25/10	3.000 - 4.000%	1/1/11-29	1/1&7/1	\$ 7,750,000	\$ 5,925,000
Series 2011	11/29/11	2.000 - 3.000	1/1/13-22	1/1&7/1	2,400,000	1,075,000
Series 2013	11/19/13	1.750 - 4.125	1/1/15-34	1/1&7/1	4,575,000	3,825,000
Series 2016	06/21/16	2.000 - 3.500	1/1/17-36	1/1&7/1	4,225,000	3,825,000
Series 2017	11/03/17	3.000	1/1/19-37	1/1&7/1	3,000,000	3,000,000
Series 2018	11/20/18	4.000 - 3.750	1/1/19 -38	1/1&7/1	3,620,000	<u>3,620,000</u>
						21,270,000
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	360,359	<u>180,752</u>
Total Water Utility						<u>21,450,752</u>
<b>SANITARY SEWER</b>						
Promissory Notes:						
Series 2011	11/29/11	2.000 - 2.500	11/1/12-21	5/1&11/1	3,560,487	1,737,518
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	1,825,000	900,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	2,250,000	1,275,000
Series 2013	08/20/13	3.000	12/1/14-18	6/1&12/1	660,340	-
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	7,700,000	7,175,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	2,750,000	2,325,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	4,075,000	2,475,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	1,770,000	1,600,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	2,990,000	2,800,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	1,590,000	<u>1,590,000</u>
						21,877,518
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	59,409	<u>29,800</u>
Total Sanitary Sewer						<u>21,907,318</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

**Business-Type Activities Debt (Continued)**

Type	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/18
<b>STORM WATER MAINTENANCE</b>						
Promissory Notes:						
Series 2011	11/29/11	2.000 - 2.500%	11/1/12-21	5/1&11/1	\$ 7,167,323	\$ 3,497,654
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	3,900,000	2,050,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	560,000	300,000
Series 2013	08/20/13	3.000	12/1/14-18	6/1&12/1	528,380	-
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	1,775,000	1,375,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	6,190,000	4,060,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	1,775,000	1,650,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	4,000,000	3,625,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	1,110,000	800,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	3,545,000	3,545,000
						<u>20,902,654</u>
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	96,845	48,577
Total Storm Water Maintenance						<u>20,951,231</u>
Total Business-Type Activities Debt						<u><u>\$ 64,309,301</u></u>

The Water Utility has \$21,270,000 in Waterworks System Revenue Bonds related to Water Utility capital projects outstanding at December 31, 2018. The bonds are not general obligations of the City of Wauwatosa and are payable from income and revenues derived from the operations of the system in accordance with the resolution adopted in conjunction with the issuance of the debt. The resolution creates a statutory mortgage lien upon the system and its revenues in accordance with Section 66 of Wisconsin Statutes. The Utility has established certain funds, as described in the resolution, to account for the allocation of the Utility's gross revenue and has deposited funds in compliance with the bond covenants. The Water system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds. The revenues subject to the lien were \$9,273,165. Net revenue available for debt service was \$3,559,208, which represents a coverage ratio of 2.52 of debt service for the year ended December 31, 2018.

There are a number of limitations and restrictions contained in the bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Annual Maturities of General Obligation Debt, Redevelopment Lease Revenue Bonds, and Water System Revenue Bonds

Debt service requirements to maturity (exclusive of the municipal revenue obligation) are as follows:

	Governmental Long-Term Debt		Business-Type Long-Term Debt	
	Principal	Interest	Principal	Interest
2019	\$ 7,175,339	\$ 2,352,296	\$ 5,099,661	\$ 1,247,527
2020	7,218,811	2,193,974	4,931,189	1,122,575
2021	7,485,849	1,986,253	5,329,151	995,911
2022	7,205,981	1,776,355	5,034,019	850,185
2023	7,733,841	1,546,705	4,421,159	714,897
2024-2028	25,541,395	4,706,254	13,298,604	2,078,153
2029-2033	14,110,000	1,627,891	4,425,000	632,063
2034-2038	2,364,468	125,544	500,518	38,250
Totals	<u>\$ 78,835,684</u>	<u>\$ 16,315,272</u>	<u>\$ 43,039,301</u>	<u>\$ 7,679,561</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Margin of Indebtedness

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2018, was \$317,106,435. Total general obligation debt outstanding at year-end was \$121,874,985.

Landfill Postclosure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site after closure. Future landfill maintenance and monitoring costs are estimated to be a total of \$133,100 over the next 20 years. The liability for landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances**

Net position reported on the government wide statement of net position at December 31, 2018 includes the following:

**Governmental Activities**

Net Investment in Capital Assets:	
Nondepreciated	\$ 29,087,149
Depreciated	98,954,663
Less: Related Debt Excluding Unspent Bond Proceeds	<u>(52,370,353)</u>
Total Net Investment in Capital Assets	75,671,459
Restricted for Debt Service	2,802,181
Restricted for Pension	8,269,046
Restricted for Other	1,478,234
Unrestricted	<u>(43,703,643)</u>
Total Governmental Activities Net Position	<u><u>\$ 44,517,277</u></u>

**Business-Type Activities**

Net Investment in Capital Assets:	
Land	\$ 81,405
Construction in Progress	1,533,579
Other Capital Assets, Net of Accumulated Depreciation	154,496,903
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	<u>(57,390,140)</u>
Total Net Investment in Capital Assets	98,721,747
Restricted for Debt Service	2,972,351
Restricted for Pension Obligations	277,770
Unrestricted	<u>16,496,939</u>
Total Business-Type Activities Net Position	<u><u>\$ 118,468,807</u></u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances (Continued)**

Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

Nonspendable:

Major Funds:

General Fund:

Prepayments and Inventories	\$ 39,918
Noncurrent Receivables	2,156,757
Total Nonspendable	2,196,675

Restricted:

Major Funds:

Special Revenue Fund - Tax Incremental District - Debt Service	5,104,814
Debt Service Fund	1,994,406
Capital Projects Fund - General Obligation Debt Issue Fund	4,581,903

Nonmajor Funds:

Tourism Commission Fund	492,641
Community Development Fund	985,593
Total Restricted Fund Balance	13,159,357

Assigned:

Major Funds:

General Fund:

Subsequent Year's Expenditures	748,328
Capital Improvements	1,202,572
Parks	3,442
Total General Fund	1,954,342

Capital Projects Fund - General Obligation Debt Issue Fund	4,191,365
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Nonmajor Funds:

Special Revenue Fund - Parks Fund	1,105,406
Special Revenue Fund - Library Fund	199,693
Special Revenue Fund - Redevelopment Authority Reserve Fund	1,515,418
Special Revenue Fund - Community Development Fund	846,845
Capital Projects Fund - Information Systems Equipment	563,321
Capital Projects Fund - Information Fleet Equipment	1,233,416
Total Assigned Fund Balance	11,609,806

Unassigned:

Major Funds - General Fund	19,164,364
Nonmajor Funds - Community Development Block Grant	(2,421)
Nonmajor Funds - Public Works Building Improvement Reserve Fund	(5,527)
Total Unassigned Fund Balance	19,156,416

Total Governmental Fund Balance	\$ 46,122,254
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**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances (Continued)**

The City also maintains an amortization fund balance governed by Section 3.04 of the Wauwatosa Municipal Code, which provides that the balance may be used to pay principal and interest on the outstanding debt upon the direction of the City's Common Council. The ordinance further provides that the Board of Public Debt Commissioners may, with the approval of the Common Council, apply all or any part of the fund for any purpose for which municipal bonds may be legally issued. This balance is a portion of the General Fund unassigned fund balance.

**NOTE 5 OTHER INFORMATION**

**A. Defined Benefit Pension Plan**

**General Information about the Plan**

***Plan description*** – The Wisconsin Retirement System (WRS) a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF is responsible for administration of the WRS and the State of Wisconsin Investment Board (SWIB) is responsible for managing WRS investments.

***Vesting*** – 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.

***Benefits provided*** – Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

General Information about the Plan (Continued)

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6 %	- %
2009	(2.1)	(42.0)
2010	(1.3)	(22.0)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

***Contributions*** – Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,146,087 in contributions from the employer.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

General Information about the Plan (Continued)

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.7 %	6.7 %
Executives and Elected Officials	6.7	6.7
Protective With Social Security	6.7	10.7
Protective Without Social Security	6.7	14.9

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the City reported an asset of \$8,546,816 for its proportional share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was .28785707%, which was an increase of .006857647% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$3,768,250.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 10,858,945	\$ 5,079,454
Changes in Assumptions	1,688,684	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	11,746,806
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	120,156	-
Employer Contributions Subsequent to the Measurement Date	3,146,087	-
Total	<u>\$ 15,813,872</u>	<u>\$ 16,826,260</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

**Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$3,146,087 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases and decreases in pension expense, respectively, and are as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	994,537
2020	(32,354)
2021	(2,923,824)
2022	(2,217,340)
2023	20,506

**Actuarial assumptions** – The total pension liability (asset) in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2 %
Discount Rate:	7.2 %
Salary Increases:	
Inflation	3.2 %
Seniority\Merit	0.2% - 5.5%
Mortality:	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments:*	2.1 %

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability (asset) for December 31, 2017 is based upon a roll-forward of the liability (asset) calculated from the December 31, 2016 actuarial valuation.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Core Fund Asset Class:			
Global Equities	50.00 %	8.20 %	5.30 %
Fixed Income	24.50	4.20	1.40
Inflation Sensitive Assets	15.50	3.80	1.00
Real Estate	8.00	6.50	3.60
Private Equity/Debt	8.00	9.40	6.50
Multi-Asset	4.00	6.60	3.60
Total Core Fund	<u>110.00 %</u>	<u>7.30 %</u>	<u>4.40 %</u>
Variable Fund Asset Class:			
U.S. Equities	70.00 %	7.50 %	4.60 %
International Equities	30.00	7.80	4.90
Total Variable Fund	<u>100.00 %</u>	<u>7.90 %</u>	<u>5.00 %</u>

***Single discount rate*** – A single discount rate of 7.20% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend will always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
The City's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,113,536	\$ (8,546,816)	\$ (31,849,635)

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

**B. Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; natural disasters and worker's compensation. The City is self-insured for medical coverage for certain employees at December 31, 2018. The City purchases general and automobile liability insurance from the Cities and Villages Mutual Insurance Company. 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.

**Self-Insured General and Auto Liability**

In 1988 the City invested \$1,184,453 for participation in the Wisconsin Municipal Insurance Commission (WMIC). The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Villages Mutual Insurance Company (CVMIC). In 1987, the WMIC issued \$28.645 million of revenue bonds to provide for the capitalization of the CVMIC. The CVMIC is a separate and distinct entity independent of the WMIC and is owned by the participating cities and villages of the WMIC. The CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988. The CVMIC has an A.M. Best rating of A-.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Self-Insured General and Auto Liability (Continued)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

In prior years, the CVMIC paid dividends to the City based on a schedule designed to enable the City to partially or totally finance the City's debt service requirements on its related general obligation issue. As of December 31, 2007, the City's debt and the WMIC's debt were paid in full. The WMIC has no assets, liabilities or financial activity for the year ended December 31, 2018. CVMIC continues to pay dividends that are used to pay the City's insurance premiums.

Complete financial statements for the year ended December 31, 2018 for the CVMIC can be obtained from the CVMIC administrative office at 9898 W. Bluemound Road, Wauwatosa, WI 53226-4319.

There have been no significant reductions in insurance 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 CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insured retention level of \$125,000 per occurrence with a \$500,000 aggregate stop loss. The City's annual cost is the sum of its annual premium, claims incurred and applicable to the self-insured retention and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

At December 31, 2018, the Risk Management General Liability Fund had net position of \$3,435,639 which includes the City's deposit in CVMIC of \$1,184,453.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Self-Insured General and Auto Liability (Continued)

Changes in the claim liability amounts for the years ended December 31 were as follows:

	2018	2017
Unpaid Claims - Beginning of Year	\$ 264,099	\$ 271,599
Current Year Claims and Changes in Estimates	22,074	226,079
Claim Payments Net of Recoveries	(38,364)	233,579
Unpaid Claims - End of Year	\$ 324,537	\$ 264,099

Self-Insured Medical Care Coverage Plan

The City maintains a self-insured medical care coverage, dental, and worker's compensation plan for its employees which are accounted for in an Internal Service Fund. The plan provides coverage up to a maximum of \$75,000 per contract and approximately \$7,900,000 for the aggregate of contracts. The City purchases commercial insurance for claims in excess of coverage provided by the fund. This fund also accounts for the City's other postemployment benefits.

All funds of the City participate in the plan. The City does not maintain a reserve for the coverage of catastrophic losses. The claims liability of \$1,325,519 reported in the employee insurance internal service funds at December 31, 2018, is 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, 2018 and 2017 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2017	\$ 915,688	\$ 8,150,241	\$ 8,202,499	\$ 863,430
2018	863,430	7,940,958	7,478,869	1,325,519

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Self-Insured Medical Care Coverage Plan (Continued)

The net position (deficit) of the Employee Health Insurance Fund is reported as unrestricted and is comprised of the following components:

Employee Health Insurance	\$ 5,164,648
Other Postemployment Obligation	(34,960,827)
Other Postemployment Net Deferred Inflows and Outflows	3,995,747
Total	<u>\$ (25,800,432)</u>

**C. Other Postemployment Benefits**

The City provides other postemployment benefits (OPEB) to its retirees for health insurance.

Plan Description

The City provides a single-employer defined benefit healthcare plan administered by United Health Care. The City provides medical and life insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts. The State of Wisconsin Administrative Code grants the authority to establish and amend the benefit terms and financing requirements to the City Common Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement number 75.

Benefits Provided

The plan provides full health insurance coverage until age 65 to City employees hired prior to January 1, 2008 who reach normal retirement age as specified by the labor contracts. The plan provides up to 50% health coverage until age 65 to City employees hired after January 1, 2008, but before January 1, 2015 who reach normal retirement age and reach a specified number of years of service. Police and fire retirees hired after January 1, 2008 receive 50% of health coverage upon reaching age 50, and having 15 years of service. General and Department of Public Works employees receive health coverage based on their years of service such that retirees with 15, 20, 25, and 30 years of service receive annual health coverage premium contributions of 15, 30, 40, and 50%, respectively.

The plan does not issue stand-alone financial statements.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefits terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	127
Active Plan Members	<u>332</u>
Total	<u>459</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

Total OPEB Liability

The City's total OPEB liability of \$34,960,827 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	December 31, 2018
Measurement Date:	December 31, 2017
Salary Increases:	3.5%
Inflation:	3.0%
Assumed Rate of Return on Plan Assets:	3.44%
Plan Participation of Future Retirees:	90.0%
Discount Rate:	3.44%
Healthcare Cost Trend Rates:	5.2% Decreasing to 4.5% by 2030

The discount rate was based on the 20-year Bond Buyer GO Index.

Mortality rates were based on the following criteria:

Pre-Retirement

This assumption applies to death while in service. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-Retirement

This assumption applies to death of participants after retirement. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-Disability

This assumption applies to death after disablement. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period 2015 – 2017 for the Wisconsin Retirement System (WRS).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2017	\$ 23,650,471
Prior-Period Adjustment	11,635,664
Balances as Adjusted at December 31, 2017	35,286,135
Changes for the Year:	
Service Cost	1,173,046
Interest on Total OPEB Liability	1,310,873
Effect of Assumptions Changes or Inputs	784,072
Benefit Payments	(3,593,299)
Net Changes	(325,308)
Balances at December 31, 2018	\$ 34,960,827

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.78%) or one percentage-point higher (4.78%) than the current discount rate:

	Discount Rate		
	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 37,406,177	\$ 34,960,827	\$ 32,718,403

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rate:

	Health Care Trend		
	Healthcare Cost		
	1% Decrease (4.2% Increasing to 4.5%)	Trend Rates (5.2% Decreasing to 4.5%)	1% Increase (6.2% decreasing to 4.5%)
<u>December 31, 2018</u>			
Total OPEB Liability	<u>\$ 32,415,915</u>	<u>\$ 34,960,827</u>	<u>\$ 37,895,379</u>

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

For the year ended December 31, 2018, the City recognized negative OPEB expense of \$994,413. At December 31, 2018, the City reported net deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes of Assumptions or Other Input	\$ 669,105
Contributions made Subsequent to the Measurement Date	3,326,642
Total	<u>\$ 3,995,747</u>

\$3,326,642 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending December 31,</u>	Deferred Outflows of Resources
2019	\$ 114,967
2020	114,967
2021	114,967
2022	114,967
2023	114,967
Thereafter	94,270

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**D. Antenna Lease Agreements**

The City has lease agreements with cellular phone companies to lease water towers as sites for cellular antennas. The initial term of the leases was five years with the right to extend the leases for four additional five-year terms. All agreements have been extended for five additional years. The City also has lease agreements with cellular phone companies to lease space from the parks building. Rental amounts are determined annually, and were approximately \$74,874 in 2018. Rental income from rental of the water towers reported in other water revenues amounted to \$257,694.

Future minimum rentals related to these leases and expected future extensions are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 344,195
2020	357,167
2021	370,709
2022	384,844
2023	410,440
Thereafter	<u>13,776,664</u>
Total	<u><u>\$ 15,644,019</u></u>

All leases have an automatic extension until at least the year 2040, with the longest term reaching through 2049.

**E. Commitments and Contingencies**

The City self-insures its general liability, medical, dental and worker's compensation insurance up to specified limits. City's management and legal counsel do not anticipate any material losses from known occurrences.

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for or including the year ended December 31, 2018 have not been conducted. 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.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**F. Tax Abatements**

The City enters into property tax abatement agreements with developers under the provisions of Wisconsin Statutes 66.1105(3)(e) "Tax Increment Act." Under the provision, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

In 2015, the City provided a developer a loan as part of the Tax Incremental District No. 7 Mayfair Collection project. The loan was made by the General Fund and so long as the developer meets certain performance measures, the Tax Increment Fund repays the loan on behalf of the developer using property tax increments generated by the development. The original loan was \$2,000,000. In 2018, \$104,963 was repaid on this borrowing. The remaining balance outstanding as of December 31, 2018 is \$1,700,324. This amount is included in the General Fund as an advance to other funds.

**G. Prior Period Adjustment**

The City adopted GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, as of January 1, 2018. The primary objective of this Statement is to improve accounting and financial reporting for postemployment benefits other than pensions, and replaces the requirements of Statements No. 45. This liability is maintained within the Employee Health Insurance Internal Service Fund. As a result, the City's beginning of the year net position has been restated as follows based on the allocation of internal service activities across governmental and business-type activity for the Government-Wide Financial Statements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Net Position - December 31, 2017, As Previously Reported	\$ 58,261,015	\$ 111,874,904	\$ 170,135,919
Restatement to Record Beginning Balance of the Year, Post Retirement Liability	<u>(7,082,044)</u>	<u>(960,321)</u>	<u>(8,042,365)</u>
Net Position - December 31, 2017, As Restated	<u>\$ 51,178,971</u>	<u>\$ 110,914,583</u>	<u>\$ 162,093,554</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12**

**A. Plan Summaries**

The City has eight Tax Incremental Districts. Tax Incremental District No. 5 was created on April 3, 2007 and terminated March 6, 2018. Tax Incremental District No. 6 was created on October 4, 2010, was amended on August 4, 2015, and has a dissolution date of October 4, 2037. Tax Incremental District No. 7 was created on January 1, 2013, amended on January 2, 2016 and has a dissolution date of January 1, 2040. Tax Incremental District No. 8 was created on January 1, 2014 and has a dissolution date of January 1, 2041. Tax Incremental District No. 9 was created on April 4, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 10 was created on June 2, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 11 was created on September 1, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 12 was created on February 6, 2018 and has a dissolution date of January 1, 2045.

**B. Cash and Investments**

The Tax Incremental Districts invest funds in accordance with the provisions of the Wisconsin Statutes Section 66.0603 and 67.11(2). The Tax Incremental Districts maintain common cash and investment accounts with the City of Wauwatosa. Disclosures related to cash and investments can be found in Note 4 of the financial statements.

**C. Interfund Advances**

The General fund advanced \$2,000,000 to the Special Revenue Fund - Tax Incremental District No. 7 in 2015. This advance earns interest at 5.25%. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2018 was \$1,700,324.

**D. Long-Term Debt**

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 6 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 599,610	\$ 329,245	\$ 928,856
2020	624,610	315,005	939,615
2021	650,841	298,627	949,468
2022	675,000	280,344	955,344
2023	675,000	258,794	933,794
2024 - 2028	3,425,000	931,494	4,356,494
2029 - 2033	2,800,000	354,944	3,154,944
2034 - 2035	975,000	30,859	1,005,859
Total	<u>\$ 10,425,062</u>	<u>\$ 2,799,312</u>	<u>\$ 13,224,374</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12 (CONTINUED)**

**D. Long-Term Debt**

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 7 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,375,000	\$ 458,528	\$ 1,833,528
2020	1,425,000	433,608	1,858,608
2021	1,480,000	399,333	1,879,333
2022	1,540,000	363,083	1,903,083
2023	1,545,000	315,983	1,860,983
2024 - 2028	5,475,000	918,538	6,393,538
2029 - 2033	2,410,000	280,635	2,690,635
2034	305,000	12,810	317,810
Total	<u>\$ 15,555,000</u>	<u>\$ 3,182,515</u>	<u>\$ 18,737,515</u>

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 9 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 50,000	\$ 10,063	\$ 60,063
2020	50,000	9,063	59,063
2021	50,000	8,063	58,063
2022	50,000	7,063	57,063
2023	50,000	5,063	55,063
2024 - 2025	150,000	6,000	156,000
Total	<u>\$ 400,000</u>	<u>\$ 45,313</u>	<u>\$ 445,313</u>

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 11 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 81,713	\$ 81,713
2020	50,000	81,713	131,713
2021	50,000	79,713	129,713
2022	55,000	77,713	132,713
2023	55,000	76,063	131,063
2024 - 2028	285,000	353,763	638,763
2029 - 2033	715,000	301,700	1,016,700
2034 - 2036	1,085,000	81,875	1,166,875
Total	<u>\$ 2,295,000</u>	<u>\$ 1,134,250</u>	<u>\$ 3,429,250</u>

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12 (CONTINUED)**

**E. Supplemental Information**

The Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered Through Tax Increments, and the Historical Summary of Sources, Uses, and Status of Funds are provided as supplementary schedules to these financial statements. Those schedules are prepared in accordance with accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Sections 66.1105. The summary statements were prepared from data recorded in the following funds of the City of Wauwatosa.

Tax Incremental Financing Special Revenue Fund  
Redevelopment Authority Lease Revenue Bond Capital Projects Fund  
Debt Service Fund  
Capital Projects Fund

Detailed descriptions of the purpose of these funds can be found in Note 1 of the financial statements. The data was consolidated for the purpose of these schedules. Therefore, the amounts shown in the schedules will not directly correlate with amounts shown in the basic financial statements of the City of Wauwatosa, Wisconsin.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULES OF CHANGES IN THE CITY'S TOTAL OTHER  
POST-EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS\***

Total OPEB Liability	2018
Service Cost	\$ 1,173,046
Interest on Total OPEB Liability	1,310,873
Effect of Economic/Demographic (Gains) or Losses	-
Effect of Assumption Changes or Inputs	784,072
Benefit Payments	(3,593,299)
Net Change in Total OPEB Liability	(325,308)
Total OPEB Liability, Beginning	35,286,135
Total OPEB Liability, Ending	\$ 34,960,827
Covered - Employee Payroll*	\$ 29,094,000
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	120.17%

\* Additional years' information will be displayed as it becomes available.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Measurement Periods\***

	Year Ended December 31,			
	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.28785707%	0.28100006%	0.28040302%	0.28327583%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (8,546,816)	\$ 2,316,111	\$ 4,556,496	\$ (6,958,029)
City's Covered Payroll	\$ 29,777,290	\$ 29,711,934	\$ 29,108,607	\$ 28,350,192
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.93 %	99.12 %	98.20 %	102.74 %

\* Additional years' information will be displayed as it becomes available.

**SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
Wisconsin Retirement System  
Last 10 Fiscal Years\***

	2018	2017	2016	2015
	Contractually Required Contributions	\$ 3,146,087	\$ 3,004,354	\$ 2,721,212
Contributions in Relation to the Contractually Required Contributions	\$ 3,146,087	\$ 3,004,354	\$ 2,721,212	\$ 2,708,618
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 30,496,633	\$ 29,777,290	\$ 29,711,934	\$ 29,108,607
Contributions as a Percentage of Covered Payroll	10.32 %	10.09 %	9.16 %	9.31 %

\* Additional years' information will be displayed as it becomes available.

**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**WISCONSIN RETIREMENT SYSTEM**

**Changes of Benefit Terms** – There were no changes of benefit terms for any participating employer in WRS.

**Changes of Assumptions** – There were no changes in the assumptions.

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**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES – ACTUAL AND BUDGET – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
General Property Taxes	\$ 41,946,785	\$ 41,946,785	\$ 41,946,785	\$ -
Prior Year's Omitted Taxes	-	16,393	21,337	4,944
Hotel/Motel Room Tax	1,150,000	1,300,000	1,512,408	212,408
Payments in Lieu of Taxes	423,500	468,377	419,435	(48,942)
Interest on Taxes	75,000	100,000	100,996	996
Property Tax Chargebacks	-	-	118,103	118,103
Total Taxes	<u>43,595,285</u>	<u>43,831,555</u>	<u>44,119,064</u>	<u>287,509</u>
<b>INTERGOVERNMENTAL</b>				
State Shared Taxes	5,097,418	5,097,418	5,129,686	32,268
Federal Grants	331,489	304,489	327,984	23,495
State Grants	233,071	258,607	272,866	14,259
Total Intergovernmental	<u>5,661,978</u>	<u>5,660,514</u>	<u>5,730,536</u>	<u>70,022</u>
<b>LICENSES AND PERMITS</b>				
Licenses	279,080	281,299	302,219	20,920
Permits	1,200,985	1,281,755	1,277,202	(4,553)
Total Licenses and Permits	<u>1,480,065</u>	<u>1,563,054</u>	<u>1,579,421</u>	<u>16,367</u>
<b>FINES, PENALTIES, AND FORFEITURES</b>				
Court Penalties and Costs	550,000	550,000	496,834	(53,166)
Parking Violations	625,000	625,000	557,028	(67,972)
Other Penalties and Fees	95,000	95,000	140,787	45,787
Total Fines, Penalties, and Forfeitures	<u>1,270,000</u>	<u>1,270,000</u>	<u>1,194,649</u>	<u>(75,351)</u>
<b>PUBLIC IMPROVEMENT REVENUES</b>				
Special Assessments	21,100	21,750	2,010	(19,740)
<b>PUBLIC CHARGES FOR SERVICES</b>				
General Government	669,715	702,496	687,302	(15,194)
Public Safety	2,310,847	2,312,087	2,205,081	(107,006)
Health and Social Services	18,230	19,090	22,274	3,184
Streets and Related Facilities	71,850	71,900	94,783	22,883
Sanitation	108,800	131,500	153,384	21,884
Total Public Charges for Services	<u>3,179,442</u>	<u>3,237,073</u>	<u>3,162,824</u>	<u>(74,249)</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
County:				
Paramedics	117,157	117,157	116,807	(350)
Fire Protection Service	1,335,043	1,335,043	1,392,137	57,094
Local Departments	154,565	154,565	154,565	-
Total Intergovernmental Charges for Services	<u>1,606,765</u>	<u>1,606,765</u>	<u>1,663,509</u>	<u>56,744</u>
<b>COMMERCIAL REVENUES</b>				
Interest	785,000	700,000	980,343	280,343
Rentals	41,364	41,364	45,830	4,466
Other Miscellaneous Revenue	188,700	133,995	174,879	40,884
Total Commercial Revenues	<u>1,015,064</u>	<u>875,359</u>	<u>1,201,052</u>	<u>325,693</u>
Total Revenues	<u>\$ 57,829,699</u>	<u>\$ 58,066,070</u>	<u>\$ 58,653,065</u>	<u>\$ 586,995</u>

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Common Council	\$ 137,094	\$ 152,262	\$ 132,761	\$ 19,501
Youth Commission	3,407	3,407	1,955	1,452
Historic Preservation Commission	16,020	16,020	9,510	6,510
Municipal Court	322,182	322,182	298,607	23,575
Mayor	146,143	146,143	139,230	6,913
Administrator	528,602	528,410	497,212	31,198
Clerk	443,251	447,984	413,305	34,679
Elections	284,954	336,853	302,136	34,717
Human Resources	671,846	692,326	625,358	66,968
Assessor	740,684	752,778	731,141	21,637
Finance	1,127,264	1,127,248	1,094,327	32,921
Attorney	1,146,496	1,498,230	1,637,202	(138,972)
City Planning	548,931	419,761	422,776	(3,015)
Senior Commission	3,145	3,145	11,647	(8,502)
Write-Off of Uncollectible Receivables	20,000	20,000	14,354	5,646
Return of Property Taxes	-	-	22,317	(22,317)
Total General Government	6,140,019	6,466,749	6,353,838	112,911
<b>PROTECTION OF PERSONS AND PROPERTY</b>				
Police Department	16,057,378	15,977,447	16,160,223	(182,776)
Police Station	271,540	336,540	236,007	100,533
Police Reserves	13,362	13,362	12,651	711
Crossing Guards	245,000	245,000	244,355	645
Fire Department	13,903,769	14,309,891	13,981,780	328,111
Fire Equipment Reserve	141,000	141,000	14,767	126,233
Milwaukee Area Domestic Animal Control Commission	69,500	69,500	68,033	1,467
Safety and Building	844,911	848,631	819,385	29,246
Sealer of Weights and Measures	12,240	12,240	12,000	240
Traffic Control and Regulation	512,024	540,762	468,233	72,529
Property Maintenance Program	145,784	145,784	119,050	26,734
Total Protection of Persons and Property	32,216,508	32,640,157	32,136,484	503,673
<b>HEALTH AND SANITATION</b>				
Solid Waste Management	1,999,925	2,000,483	2,305,340	(304,857)
Health Care Services	1,444,184	1,479,550	1,384,649	94,901
Total Health and Sanitation	3,444,109	3,480,033	3,689,989	(209,956)

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>HIGHWAY AND TRANSPORTATION</b>				
Engineering	\$ 896,332	\$ 908,520	\$ 793,956	\$ 114,564
Public Works Operations Management	325,423	319,105	296,801	22,304
Roadway Maintenance	2,559,643	2,715,484	2,388,357	327,127
Electrical Services	990,780	1,040,048	820,368	219,680
Public Works Facilities Outside	95,023	95,023	114,696	(19,673)
Total Highway and Transportation	<u>4,867,201</u>	<u>5,078,180</u>	<u>4,414,178</u>	<u>664,002</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry	1,372,917	1,399,877	1,307,337	92,540
Economic Development	235,597	276,111	226,761	49,350
Total Conservation and Development	<u>1,608,514</u>	<u>1,675,988</u>	<u>1,534,098</u>	<u>141,890</u>
<b>UNCLASSIFIED</b>				
Unclassified Payroll	59,506	-	-	-
Other	200,000	232,708	148,437	84,271
Total Unclassified	<u>259,506</u>	<u>232,708</u>	<u>148,437</u>	<u>84,271</u>
<b>CAPITAL OUTLAY</b>				
	<u>-</u>	<u>-</u>	<u>353,092</u>	<u>(353,092)</u>
Total Expenditures	<u>\$ 48,535,857</u>	<u>\$ 49,573,815</u>	<u>\$ 48,630,116</u>	<u>\$ 943,699</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	Special Revenue Funds					Capital Projects					Total
	Special Assessments	Community Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,106,566	\$ 166,335	\$ 1,462,347	\$ 1,822,874	\$ 492,641	\$ 563,321	\$ 1,233,416	\$ -	\$ 6,847,500
Taxes Receivable	125,345	-	-	-	-	-	-	-	-	-	125,345
Special Assessments Receivable:											
Due in Installments	749,772	-	-	-	-	-	-	-	-	-	749,772
Due from Other Funds	-	-	-	33,358	-	-	-	-	-	-	33,358
Other Accrued Receivables	-	45,990	-	-	53,071	95,515	-	-	-	-	194,576
<b>Total Assets</b>	<b>\$ 875,117</b>	<b>\$ 45,990</b>	<b>\$ 1,106,566</b>	<b>\$ 199,693</b>	<b>\$ 1,515,418</b>	<b>\$ 1,918,389</b>	<b>\$ 492,641</b>	<b>\$ 563,321</b>	<b>\$ 1,233,416</b>	<b>\$ -</b>	<b>\$ 7,950,551</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts Payable	\$ 36,167	\$ -	\$ 1,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,327
Due to Other Funds	89,178	34,859	-	-	-	-	-	-	-	5,527	129,564
Unearned Revenue	-	13,552	-	-	-	85,951	-	-	-	-	99,503
<b>Total Liabilities</b>	<b>125,345</b>	<b>48,411</b>	<b>1,160</b>	<b>-</b>	<b>-</b>	<b>85,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,527</b>	<b>266,394</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Special Assessments	749,772	-	-	-	-	-	-	-	-	-	749,772
<b>Total Deferred Inflows</b>	<b>749,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>749,772</b>
<b>FUND BALANCES</b>											
Restricted	-	-	-	-	-	985,593	492,641	-	-	-	1,478,234
Assigned	-	-	1,105,406	199,693	1,515,418	846,845	-	563,321	1,233,416	-	5,464,099
Unassigned	-	(2,421)	-	-	-	-	-	-	-	(5,527)	(7,948)
<b>Total Fund Balances</b>	<b>-</b>	<b>(2,421)</b>	<b>1,105,406</b>	<b>199,693</b>	<b>1,515,418</b>	<b>1,832,438</b>	<b>492,641</b>	<b>563,321</b>	<b>1,233,416</b>	<b>(5,527)</b>	<b>6,934,385</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 875,117</b>	<b>\$ 45,990</b>	<b>\$ 1,106,566</b>	<b>\$ 199,693</b>	<b>\$ 1,515,418</b>	<b>\$ 1,918,389</b>	<b>\$ 492,641</b>	<b>\$ 563,321</b>	<b>\$ 1,233,416</b>	<b>\$ -</b>	<b>\$ 7,950,551</b>

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Special Revenue Funds					Capital Projects					Totals
	Special Assessments	Community Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
<b>REVENUES</b>											
Intergovernmental Revenues	\$ -	\$ 634,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,501	\$ -	\$ -	\$ 640,327
Public Improvement Revenues	916,499	-	-	-	-	-	-	-	-	-	916,499
Public Charges for Services	-	-	357,137	352,855	-	-	-	-	-	-	709,992
Commercial Revenues	-	-	40,582	5,736	27,202	33,157	24,540	-	-	-	131,217
<b>Total Revenues</b>	<b>916,499</b>	<b>634,826</b>	<b>397,719</b>	<b>358,591</b>	<b>27,202</b>	<b>33,157</b>	<b>24,540</b>	<b>5,501</b>	<b>-</b>	<b>-</b>	<b>2,398,035</b>
<b>EXPENDITURES</b>											
Current:											
Education and Recreation	-	-	1,042,686	2,872,762	-	-	567,765	-	-	-	4,483,213
Conservation and Development	-	634,825	-	-	381	10,833	-	-	-	-	646,039
Capital Outlay	-	-	126,451	6,755	-	-	-	-	698,958	290,000	1,122,164
<b>Total Expenditures</b>	<b>-</b>	<b>634,825</b>	<b>1,169,137</b>	<b>2,879,517</b>	<b>381</b>	<b>10,833</b>	<b>567,765</b>	<b>-</b>	<b>698,958</b>	<b>290,000</b>	<b>6,251,416</b>
Excess of Revenues Over (Under)											
Expenditures	916,499	1	(771,418)	(2,520,926)	26,821	22,324	(543,225)	5,501	(698,958)	(290,000)	(3,853,381)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	1,060,849	2,535,936	53,071	325,364	902,196	87,612	907,974	214,827	6,087,829
Transfers Out	(916,499)	-	(359,693)	-	-	-	-	-	(56,187)	-	(1,332,379)
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>1</b>	<b>(70,262)</b>	<b>15,010</b>	<b>79,892</b>	<b>347,688</b>	<b>358,971</b>	<b>93,113</b>	<b>152,829</b>	<b>(75,173)</b>	<b>902,069</b>
Fund Balances - Beginning of Year	-	(2,422)	1,175,668	184,683	1,435,526	1,484,750	133,670	470,208	1,080,587	69,646	6,032,316
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ (2,421)</b>	<b>\$ 1,105,406</b>	<b>\$ 199,693</b>	<b>\$ 1,515,418</b>	<b>\$ 1,832,438</b>	<b>\$ 492,641</b>	<b>\$ 563,321</b>	<b>\$ 1,233,416</b>	<b>\$ (5,527)</b>	<b>\$ 6,934,385</b>

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND SPECIAL ASSESSMENT FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public Improvement Revenues	\$ 1,047,595	\$ 1,047,595	\$ 916,499	\$ (131,096)
Total Revenues	<u>1,047,595</u>	<u>1,047,595</u>	<u>916,499</u>	<u>(131,096)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(1,047,595)</u>	<u>(1,047,595)</u>	<u>(916,499)</u>	<u>131,096</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE  
FUND COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 880,000	\$ 880,000	\$ 634,826	\$ (245,174)
Total Revenues	<u>880,000</u>	<u>880,000</u>	<u>634,826</u>	<u>(245,174)</u>
<b>EXPENDITURES</b>				
Conservation and Development	<u>879,734</u>	<u>879,734</u>	<u>634,825</u>	<u>244,909</u>
Total Expenditures	<u>879,734</u>	<u>879,734</u>	<u>634,825</u>	<u>244,909</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 266</u>	<u>\$ 266</u>	1	<u>\$ (265)</u>
Fund Balance - Beginning of Year			<u>(2,422)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (2,421)</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND PARKS FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public Charges for Services	\$ 372,761	\$ 372,761	\$ 357,137	\$ (15,624)
Commercial Revenues	9,774	9,774	40,582	30,808
Total Revenues	<u>382,535</u>	<u>382,535</u>	<u>397,719</u>	<u>15,184</u>
<b>EXPENDITURES</b>				
Education and Recreation	1,133,778	1,133,778	1,042,686	91,092
Capital Outlay	-	-	126,451	(126,451)
Total Expenditures	<u>1,133,778</u>	<u>1,133,778</u>	<u>1,169,137</u>	<u>(35,359)</u>
Excess of Revenues Over (Under) Expenditures	(751,243)	(751,243)	(771,418)	(20,175)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,060,849	1,060,849	1,060,849	-
Transfers Out	(359,606)	(359,606)	(359,693)	(87)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>(70,262)</u>	<u>\$ (20,262)</u>
Fund Balance - Beginning of Year			<u>1,175,668</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,105,406</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND PUBLIC LIBRARY FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public Charges for Services	\$ 349,940	\$ 349,940	\$ 352,855	\$ 2,915
Commercial Revenues	22,000	22,000	5,736	(16,264)
Total Revenues	<u>371,940</u>	<u>371,940</u>	<u>358,591</u>	<u>(13,349)</u>
<b>EXPENDITURES</b>				
Education and Recreation	2,904,532	2,904,532	2,872,762	31,770
Capital Outlay	-	-	6,755	(6,755)
Total Expenditures	<u>2,904,532</u>	<u>2,904,532</u>	<u>2,879,517</u>	<u>25,015</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>2,532,592</u>	<u>2,532,592</u>	<u>2,535,936</u>	<u>3,344</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (2,532,592)</u></u>	<u><u>\$ (2,532,592)</u></u>	15,010	<u><u>\$ 2,547,602</u></u>
Fund Balance - Beginning of Year			<u>184,683</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 199,693</u></u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND TOURISM COMMISSION FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Commercial Revenues	\$ 24,000	\$ 24,000	\$ 24,540	\$ 540
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>24,540</u>	<u>540</u>
<b>EXPENDITURES</b>				
Education and Recreation	<u>553,829</u>	<u>726,749</u>	<u>567,765</u>	<u>158,984</u>
Total Expenditures	<u>553,829</u>	<u>726,749</u>	<u>567,765</u>	<u>158,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>539,788</u>	<u>689,788</u>	<u>902,196</u>	<u>212,408</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 9,959</u>	<u>\$ (12,961)</u>	<u>358,971</u>	<u>\$ 371,932</u>
Fund Balance - Beginning of Year			<u>133,670</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 492,641</u>	

**CITY OF WAUWATOSA, WISCONSIN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL – CAPITAL PROJECTS FUND INFORMATION SYSTEMS EQUIPMENT  
 YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 5,501	\$ 5,501	\$ 5,501	\$ -
Total Revenues	<u>5,501</u>	<u>5,501</u>	<u>5,501</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>133,975</u>	<u>133,975</u>	<u>87,612</u>	<u>(46,363)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 39,476</u></u>	<u><u>\$ 39,476</u></u>	<u>93,113</u>	<u><u>\$ 53,637</u></u>
Fund Balance - Beginning of Year			<u>470,208</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 563,321</u></u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND FLEET EQUIPMENT  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Capital Outlay	840,000	875,000	698,958	176,042
Total Expenditures	<u>840,000</u>	<u>875,000</u>	<u>698,958</u>	<u>176,042</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	892,016	892,016	907,974	15,958
Transfers Out	<u>(56,188)</u>	<u>(56,188)</u>	<u>(56,187)</u>	<u>1</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,172)</u>	<u>\$ (39,172)</u>	152,829	<u>\$ 192,001</u>
Fund Balance - Beginning of Year			<u>1,080,587</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,233,416</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND PUBLIC WORKS BUILDING  
IMPROVEMENT RESERVE FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Capital Outlay	290,000	290,000	290,000	-
Total Expenditures	<u>290,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	239,716	239,716	214,827	(24,889)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (50,284)</u>	<u>\$ (50,284)</u>	(75,173)	<u>\$ (24,889)</u>
Fund Balance - Beginning of Year			<u>69,646</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (5,527)</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Commercial Revenues	\$ 61,531	\$ 61,531	\$ 61,531	\$ -
Total Revenues	<u>61,531</u>	<u>61,531</u>	<u>61,531</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	6,137,534	6,137,534	6,567,548	(430,014)
Interest and Other Fiscal Charges	<u>2,423,063</u>	<u>2,423,063</u>	<u>2,202,574</u>	<u>220,489</u>
Total Expenditures	<u>8,560,597</u>	<u>8,560,597</u>	<u>8,770,122</u>	<u>(209,525)</u>
Excess of Revenues Over Expenditures	(8,499,066)	(8,499,066)	(8,708,591)	(209,525)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on Long-Term Debt	-	-	319,179	319,179
Transfers In	<u>8,449,066</u>	<u>8,449,066</u>	<u>8,215,767</u>	<u>(233,299)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	(173,645)	<u>\$ (123,645)</u>
Fund Balance - Beginning of Year			<u>2,168,051</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,994,406</u>	

**CITY OF WAUWATOSA, WISCONSIN  
 COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF  
 PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED  
 THROUGH TAX INCREMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	Total
<b>PROJECT COSTS</b>									
Capital Expenditures	\$ -	\$ 7,276	\$ 1,624,876	\$ 768,036	\$ (8,800)	\$ -	\$ 295,747	\$ -	\$ 2,687,135
Administration	-	1,612	30,870	869	95	207	15,895	12,642	62,190
Interest and Fiscal Charges	-	342,730	431,112	-	10,563	-	81,713	-	866,118
Professional Services	2,754	42,147	11,800	1,379	3,629	1,379	12,366	28,000	103,454
Debt Issuance Costs	-	-	56,900	-	-	-	-	-	56,900
Housing and Community Development	325,365	-	-	-	-	-	-	-	325,365
Developers Grants/Incentive	-	-	-	-	-	-	-	13,843,674	13,843,674
Distribution to Other Taxing Jurisdictions	171,446	-	-	-	-	-	-	-	171,446
<b>Total Project Costs</b>	<b>499,565</b>	<b>393,765</b>	<b>2,155,558</b>	<b>770,284</b>	<b>5,487</b>	<b>1,586</b>	<b>405,721</b>	<b>13,884,316</b>	<b>18,116,282</b>
<b>PROJECT REVENUES</b>									
Tax Increments	325,364	2,466,700	2,351,265	585,662	-	480,062	303,161	-	6,512,214
Investment Income	1,745	47,574	66,271	40,333	-	3,324	1,486	-	160,733
Premium on Long-Term Debt	-	-	47,255	-	-	-	-	-	47,255
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	5,392	4,000	14,119	1,274	243	-	2,327	-	27,355
Developer Fees	-	-	-	-	-	-	-	10,000	10,000
Sale of Land	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
<b>Total Project Revenues</b>	<b>332,501</b>	<b>2,518,274</b>	<b>2,478,910</b>	<b>627,269</b>	<b>243</b>	<b>483,386</b>	<b>306,974</b>	<b>10,000</b>	<b>6,757,557</b>
<b>NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2018</b>									
	<b>\$ (167,064)</b>	<b>\$ 2,124,509</b>	<b>\$ 323,352</b>	<b>\$ (143,015)</b>	<b>\$ (5,244)</b>	<b>\$ 481,800</b>	<b>\$ (98,747)</b>	<b>\$ (13,874,316)</b>	<b>\$ (11,358,725)</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

The data was consolidated for purposes of this schedule and, therefore, amounts shown will not directly correlate with the amounts shown in the financial statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF**  
**PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED THROUGH**  
**TAX INCREMENTS FROM DATE OF CREATION THROUGH DECEMBER 31, 2018**

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	Total
<b>PROJECT COSTS</b>									
Capital Expenditures	\$ 13,135	\$ 17,983,766	\$ 16,645,402	\$ 1,840,990	\$ 415,759	\$ 88,196	\$ 2,615,668	\$ -	\$ 39,602,916
Administration	5,386	157,211	74,411	22,729	20,027	25,982	95,055	12,760	413,561
Interest and Fiscal Charges	-	1,687,952	1,529,973	-	31,688	-	159,113	-	3,408,726
Housing and Community Development	325,365	-	-	-	-	-	-	-	325,365
Professional Services	2,754	42,147	11,800	1,379	3,629	1,379	12,366	28,000	103,454
Debt Issuance Costs	-	-	56,900	-	-	-	-	-	56,900
Developers Grants/Incentive	1,800,000	4,500,000	8,979,368	1,500,000	1,994,000	4,500,000	6,289,096	13,843,674	43,406,138
Distribution to Other Taxing Jurisdictions	171,446	-	-	-	-	-	-	-	171,446
<b>Total Project Costs</b>	<b>2,318,086</b>	<b>24,371,076</b>	<b>27,297,854</b>	<b>3,365,098</b>	<b>2,465,103</b>	<b>4,615,557</b>	<b>9,171,298</b>	<b>13,884,434</b>	<b>87,488,506</b>
<b>PROJECT REVENUES</b>									
Tax Increments	2,218,362	6,094,106	6,352,346	1,033,025	-	480,062	314,371	-	16,492,272
Investment Income	5,370	70,282	107,862	68,339	116	3,324	5,112	-	260,405
Premium on Long-Term Debt	-	263,126	220,991	-	10,147	-	68,532	-	562,796
Grants	-	5,408,646	395,169	-	-	-	-	-	5,803,815
Exempt Computer Aid	89,354	13,298	38,858	3,998	483	-	4,620	-	150,611
Developer Fees	5,000	68,903	27,880	-	10,621	20,318	20,000	10,000	162,722
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	2,725,777	-	-	-	-	2,725,777
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
<b>Total Project Revenues</b>	<b>2,318,086</b>	<b>11,918,361</b>	<b>7,143,106</b>	<b>3,831,139</b>	<b>21,367</b>	<b>503,704</b>	<b>412,635</b>	<b>10,000</b>	<b>26,158,398</b>
<b>NET COST RECOVERABLE THROUGH TIF</b>									
<b>INCREMENTS - DECEMBER 31, 2018</b>	<b>\$ -</b>	<b>\$ (12,452,715)</b>	<b>\$ (20,154,748)</b>	<b>\$ 466,041</b>	<b>\$ (2,443,736)</b>	<b>\$ (4,111,853)</b>	<b>\$ (8,758,663)</b>	<b>\$ (13,874,434)</b>	<b>\$ (61,330,108)</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

The data was consolidated for purposes of this schedule and, therefore, amounts shown will not directly correlate with the amounts shown in the financial statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF SOURCES,**  
**USES, AND STATUS OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018**

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	Total
<b>SOURCES OF FUNDS</b>									
Tax Increments	\$ 325,364	\$ 2,466,700	\$ 2,351,265	\$ 585,662	\$ -	\$ 480,062	\$ 303,161	\$ -	\$ 6,512,214
Investment Income	1,745	47,574	66,271	40,333	-	3,324	1,486	-	160,733
Long-Term Debt Issued	-	-	3,690,000	-	-	-	-	-	3,690,000
Premium on Long-Term Debt	-	-	47,255	-	-	-	-	-	47,255
Municipal Revenue Obligations	-	-	-	-	-	-	-	13,843,674	13,843,674
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	5,392	4,000	14,119	1,274	243	-	2,327	-	27,355
Developer Fees	-	-	-	-	-	-	-	10,000	10,000
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>332,501</b>	<b>2,518,274</b>	<b>6,168,910</b>	<b>627,269</b>	<b>243</b>	<b>483,386</b>	<b>306,974</b>	<b>13,853,674</b>	<b>24,291,231</b>
<b>USES OF FUNDS</b>									
Capital Expenditures	-	7,276	1,624,876	768,036	(8,800)	-	295,747	-	2,687,135
Administration	-	1,612	30,870	869	95	207	15,895	12,642	62,190
Interest on Long-Term Debt	-	342,730	431,112	-	10,563	-	81,713	-	866,118
Principal on Long-Term Debt	-	568,458	1,025,000	-	25,000	-	-	-	1,618,458
Principal on Municipal Revenue Obligation	-	506,397	-	351,289	-	368,877	181,286	-	1,407,849
Housing and Community Development	325,365	-	-	-	-	-	-	-	325,365
Developers Grants/Incentive	-	-	-	-	-	-	-	13,843,674	13,843,674
Professional Services	2,754	42,147	11,800	1,379	3,629	1,379	12,366	28,000	103,454
Debt Issuance Costs	-	-	56,900	-	-	-	-	-	56,900
Distribution to Other Taxing Jurisdictions	171,446	-	-	-	-	-	-	-	171,446
<b>Total Uses of Funds</b>	<b>499,565</b>	<b>1,468,620</b>	<b>3,180,558</b>	<b>1,121,573</b>	<b>30,487</b>	<b>370,463</b>	<b>587,007</b>	<b>13,884,316</b>	<b>21,142,589</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(167,064)</b>	<b>1,049,654</b>	<b>2,988,352</b>	<b>(494,304)</b>	<b>(30,244)</b>	<b>112,923</b>	<b>(280,033)</b>	<b>(30,642)</b>	<b>3,148,642</b>
Beginning Fund Balance	167,064	751,941	(608,882)	1,835,132	(19,492)	(93,653)	(75,820)	(118)	1,956,172
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 1,801,595</b>	<b>\$ 2,379,470</b>	<b>\$ 1,340,828</b>	<b>\$ (49,736)</b>	<b>\$ 19,270</b>	<b>\$ (355,853)</b>	<b>\$ (30,760)</b>	<b>\$ 5,104,814</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF SOURCES,**  
**USES, AND STATUS OF FUNDS FROM DATE OF CREATION THROUGH DECEMBER 31, 2018**

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	Total
<b>SOURCES OF FUNDS</b>									
Tax Increments	\$ 2,218,362	\$ 6,094,106	\$ 6,352,346	\$ 1,033,025	\$ -	\$ 480,062	\$ 314,371	\$ -	\$ 16,492,272
Investment Income	5,370	70,282	107,862	68,339	116	3,324	5,112	-	260,405
Long-Term Debt Issued	-	12,003,815	18,370,000	-	425,000	-	2,295,000	-	33,093,815
Municipal Revenue Obligations Issued	1,800,000	4,500,000	6,979,218	1,500,000	1,994,000	4,500,000	6,289,096	13,843,674	41,405,988
Premium on Long-Term Debt	-	263,126	220,991	-	10,147	-	68,532	-	562,796
Grants	-	5,408,646	395,169	-	-	-	-	-	5,803,815
Exempt Computer Aid	89,354	13,298	38,858	3,998	483	-	4,620	-	150,611
Developer Fees	5,000	68,903	27,880	-	10,621	20,318	20,000	10,000	162,722
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	2,725,777	-	-	-	-	2,725,777
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>4,118,086</b>	<b>28,422,176</b>	<b>32,492,324</b>	<b>5,331,139</b>	<b>2,440,367</b>	<b>5,003,704</b>	<b>8,996,731</b>	<b>13,853,674</b>	<b>100,658,201</b>
<b>USES OF FUNDS</b>									
Capital Expenditures	13,135	17,983,766	16,645,402	1,840,990	415,759	88,196	2,615,668	-	39,602,916
Administration	5,386	157,211	74,411	22,729	20,027	25,982	95,055	12,760	413,561
Interest on Long-Term Debt	-	1,687,952	1,529,973	-	31,688	-	159,113	-	3,408,726
Principal on Long-Term Debt	-	1,578,753	2,815,000	-	25,000	-	-	-	4,418,753
Principal on Municipal Revenue Obligation	1,800,000	670,752	-	625,213	-	368,877	181,286	-	3,646,128
Housing and Community Development	325,365	-	-	-	-	-	-	-	325,365
Developers Grants/Incentive	1,800,000	4,500,000	8,979,368	1,500,000	1,994,000	4,500,000	6,289,096	13,843,674	43,406,138
Professional Services	2,754	42,147	11,800	1,379	3,629	1,379	12,366	28,000	103,454
Debt Issuance Costs	-	-	56,900	-	-	-	-	-	56,900
Distribution to Other Taxing Jurisdictions	171,446	-	-	-	-	-	-	-	171,446
<b>Total Uses of Funds</b>	<b>4,118,086</b>	<b>26,620,581</b>	<b>30,112,854</b>	<b>3,990,311</b>	<b>2,490,103</b>	<b>4,984,434</b>	<b>9,352,584</b>	<b>13,884,434</b>	<b>95,553,387</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>1,801,595</b>	<b>2,379,470</b>	<b>1,340,828</b>	<b>(49,736)</b>	<b>19,270</b>	<b>(355,853)</b>	<b>(30,760)</b>	<b>5,104,814</b>
Beginning Fund Balance	-	-	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 1,801,595</b>	<b>\$ 2,379,470</b>	<b>\$ 1,340,828</b>	<b>\$ (49,736)</b>	<b>\$ 19,270</b>	<b>\$ (355,853)</b>	<b>\$ (30,760)</b>	<b>\$ 5,104,814</b>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>									
Fund Balance	\$ -	\$ 1,801,595	\$ 2,379,470	\$ 1,340,828	\$ (49,736)	\$ 19,270	\$ (355,853)	\$ (30,760)	\$ 5,104,814
Principal Balance of Outstanding Long-Term Debt	-	(10,425,062)	(15,555,000)	-	(400,000)	-	(2,295,000)	-	(28,675,062)
Principal Balance of Municipal Revenue Obligation	-	(3,829,248)	(6,979,218)	(874,787)	(1,994,000)	(4,131,123)	(6,107,810)	(13,843,674)	(37,759,860)
<b>NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2018</b>	<b>\$ -</b>	<b>\$ (12,452,715)</b>	<b>\$ (20,154,748)</b>	<b>\$ 466,041</b>	<b>\$ (2,443,736)</b>	<b>\$ (4,111,853)</b>	<b>\$ (8,758,663)</b>	<b>\$ (13,874,434)</b>	<b>\$ (61,330,108)</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

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**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>CURRENT ASSETS</b>									
Cash and Cash Equivalents	\$ 389,587	\$ 92,979	\$ 2,575,723	\$ 1,388,417	\$ 179,168	\$ 5,870,007	\$ 1,161,318	\$ 1,026,616	\$ 12,683,815
Receivables, Net	5,764	5,440	-	40,000	107	125,278	-	-	176,589
Inventories	194,229	-	-	-	-	-	-	-	194,229
Total Current Assets	589,580	98,419	2,575,723	1,428,417	179,275	5,995,285	1,161,318	1,026,616	13,054,633
<b>NONCURRENT ASSETS</b>									
Deposit in Cities and Villages									
Mutual Insurance Company	-	-	1,184,453	-	-	-	-	-	1,184,453
Capital Assets:									
Land	-	22,617	-	-	-	-	-	-	22,617
Buildings	-	1,583,045	-	-	-	-	-	-	1,583,045
Machinery and Equipment	12,899,543	18,507	-	-	-	-	1,309,249	-	14,227,299
Construction in Progress	-	814,622	-	-	-	-	-	-	814,622
Less: Accumulated Depreciation	(9,486,545)	(1,303,858)	-	-	-	-	(742,725)	-	(11,533,128)
Total Capital Assets, Net	3,412,998	1,134,933	-	-	-	-	566,524	-	5,114,455
Total Assets	4,002,578	1,233,352	3,760,176	1,428,417	179,275	5,995,285	1,727,842	1,026,616	19,353,541
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Amounts Related to Other									
Postemployment Benefits Obligation	-	-	-	-	-	3,995,747	-	-	3,995,747
<b>CURRENT LIABILITIES</b>									
Accounts Payable	5,815	621	324,537	494,882	-	830,637	-	-	1,656,492
Accrued Liabilities	43,016	-	-	-	-	-	30,805	16,294	90,115
Current Portion of Capital Lease	-	-	-	-	-	-	13,508	-	13,508
Total Current Liabilities	48,831	621	324,537	494,882	-	830,637	44,313	16,294	1,760,115
<b>NONCURRENT LIABILITIES</b>									
Net OPEB Obligation	-	-	-	-	-	34,960,827	-	-	34,960,827
Capital Lease	-	-	-	-	-	-	40,524	-	40,524
Total Noncurrent Liabilities	-	-	-	-	-	34,960,827	40,524	-	35,001,351
Total Liabilities	48,831	621	324,537	494,882	-	35,791,464	84,837	16,294	36,761,466
<b>NET POSITION</b>									
Net Investment in Capital Assets	3,412,998	1,134,933	-	-	-	-	566,524	-	5,114,455
Unrestricted	540,749	97,798	3,435,639	933,535	179,275	(25,800,432)	1,076,481	1,010,322	(18,526,633)
Total Net Position	\$ 3,953,747	\$ 1,232,731	\$ 3,435,639	\$ 933,535	\$ 179,275	\$ (25,800,432)	\$ 1,643,005	\$ 1,010,322	\$ (13,412,178)

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT REVENUES, EXPENSES, AND CHANGES IN FUND**  
**NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>OPERATING REVENUES</b>									
Charges for Services and Sales	\$ 3,105,150	\$ 556,666	\$ 610,989	\$ 517,687	\$ 263,431	\$ 8,354,976	\$ 1,797,535	\$ 880,837	\$ 16,087,271
Other Operating Revenues	7,801	-	-	-	122,865	1,508,991	6,377	167	1,646,201
Total Operating Revenues	<u>3,112,951</u>	<u>556,666</u>	<u>610,989</u>	<u>517,687</u>	<u>386,296</u>	<u>9,863,967</u>	<u>1,803,912</u>	<u>881,004</u>	<u>17,733,472</u>
<b>OPERATING EXPENSES</b>									
Operation and Maintenance	2,297,798	464,896	309,830	722,322	380,227	8,939,178	1,189,087	641,081	14,944,419
Depreciation	864,441	18,435	-	-	-	-	101,059	-	983,935
Total Operating Expenses	<u>3,162,239</u>	<u>483,331</u>	<u>309,830</u>	<u>722,322</u>	<u>380,227</u>	<u>8,939,178</u>	<u>1,290,146</u>	<u>641,081</u>	<u>15,928,354</u>
Operating Income (Loss)	(49,288)	73,335	301,159	(204,635)	6,069	924,789	513,766	239,923	1,805,118
<b>NONOPERATING REVENUES EXPENSES</b>									
Dividend Income	-	-	47,873	-	-	-	-	-	47,873
Investment Income	-	-	38,243	28,860	3,064	107,928	-	-	178,095
Gain on Sale or Trade of Assets	64,320	-	-	-	-	-	-	-	64,320
Total Nonoperating Revenues (Expenses)	<u>64,320</u>	<u>-</u>	<u>86,116</u>	<u>28,860</u>	<u>3,064</u>	<u>107,928</u>	<u>-</u>	<u>-</u>	<u>290,288</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>15,032</u>	<u>73,335</u>	<u>387,275</u>	<u>(175,775)</u>	<u>9,133</u>	<u>1,032,717</u>	<u>513,766</u>	<u>239,923</u>	<u>2,095,406</u>
<b>CAPITAL CONTRIBUTIONS</b>	786,140	835,128	-	-	-	-	-	-	1,621,268
<b>TRANSFERS IN</b>	-	7,578	-	-	-	-	-	-	7,578
<b>TRANSFERS OUT</b>	<u>(907,974)</u>	<u>(214,827)</u>	<u>(1,704)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,835)</u>	<u>-</u>	<u>(1,234,340)</u>
<b>CHANGES IN NET POSITION</b>	<u>(106,802)</u>	<u>701,214</u>	<u>385,571</u>	<u>(175,775)</u>	<u>9,133</u>	<u>1,032,717</u>	<u>403,931</u>	<u>239,923</u>	<u>2,489,912</u>
Net Position - Beginning of Year, As Previously Reported	4,060,549	531,517	3,050,068	1,109,310	170,142	(18,790,784)	1,239,074	770,399	(7,859,725)
Restatement	-	-	-	-	-	(8,042,365)	-	-	(8,042,365)
Net Position - Beginning of Year, Restated	<u>4,060,549</u>	<u>531,517</u>	<u>3,050,068</u>	<u>1,109,310</u>	<u>170,142</u>	<u>(26,833,149)</u>	<u>1,239,074</u>	<u>770,399</u>	<u>(15,902,090)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,953,747</u>	<u>\$ 1,232,731</u>	<u>\$ 3,435,639</u>	<u>\$ 933,535</u>	<u>\$ 179,275</u>	<u>\$ (25,800,432)</u>	<u>\$ 1,643,005</u>	<u>\$ 1,010,322</u>	<u>\$ (13,412,178)</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from Customers and Users	\$ -	\$ 556,666	\$ -	\$ -	\$ 122,865	\$ 1,508,991	\$ 6,377	\$ -	\$ 2,194,899
Receipts from Other Funds	3,113,752	7,382	610,989	517,687	263,324	8,241,957	1,797,535	881,004	15,433,630
Payments to Suppliers	(1,476,563)	(249,002)	(230,579)	(532,825)	(380,227)	(9,184,065)	(842,944)	(417,905)	(13,314,110)
Payments to Employees	(817,616)	(236,432)	(18,813)	(48,678)	-	(161,641)	(659,790)	(221,176)	(2,164,146)
Net Cash Provided (Used) by Operating Activities	819,573	78,614	361,597	(63,816)	5,962	405,242	301,178	241,923	2,150,273
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Transfers from Other Funds	-	7,578	-	-	-	-	-	-	7,578
Transfers to Other Funds	(907,974)	(214,827)	(1,704)	-	-	-	(109,835)	-	(1,234,340)
Net Cash Provided (Used) by Noncapital Financing Activities	(907,974)	(207,249)	(1,704)	-	-	-	(109,835)	-	(1,226,762)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition and Construction of Capital Assets	-	(75,564)	-	-	-	-	(285,597)	-	(361,161)
Proceeds from Sale of Property, Plant, and Equipment	80,320	6,840	-	-	-	-	-	-	87,160
Proceeds from Long-Term Debt	-	-	-	-	-	-	67,540	-	67,540
Principal Paid on Capital Debt	-	-	-	-	-	-	(13,508)	-	(13,508)
Net Cash Provided (Used) by Capital and Related Financing Activities	80,320	(68,724)	-	-	-	-	(231,565)	-	(219,969)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest and Dividends Received	-	-	86,116	28,860	3,064	107,928	-	-	225,968
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(8,081)	(197,359)	446,009	(34,956)	9,026	513,170	(40,222)	241,923	929,510
Cash and Cash Equivalents - Beginning of Year	397,668	290,338	2,129,714	1,423,373	170,142	5,356,837	1,201,540	784,693	11,754,305
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 389,587</u>	<u>\$ 92,979</u>	<u>\$ 2,575,723</u>	<u>\$ 1,388,417</u>	<u>\$ 179,168</u>	<u>\$ 5,870,007</u>	<u>\$ 1,161,318</u>	<u>\$ 1,026,616</u>	<u>\$ 12,683,815</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2018**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>									
Operating Income (Loss)	\$ (49,288)	\$ 73,335	\$ 301,159	\$ (204,635)	\$ 6,069	\$ 924,789	\$ 513,766	\$ 239,923	\$ 1,805,118
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation Expense	864,441	18,435	-	-	-	-	101,059	-	983,935
(Increase) Decrease:									
Accounts Receivable - Other	801	7,382	-	-	(107)	(18,717)	-	-	(10,641)
Inventories	2,254	-	-	-	-	-	-	-	2,254
Accounts Payable	(1,475)	(9,806)	60,438	140,819	-	321,228	(308,953)	(4,168)	198,083
Accrued Liabilities	2,840	(10,732)	-	-	-	-	(4,694)	6,168	(6,418)
Net OPEB Liability	-	-	-	-	-	(325,308)	-	-	(325,308)
Deferred Outflows Related to OPEB	-	-	-	-	-	(402,448)	-	-	(402,448)
Due to Other Funds	-	-	-	-	-	(94,302)	-	-	(94,302)
Total Adjustments	<u>868,861</u>	<u>5,279</u>	<u>60,438</u>	<u>140,819</u>	<u>(107)</u>	<u>(519,547)</u>	<u>(212,588)</u>	<u>2,000</u>	<u>345,155</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 819,573</u>	<u>\$ 78,614</u>	<u>\$ 361,597</u>	<u>\$ (63,816)</u>	<u>\$ 5,962</u>	<u>\$ 405,242</u>	<u>\$ 301,178</u>	<u>\$ 241,923</u>	<u>\$ 2,150,273</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Capital Assets Contributed by City of Wauwatosa	<u>\$ 786,140</u>	<u>\$ 835,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,621,268</u>

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
DECEMBER 31, 2018**

	Private Purpose Trust Funds						Agency Funds			
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Total	Special Deposits	Subsequent Year's Tax Roll Collections	Total
<b>ASSETS</b>										
Cash and Investments	\$ 10,541	\$ 60,291	\$ 4,708	\$ 187,796	\$ 6,799	\$ 28,864	\$ 298,999	\$ 171,617	\$ 65,728,533	\$ 65,900,150
Taxes Receivable	-	-	-	-	-	-	-	-	27,628,098	27,628,098
Total Assets	10,541	60,291	4,708	187,796	6,799	28,864	298,999	<u>\$ 171,617</u>	<u>\$ 93,356,631</u>	<u>\$ 93,528,248</u>
<b>LIABILITIES</b>										
Special Deposits	-	-	-	-	-	-	-	\$ 171,617	\$ -	\$ 171,617
Due to Other Taxing Units	-	-	-	-	-	-	-	-	93,356,631	93,356,631
Total Liabilities	-	-	-	-	-	-	-	<u>\$ 171,617</u>	<u>\$ 93,356,631</u>	<u>\$ 93,528,248</u>
<b>NET POSITION - RESTRICTED</b>	<u>\$ 10,541</u>	<u>\$ 60,291</u>	<u>\$ 4,708</u>	<u>\$ 187,796</u>	<u>\$ 6,799</u>	<u>\$ 28,864</u>	<u>\$ 298,999</u>			

**CITY OF WAUWATOSA, WISCONSIN  
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2018**

	Private Purpose Trust Funds						
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Total
<b>ADDITIONS</b>							
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 4,900	\$ 28,864	\$ 33,764
Investment Income	-	-	100	-	-	-	100
Total Additions	-	-	100	-	4,900	28,864	33,864
<b>DEDUCTIONS</b>	260	-	2,435	-	8,576	-	11,271
<b>CHANGES IN NET POSITION</b>	(260)	-	(2,335)	-	(3,676)	28,864	22,593
Net Position - Beginning of Year	10,801	60,291	7,043	187,796	10,475	-	276,406
<b>NET POSITION - END OF YEAR</b>	<u>\$ 10,541</u>	<u>\$ 60,291</u>	<u>\$ 4,708</u>	<u>\$ 187,796</u>	<u>\$ 6,799</u>	<u>\$ 28,864</u>	<u>\$ 298,999</u>

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>2018</u>
<b>PROPERTY TAX AGENCY FUND</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 66,526,591	\$ 65,900,150	\$ 66,526,591	\$ 65,900,150
Taxes Receivable	<u>27,289,432</u>	<u>27,628,098</u>	<u>27,289,432</u>	<u>27,628,098</u>
Total Assets	<u><u>\$ 93,816,023</u></u>	<u><u>\$ 93,528,248</u></u>	<u><u>\$ 93,816,023</u></u>	<u><u>\$ 93,528,248</u></u>
<b>LIABILITIES</b>				
Special Deposits	\$ 167,160	\$ 171,617	\$ 167,160	\$ 171,617
Due to Other Taxing Jurisdictions	<u>93,648,863</u>	<u>93,356,631</u>	<u>93,648,863</u>	<u>93,356,631</u>
Total Liabilities	<u><u>\$ 93,816,023</u></u>	<u><u>\$ 93,528,248</u></u>	<u><u>\$ 93,816,023</u></u>	<u><u>\$ 93,528,248</u></u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

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### **FINANCIAL TRENDS – TABLES 1-4**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **REVENUE CAPACITY – TABLES 5-8**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

### **DEBT CAPACITY – TABLES 9-13**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 14-15**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **OPERATING INFORMATION – TABLES 16-18**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.

**City of Wauwatosa**  
**Net Position By Component**

**Table 1**

**For the fiscal years ended December 31, 2008 through 2018**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012 (2)	2011	2010	2009
<b>Governmental activities:</b>										
Net investment in capital assets (1)	\$ 75,671,459	71,678,472	63,495,055	66,023,354	57,512,246	64,419,399	58,712,117	56,698,267	55,833,774	54,994,906
Restricted	12,549,461	1,322,268	1,830,471	9,579,876	27,481,090	17,395,491	24,825,826	27,398,789	22,180,773	18,796,636
Unrestricted	(43,703,643)	(14,739,725)	(8,131,737)	(18,138,426)	(19,136,845)	(23,244,368)	(18,849,361)	(20,138,732)	(11,643,367)	(10,865,485)
Total governmental activities net position	44,517,277	58,261,015	57,193,789	57,464,804	65,856,491	58,570,522	64,688,582	63,958,324	66,371,180	62,926,057
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 98,721,747	95,399,607	87,065,505	87,876,117	79,309,166	71,559,243	72,641,361	68,606,064	67,042,774	61,123,517
Restricted	3,250,121	2,344,924	2,242,818	2,007,667	621,020	440,543	425,000	415,318	499,147	1,061,941
Unrestricted	16,496,939	14,130,373	11,193,033	3,149,870	7,680,686	12,854,297	4,938,581	7,514,749	5,521,858	9,059,578
Total business-type activities net position	118,468,807	111,874,904	100,501,356	93,033,654	87,610,872	84,854,083	78,004,942	76,536,131	73,063,779	71,245,036
<b>Primary government:</b>										
Net investment in capital assets (2)	\$ 174,393,206	167,078,079	150,560,560	153,899,471	136,821,412	135,978,642	129,296,985	123,247,838	120,820,055	114,061,930
Restricted	15,799,582	3,667,192	4,073,289	11,587,543	28,102,110	17,836,034	25,250,826	27,814,107	22,679,920	19,858,577
Unrestricted (2)	(27,206,704)	(609,352)	3,061,296	(14,988,556)	(11,456,159)	(10,390,071)	(11,854,287)	(10,567,490)	(4,065,016)	250,586
Total primary government net position	162,986,084	170,135,919	157,695,145	150,498,458	153,467,363	143,424,605	142,693,524	140,494,455	139,434,959	134,171,093

**Notes** (1) The governmental activities net investment in capital assets noted above may exclude long-term debt that was used to purchase capital assets of the business-type activities. The total government-wide net investment in capital assets, net of related debt include this amount as capital related debt.

(2) Net Position restated in 2012 due to GASB 65 reclassifications

**City of Wauwatosa**  
**Changes In Net Position**

**Table 2**

**For the fiscal years ended December 31, 2008 through 2018**

(accrual basis of accounting)

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses:</b>											
Governmental activities:											
General government	\$ 6,139,403	7,005,559	6,197,443	5,598,808	6,859,099	5,232,823	4,944,296	13,209,633	4,683,203	4,786,054	4,820,311
Protection of persons and property	32,518,369	33,938,926	32,359,435	30,656,837	29,206,942	32,035,870	31,971,250	32,870,560	32,247,555	31,173,278	30,340,469
Health and sanitation	3,587,126	3,671,541	3,342,039	3,410,386	3,631,064	3,919,856	4,894,825	4,223,730	4,237,761	4,104,118	4,708,113
Highway and transportation	8,546,258	8,697,116	7,864,442	8,265,216	7,504,667	8,679,402	7,436,831	7,977,042	8,468,588	7,700,286	7,602,439
Education and recreation	5,114,314	5,064,666	4,577,202	4,213,631	4,237,835	4,816,367	4,211,093	4,145,124	4,012,813	3,898,894	3,831,659
Conservation and development	18,152,760	10,014,449	12,192,824	34,709,930	6,641,624	8,915,617	3,100,189	3,179,740	2,285,173	3,857,241	1,913,106
Unclassified	-	-	-	-	-	392,257	390,931	360,293	420,455	648,106	435,769
Interest and Fiscal Charges	2,204,069	1,909,106	1,971,394	1,614,875	1,979,079	1,891,502	2,071,819	2,312,246	2,509,908	2,537,079	2,455,668
Total gov't activities expenses	76,262,299	70,301,363	68,504,779	88,469,683	60,060,310	65,883,694	59,021,234	68,278,368	58,865,456	58,705,056	56,107,534
Business-type activities:											
Water utility	\$ 7,521,107	7,122,106	7,134,052	6,731,221	7,075,139	6,262,927	6,100,282	5,887,434	5,828,672	5,625,115	5,546,938
Redevelopment Authority	-	-	-	-	-	-	-	-	3,317	-	12,344
Sanitary Sewer	6,799,993	6,467,574	6,245,363	6,899,271	6,040,772	5,412,934	6,431,091	5,870,586	6,029,407	5,934,834	5,021,754
Storm Water Management	2,648,156	2,437,468	2,223,770	2,234,739	2,121,690	2,111,893	1,856,232	1,655,386	1,810,140	1,728,061	1,727,242
	16,969,256	16,027,148	15,603,185	15,865,231	15,237,601	13,787,754	14,387,605	13,413,406	13,671,536	13,288,010	12,308,278
Total primary government expenses	\$ 93,231,555	86,328,511	84,107,964	104,334,914	75,297,911	79,671,448	73,408,839	81,691,774	72,536,992	71,993,066	68,415,812
<b>Program Revenues:</b>											
Governmental activities:											
Charges for services:											
General government	1,254,496	1,172,285	1,269,331	1,242,819	1,220,034	1,216,109	1,058,006	1,010,335	982,315	914,713	1,052,309
Protection of persons and property	4,537,538	4,631,603	4,997,841	4,809,301	4,150,664	4,261,916	3,714,073	4,105,038	3,714,901	3,837,375	3,497,907
Health and sanitation	191,648	171,028	153,304	144,120	191,998	191,010	196,401	198,065	216,741	201,988	185,781
Highway and transportation	298,666	148,409	435,494	213,159	249,716	256,095	183,568	169,087	154,650	118,582	180,722
Education and recreation	745,415	565,162	523,777	468,652	520,639	500,162	567,066	512,083	472,861	417,328	405,655
Conservation and development	16,998	70,968	86,305	84,084	47,144	40,593		24,916	25,751	33,605	14,382
Operating grants and contributions	3,207,335	3,075,840	4,275,608	3,521,416	3,503,698	4,122,070		5,564,088	4,338,426	3,284,733	3,928,199
Capital grants and contributions	3,649,928	10,456,801	9,056,914	4,802,639	4,528,057	4,552,526		2,669,078	2,687,568	3,827,135	4,359,808
Total governmental activities	13,902,024	20,292,096	20,798,574	15,286,190	14,411,950	15,140,481	5,719,114	14,252,690	12,593,213	12,635,459	13,624,763

**City of Wauwatosa**  
**Changes In Net Position**

(continued)

For the fiscal years ended December 31, 2008 through 2018

(accrual basis of accounting)

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:											
Charges for services:											
Water utility	\$ 9,157,995	9,155,224	7,913,767	7,629,639	7,232,570	7,078,366	6,688,096	6,646,997	6,268,519	6,334,242	6,387,918
Redevelopment Authority	-	-	-	-	-	-	-	-	-	3,328	-
Sanitary Sewer	10,194,937	9,010,959	9,305,133	8,039,368	8,001,660	7,146,181	6,564,362	6,407,642	6,373,824	5,663,700	5,653,414
Storm Water Management	5,144,892	4,825,984	4,367,646	3,911,945	3,372,699	2,879,393	2,366,304	2,364,806	2,384,661	2,410,239	1,810,003
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	641,190	4,313,708	1,115,691	1,151,631	216,219	225,813	581,927	511,431	49,669	378,068	2,022,978
Total business-type activities	25,139,014	27,305,875	22,702,237	20,732,583	18,823,148	17,329,753	16,200,689	15,930,876	15,076,673	14,789,577	15,874,313
Total primary government	\$ 39,041,038	47,597,971	43,500,811	36,018,773	33,235,098	32,470,234	21,919,803	30,183,566	27,669,886	27,425,036	29,499,076
<b>Net (Expense)/Revenue</b>											
Governmental activities	\$ (62,360,275)	(50,009,267)	(47,706,205)	(73,183,493)	(45,648,360)	(50,743,213)	(53,302,120)	(54,025,678)	(46,272,243)	(46,069,597)	(42,482,771)
Business-type activities	8,169,758	11,278,727	7,099,052	4,867,352	3,585,547	3,541,999	1,813,084	2,517,470	1,405,137	1,501,567	3,566,035
Total primary Government net (expense)/revenue	\$ (54,190,517)	(38,730,540)	(40,607,153)	(68,316,141)	(42,062,813)	(47,201,214)	(51,489,036)	(51,508,208)	(44,867,106)	(44,568,030)	(38,916,736)
<b>General Revenues and Other Changes in Net Position:</b>											
Governmental activities											
Taxes:											
Property taxes, levied for general purposes	\$ 42,064,888	41,314,399	36,285,018	35,328,571	34,522,989	34,255,378	34,395,125	34,155,124	33,577,938	33,607,934	32,731,385
Property taxes, levied for debt service (1)	-	-	3,867,876	3,882,321	3,493,931	2,776,684	2,160,000	2,400,000	2,250,000	1,920,000	1,775,000
Property taxes, levied for TIF	6,512,214	4,343,206	2,563,673	6,269,468	7,736,036	6,678,903	5,725,282	5,958,764	6,287,764	5,766,889	4,510,048
Other taxes	2,073,728	1,966,144	1,514,953	1,552,948	1,875,735	1,474,509	1,494,813	5,693,842	1,457,467	1,254,858	1,399,482
Intergovernmental revenues not restricted to specific programs	2,672,403	2,631,583	2,925,602	3,569,706	3,392,712	2,617,256	2,631,507	3,049,643	4,314,271	4,831,001	2,620,623
Investment Income	1,415,384	692,056	603,777	558,497	1,047,731	104,428	1,073,904	1,266,017	1,786,277	1,887,512	2,829,099
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	(17,863)	88,579	-	-	26,572	-	74,449	-	410,965	42,771	84,934
Transfers	977,827	40,526	(325,709)	(7,593)	838,623	(3,282,005)	-	(910,568)	(367,316)	(645,097)	(731,608)
Total governmental activities	55,698,581	51,076,493	47,435,190	51,153,918	52,934,329	44,625,153	47,555,080	51,612,822	49,717,366	48,665,868	45,218,963

Notes (1) Starting in fiscal year 2017, property taxes levied for debt service and general purpose were reported combined.

City of Wauwatosa

(concluded)

Changes In Net Position

For the fiscal years ended December 31, 2008 through 2018

(accrual basis of accounting)

		Fiscal Year										
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Position:</b>												
Business-type activities												
Investment Income	\$	362,293	135,347	42,941	12,068	9,865	25,137	41,857	44,314	46,290	46,671	170,548
Miscellaneous		-	-	-	-	-	-	-	-	-	-	-
Transfers		(977,827)	(40,526)	325,709	7,593	(838,623)	3,282,005	(326,467)	910,568	367,316	645,097	731,608
Total business-type activities		<u>(615,534)</u>	<u>94,821</u>	<u>368,650</u>	<u>19,661</u>	<u>(828,758)</u>	<u>3,307,142</u>	<u>(284,610)</u>	<u>954,882</u>	<u>413,606</u>	<u>691,768</u>	<u>902,156</u>
Total primary government	\$	<u>55,083,047</u>	<u>51,171,314</u>	<u>47,803,840</u>	<u>51,173,579</u>	<u>52,105,571</u>	<u>47,932,295</u>	<u>47,270,470</u>	<u>52,567,704</u>	<u>50,130,972</u>	<u>49,357,636</u>	<u>46,121,119</u>
<b>Change in Net Position</b>												
Governmental activities	\$	(6,661,694)	1,067,226	(271,015)	(22,029,575)	7,285,969	(6,118,060)	(5,747,040)	(2,412,856)	3,445,123	2,596,271	2,736,192
Business-type activities		7,554,224	11,373,548	7,467,702	4,887,013	2,756,789	6,849,141	1,528,474	3,472,352	1,818,743	2,193,335	4,468,191
Total primary government	\$	<u>892,530</u>	<u>12,440,774</u>	<u>7,196,687</u>	<u>(17,142,562)</u>	<u>10,042,758</u>	<u>731,081</u>	<u>(4,218,566)</u>	<u>1,059,496</u>	<u>5,263,866</u>	<u>4,789,606</u>	<u>7,204,383</u>

**City of Wauwatosa**

**Table 3**

**Fund Balances, Governmental Funds**

**For the fiscal years ended December 31, 2008 through 2018**

(modified accrual basis of accounting)

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008
General Fund:											
Reserved	-	-	-	-	-	-	-	-	1,814,809	1,546,856	1,581,084
Unreserved	-	-	-	-	-	-	-	-	16,624,027	16,589,302	16,390,848
Nondspendable	2,196,675	2,338,243	2,521,308	2,071,864	5,608,760	5,621,848	334,387	348,886	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	242,849	500,000	982,506	-	-	-
Assigned	1,954,342	2,160,016	2,346,541	1,978,281	2,284,846	2,302,959	2,351,424	1,400,393	-	-	-
Unassigned	19,164,364	18,262,288	17,567,603	16,571,597	12,032,385	10,898,577	15,839,656	16,928,646	-	-	-
<b>Total general fund</b>	<b>23,315,381</b>	<b>22,760,547</b>	<b>22,435,452</b>	<b>20,621,742</b>	<b>19,925,991</b>	<b>19,066,233</b>	<b>19,025,467</b>	<b>19,660,431</b>	<b>18,438,836</b>	<b>18,136,158</b>	<b>17,971,932</b>
All Other Governmental Funds:											
Reserved	-	-	-	-	-	-	-	-	975,000	975,000	975,000
Unreserved	-	-	-	-	-	-	-	-	26,089,860	29,976,196	22,239,754
Nondspendable	-	-	499,985	1,053,294	1,800	59,629	2,059,629	13,139	-	-	-
Restricted	13,159,357	6,874,203	5,595,822	12,617,348	27,811,038	17,596,944	24,885,738	30,401,900	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	9,655,464	9,558,658	8,787,327	5,177,695	1,140,435	997,713	1,470,697	1,255,163	-	-	-
Unassigned	(7,948)	(2,422)	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>22,806,873</b>	<b>16,430,439</b>	<b>14,883,134</b>	<b>18,848,337</b>	<b>28,953,273</b>	<b>18,654,286</b>	<b>28,416,064</b>	<b>31,670,202</b>	<b>27,064,860</b>	<b>30,951,196</b>	<b>23,214,754</b>
<b>Total all governmental funds</b>	<b>\$ 46,122,254</b>	<b>39,190,986</b>	<b>37,318,586</b>	<b>39,470,079</b>	<b>48,879,264</b>	<b>37,720,519</b>	<b>47,441,531</b>	<b>51,330,633</b>	<b>45,503,696</b>	<b>49,087,354</b>	<b>41,186,686</b>

**Notes** GASB accounting standard changed so that after 2010, Fund Balance was no longer reported as Reserved or Unreserved.

City of Wauwatosa

Table 4

Change in Fund Balances, Governmental Funds

For the fiscal years ended December 31, 2008 through 2018

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>											
Taxes	\$ 50,631,278	47,358,607	44,237,021	47,003,285	47,232,813	45,185,474	43,775,220	48,207,730	43,675,616	42,656,274	40,524,683
Intergovernmental revenues	6,753,492	6,647,919	7,971,623	8,326,309	8,879,865	9,137,594	6,764,477	8,382,093	8,593,458	8,346,790	8,567,342
Licenses & permits	1,579,421	1,923,852	2,185,359	2,178,435	2,068,477	1,719,500	1,371,438	1,482,632	1,135,721	1,104,681	1,140,206
Penalties and forfeitures	1,194,649	1,064,340	1,086,121	1,031,435	994,421	1,080,323	1,024,231	1,015,512	1,120,205	1,093,594	977,022
Public improvement revenues	918,509	751,516	1,149,039	505,954	687,535	405,240	466,471	526,828	684,410	1,088,206	769,365
Public charges for services	3,872,816	3,771,347	3,923,831	3,715,345	3,263,154	3,790,087	3,483,608	3,688,378	3,473,280	3,055,245	2,962,299
Intergovernmental charges for services	1,663,509	1,595,442	1,553,480	1,581,449	1,596,756	1,568,660	1,475,747	1,610,098	1,595,644	1,763,668	1,562,790
Commercial revenues	1,801,643	1,115,087	1,608,196	2,058,879	1,362,185	527,909	1,487,329	1,680,596	1,914,743	2,132,804	3,191,646
Total revenues	68,415,317	64,228,110	63,714,670	66,401,091	66,085,206	63,414,787	59,848,521	66,593,867	62,193,077	61,241,262	59,695,353
<b>Expenditures:</b>											
<b>Current</b>											
General government	\$ 6,353,838	6,700,779	6,086,548	5,624,297	5,823,484	4,785,158	4,607,161	13,103,386	4,401,405	4,542,169	4,555,979
Protection of persons and property	32,136,484	30,957,890	30,275,241	28,998,448	28,361,225	29,143,209	29,282,911	30,104,871	28,766,507	28,876,223	28,419,544
Health and sanitation	3,689,989	3,599,464	3,352,250	3,413,231	3,627,241	3,741,837	3,950,891	4,103,163	4,058,902	3,989,204	4,598,362
Highway and transportation	4,414,178	4,285,759	4,505,666	4,562,105	4,920,058	5,383,042	4,809,421	5,449,165	5,402,913	5,167,097	5,219,087
Education and recreation	4,483,213	4,276,162	3,986,714	3,748,216	3,746,824	4,166,067	3,689,289	3,629,583	3,584,513	3,591,437	3,555,635
Conservation and development	17,846,035	9,487,886	11,446,539	34,275,579	6,322,366	7,556,660	2,993,522	3,389,417	2,980,363	3,981,671	2,936,635
Unclassified	148,437	185,860	419,956	407,231	383,261	392,257	390,931	360,293	420,455	648,106	435,769
<b>Debt service</b>											
Principal	7,975,397	6,785,990	5,544,897	26,504,637	8,137,991	8,054,402	11,518,306	5,359,445	4,634,380	3,939,768	3,476,076
Interest	2,297,611	2,077,545	2,053,450	1,852,409	2,014,970	2,230,080	2,086,725	2,379,499	2,870,692	2,452,794	2,445,805
Debt issuance expense	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	13,475,323	13,452,406	12,345,157	19,150,370	7,896,609	17,318,171	9,357,602	4,089,973	9,472,649	11,281,959	6,437,889
Total Governmental Fund Expenditures	92,820,505	81,809,741	80,016,418	128,536,523	71,234,029	82,770,883	72,686,759	71,968,795	66,592,779	68,470,428	62,080,781

City of Wauwatosa

(concluded)

Change in Fund Balances, Governmental Funds

For the fiscal years ended December 31, 2008 through 2018

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Excess of Revenues over (under) Expenditures	\$ (24,405,188)	(17,581,631)	\$ (16,301,748)	(62,135,432)	(5,148,823)	(19,356,096)	(12,838,238)	(5,374,928)	(4,399,702)	(7,229,166)
<b>Other financing sources (uses)</b>										
Long-term debt issued	\$ 28,768,674	17,159,218	\$ 11,782,596	49,045,500	14,170,000	7,446,280	6,675,000	6,372,190	18,133,387	14,700,000
Premium on long-term debt	366,434	335,342	362,534	960,273	149,888	308,530	248,000	234,038		
Current refunding of long term debt	-	-	-	-	-	(2,707,520)	-	-	(19,175,689)	-
Proceeds from sale of capital assets		100,030	-	-	26,572	-	74,449	-	425,482	42,771
Transfers in	19,485,280	16,413,049	15,665,368	35,159,856	9,536,964	20,182,405	15,023,200	12,483,444	11,890,805	7,912,142
Transfers out	(17,283,932)	(14,553,608)	(13,660,243)	(32,439,382)	(7,575,856)	(18,302,131)	(13,071,513)	(7,887,807)	(10,457,941)	(7,525,079)
Total other financing sources (uses)	31,336,456	19,454,031	14,150,255	52,726,247	16,307,568	6,927,564	8,949,136	11,201,865	816,044	15,129,834
<b>Net change in fund balance</b>	\$ 6,931,268	1,872,400	\$ (2,151,493)	(9,409,185)	11,158,745	(12,428,532)	(3,889,102)	5,826,937	(3,583,658)	7,900,668
<b>Capitalized expenditures</b>	\$ 12,888,397	12,235,397	\$ 10,526,555	15,855,043	6,775,678	9,753,817	5,854,961	2,339,212	7,549,893	10,976,034
<b>Debt service as a percentage of non-capital expenditures</b>	12.85%	12.74%	10.93%	25.17%	15.75%	14.09%	20.36%	11.11%	12.71%	11.12%

City of Wauwatosa

Table 5

Assessed Value and Equalized Value of Taxable Property

For the fiscal years ended December 31, 2008 through 2018

Tax Year	Budget Year	Residential	Commercial	Manufacturing	Personal Property	Total Taxable Assessed Value Including TID	TID Assessed Value	Total Taxable Assessed Value Excluding TID	Assessed Tax Rate
2018	2019	3,297,603,900	2,044,110,300	117,544,600	214,851,400	5,674,110,200	298,846,034	5,375,264,166	\$7.97
2017	2018	3,277,466,300	2,018,477,400	120,685,000	238,816,800	5,655,445,500	259,183,063	5,396,262,437	\$7.77
2016	2017	3,257,800,100	1,912,473,300	127,268,600	230,857,100	5,528,399,100	174,123,183	5,354,275,917	\$7.68
2015	2016	3,244,068,000	1,782,642,900	129,851,900	202,611,400	5,359,174,200	104,763,774	5,254,410,426	\$7.62
2014	2015	3,231,530,000	1,700,414,000	132,990,100	203,486,800	5,268,420,900	255,792,621	5,012,628,279	\$7.79
2013	2014	3,225,257,800	1,660,469,500	142,537,700	219,465,500	5,247,730,500	310,545,381	4,937,185,119	\$7.69
2012	2013	3,557,809,100	1,532,562,600	150,624,700	236,029,380	5,477,025,780	280,298,768	5,196,727,012	\$7.13
2011	2012	3,575,341,500	1,521,180,400	143,264,800	229,286,590	5,469,073,290	248,531,066	5,220,542,224	\$7.00
2010	2011	3,583,232,400	1,570,482,500	147,382,000	239,912,490	5,541,009,390	264,009,902	5,276,999,488	\$6.92
2009	2010	3,594,851,900	1,660,614,300	85,771,400	218,861,610	5,560,099,210	282,577,089	5,277,522,121	\$6.79
2008	2009	3,598,965,200	1,659,249,900	92,603,100	226,997,540	5,577,815,740	266,982,022	5,310,833,718	\$6.69
2006	2007	3,579,597,700	1,612,629,300	99,780,800	202,953,520	5,494,961,320		202,953,520	\$6.43
2005	2006	2,561,055,000	1,192,610,000	79,060,200	159,691,750	3,992,416,950		159,691,750	8.49
2004	2005	2,553,068,400	1,171,883,400	91,989,300	166,627,420	3,983,568,520		166,627,420	8.10

Tax Year	Budget Year	Total Taxable Equalized Value Including TID	TID Equalized Value	Total Taxable Equalized Value Excluding TID	Ratio of Assessed To Equalized Value	Equalized Tax Rate
2018	2019	6,342,128,700	334,543,500	6,007,585,200	89.33%	\$7.13
2017	2018	6,155,392,800	282,246,200	5,873,146,600	91.83%	\$7.14
2016	2017	5,699,272,300	179,572,900	5,519,699,400	96.97%	\$7.45
2015	2016	5,543,348,500	107,658,000	5,435,690,500	96.69%	\$7.37
2014	2015	5,350,627,100	259,371,200	5,091,255,900	98.62%	\$7.67
2013	2014	4,932,992,500	291,872,700	4,641,119,800	106.40%	\$8.18
2012	2013	4,963,918,700	254,193,700	4,709,725,000	110.27%	\$7.86
2011	2012	5,243,279,500	238,446,400	5,004,833,100	104.23%	\$7.30
2010	2011	5,462,436,300	256,166,500	5,206,269,800	101.57%	\$7.02
2009	2010	5,610,122,800	285,385,200	5,324,737,600	99.02%	\$6.73
2008	2009	5,645,219,200	272,675,300	5,372,543,900	97.91%	\$6.61

**City of Wauwatosa**

**Table 6**

**Direct and Overlapping Property Tax Rates**

**For the fiscal years ended December 31, 2008 through 2018**

( Per \$1,000 of Assessed Valuation )

Tax Year	City Direct Rates					Overlapping Rates				
	Base Rate	Debt Service	Library	Parks (1)	Total	Sewer District	County	School District	Technical College District	State of Wisconsin
2018	6.43	0.86	0.49	0.19	7.97	1.90	5.48	7.05	1.37	0
2017	6.22	0.89	0.47	0.2	7.78	1.88	5.5	7.03	1.37	0
2016	6.12	0.87	0.48	0.21	7.68	1.81	5.25	7.48	1.30	0.17
2015	6.14	0.80	0.47	0.21	7.62	1.80	5.31	7.11	1.30	0.18
2014	6.32	0.79	0.47	0.21	7.79	1.74	5.18	7.22	1.29	0.17
2013	6.31	0.71	0.48	0.19	7.69	1.60	4.82	7.47	2.00	0.16
2012	5.97	0.53	0.45	0.18	7.13	1.47	4.57	7.46	1.92	0.15
2011	6.00	0.41	0.42	0.17	7.00	1.45	4.52	6.91	1.87	0.16
2010	5.89	0.45	0.42	0.16	6.92	1.42	4.39	7.05	1.89	0.17
2009	5.78	0.43	0.41	0.17	6.79	1.33	4.19	6.74	1.93	0.17
2008	5.94	0.34	0.41	-	6.69	1.31	4.01	6.28	1.86	0.17

**Notes** (1) Parks tax rate was included in the base rate prior to 2009

**City of Wauwatosa  
Principal Property Tax Payers  
Current Year and Ten Years Ago**

**Table 7**

Taxpayer	2018			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mayfair Mall LLC (Mayfair Shopping Center)	448,586,500	1	7.93%	287,340,510	1	5.15%
Burleigh Mayfair LLC (Mayfair Collection Retail Stores)	102,328,000	2	1.81%			
Wheaton Franciscan Healthcare (Heart Hospital)	52,024,300	3	0.92%	88,704,650	2	1.59%
Bell Marquette I LLC (formerly, GE Healthcare)	51,692,500	4	0.91%	78,538,430	4	1.41%
H-D Capitol Drive LLC (formerly Harley Davidson Inc)	39,020,700	5	0.69%	78,984,600	3	1.42%
J.C. Penney Properties Inc. (formerly J.C. Penney Company)	33,200,000	6	0.59%	23,227,370	7	0.42%
Nordstrom Inc	32,946,600	7	0.58%			
Briggs & Stratton Corp.	29,202,500	8	0.52%	25,783,600	5	0.46%
Meadowland Research LLC	26,463,300	9	0.47%			
Meijer Stores Limited Partnership	25,095,600	10	0.44%			
North Mayfair 8				25,740,000	8	0.46%
Bonstores Realty One LLC				25,660,600	6	0.46%
Chestnut Street Properties I LLC (The Reserve)				20,483,100	9	0.37%
Innovation Partners (Research Park 10000 Innovation Drive)				19,605,900	10	0.35%
Total	<u>840,560,000</u>		<u>14.86%</u>	<u>\$ 674,068,760</u>		<u>12.08%</u>

**City of Wauwatosa**  
**Property Tax Levies and Collections**  
**Current Year and Ten Years Ago**

**Table 8**

Tax Levy Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collection as 5/31 of subsequent year	
		Amount	Percentage of Levy		Amount	Percentage of Levy (1)
2018	42,852,058	19,588,350	45.71%	23,092,436	42,680,786	99.60%
2017	41,946,785	19,599,502	46.72%	22,198,010	41,797,512	99.64%
2016	41,106,546	17,392,872	42.31%	23,642,734	41,035,607	99.83%
2015	40,058,445	18,477,349	46.13%	21,550,248	40,027,597	99.92%
2014	39,050,136	17,838,102	45.68%	21,197,536	39,035,638	99.96%
2013	37,949,568	16,887,558	44.50%	21,035,815	37,923,373	99.93%
2012	37,030,421	17,519,851	47.31%	19,510,570	37,030,421	100.00%
2011	36,555,123	17,050,906	46.64%	19,504,217	36,555,123	100.00%
2010	36,555,123	15,773,225	43.15%	20,768,751	36,541,976	99.96%
2009	35,827,935	17,390,008	48.54%	18,416,546	35,806,554	99.94%
2008	35,527,935	14,048,332	39.54%	21,448,760	35,497,092	99.91%

**Notes (1)** In addition to property taxes for the municipality, the City collects and remits taxes for the state and county governments, as well as for the local school and technical college districts. Taxes are levied in December of each year based upon the assessed value as of January 1st of that year. These funds are budgeted as part of the subsequent year's budget. Real estate taxes can be paid in three installments due January 31st, March 31st, and May 31st. Personal property taxes are due by January 31st. Tax settlements to the other taxing authorities are made following each settlement date. All unpaid real estate taxes as of July 31st are turned over to the County Treasurer for collection. All personal property taxes are retained for collection by the City. The final settlement for real estate taxes is made by the county to each of the other taxing authorities for the balance of their tax levies; therefore, the only uncollected balance included above is for personal property.

**City of Wauwatosa**

**Table 9**

**Ratios of Net General Bonded Debt Outstanding**

**For the fiscal years ended December 31, 2008 through 2018**

<b>Fiscal Year</b>	<b>Total General Bonded Debt (1)</b>	<b>Ratio of Net General Bonded Debt to Equalized Value</b>	<b>Net General Bonded Debt Per Capita</b>
2018	121,151,590	1.91%	2,535.56
2017	113,858,578	1.85%	2,402.64
2016	109,634,189	1.92%	2,324.73
2015	105,533,579	1.90%	2,247.93
2014	85,407,506	1.60%	1,826.27
2013	70,392,918	1.43%	1,507.02
2012	60,646,553	1.22%	1,309.30
2011	53,190,473	1.01%	1,146.84
2010	40,935,977	0.75%	882.32
2009	46,385,746 (2)	0.83%	1,012.79
2008	57,375,022	1.02%	1,250.55

**Notes (1)** Includes General Obligation Sewer and Storm Debt, net of Net Position Restricted for Debt Service

**(2)** Includes Bond Anticipation Notes

City of Wauwatosa

Table 10

Ratios of Outstanding Debt by Type

For the fiscal years ended December 31, 2008 through 2018

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Debt (4)	Bond Premium	Redevelopment Lease Revenue Bond Debt	Municipal Revenue Obligations	Water Debt	Sanitary Sewer Debt	Storm Water Maintenance Debt	Bond Premium			
2018	78,835,684	2,078,786	-	37,759,860	21,450,752	21,907,318	20,951,231	845,632	183,829,263	N/A (2)	3,847.33
2017	70,478,195	1,910,861	-	25,324,035	18,705,980	22,346,194	20,239,616	796,315	159,801,196	4.12%	3,372.12
2016	66,432,581	1,754,675	-	18,996,421	16,630,502	21,260,828	21,786,074	709,090	147,570,171	3.86%	3,129.14
2015	62,229,659	1,563,555	-	16,961,637	13,078,957	21,297,629	20,188,779	468,190	135,788,406	3.83%	2,892.38
2014	44,772,476	722,485	9,550,000	2,327,957	13,726,559	18,911,959	20,724,027	398,768	111,134,231	3.26%	2,376.39
2013	35,583,870	677,939	12,050,000	2,984,556	14,173,522	17,503,268	16,329,319	241,489	99,543,963	2.99%	2,131.33
2012	35,362,686	441,563	14,425,000	1,438,862	10,045,058	8,838,662	15,683,584	100,854	86,336,269	2.71%	1,863.91
2011	31,552,382	232,549	22,900,000	1,617,472	12,891,168	8,001,108	13,063,266	113,676	90,371,621	2.95%	1,948.50
2010	28,274,115	-	25,075,000	1,707,994	11,960,359	5,334,385	6,967,118	78,621	79,397,592	2.67%	1,711.30
2009	31,803,149 (3)	-	27,150,000	1,780,642	4,494,613	6,261,898	7,951,086	-	79,441,388	2.81%	1,734.53
2008	21,448,559	-	28,525,000	-	5,340,591	6,148,124	7,944,189	-	69,406,463	2.37%	1,512.78

- Notes (1) Calculated from per capita income times the estimated population for each relative date  
 (2) 2018 estimated per capita income not yet available from Wisconsin Department of Revenue  
 (3) Includes Bond Anticipation Notes  
 (4) Includes State Trust Fund debt where applicable

City of Wauwatosa

Table 11

Legal Debt Margin Information

For the fiscal years ended December 31, 2008 through 2018

Legalized Debt Margin Calculation for Fiscal Year 2018

Equalized valuation	\$ 6,342,128,700
Legal debt limit (5% of equalized valuation)	317,106,435
Less: Long-term debt	<u>121,874,985</u>
Legal debt margin	<u><u>\$ 195,231,450</u></u>

	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 317,106,435	307,769,640	284,963,615	277,167,425	267,531,355	246,649,625	248,195,935	262,163,975	273,121,815	280,506,140	282,260,960
Total net debt applicable to limit	121,874,985	113,269,985	109,709,985	105,533,579	85,407,506	70,392,918	60,646,553	53,190,473	40,935,977	46,385,746	57,375,022
Legal Debt Margin	<u>195,231,450</u>	<u>194,499,655</u>	<u>175,253,630</u>	<u>171,633,846</u>	<u>182,123,849</u>	<u>176,256,707</u>	<u>187,549,382</u>	<u>208,973,502</u>	<u>232,185,838</u>	<u>234,120,394</u>	<u>224,885,938</u>
Total net debt applicable to limit as a percentage of debt limit	<u>38.43%</u>	<u>36.80%</u>	<u>38.50%</u>	<u>38.08%</u>	<u>31.92%</u>	<u>28.54%</u>	<u>24.43%</u>	<u>20.29%</u>	<u>14.99%</u>	<u>16.54%</u>	<u>20.33%</u>

**City of Wauwatosa**

**Table 12**

**Direct and Overlapping Governmental Activities Debt  
As of December 31, 2018**

<u>Governmental Unit</u>	<u>Governmental Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
City of Wauwatosa	\$ 118,674,330 <sup>1</sup>	100.00%	\$ 118,674,330
Milwaukee County	542,772,241	10.02%	54,385,779
Wauwatosa School District	-	100.00%	-
Milwaukee Metro Sewerage District	806,420,156	10.22%	82,416,140
Milwaukee Area Technical College District	99,045,000	8.04%	7,963,218
Total Overlapping	<u>1,448,237,397</u>		<u>144,765,136</u>
 Total Direct and Overlapping Debt	 <u>\$ 1,566,911,727</u>		 <u>\$ 263,439,466</u>

Overlapping debt is allocated based on the City of Wauwatosa's equalized property value, excluding Tax Incremental Districts, as a percentage of the total County's equalized property value.

1) Includes all governmental debt including General Obligation, Bond Premium and Municipal Revenue Obligations

**City of Wauwatosa**

**Table 13**

**Revenue Bond Coverage - Water Utility**

**For the fiscal years ended December 31, 2008 through 2018**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2018	9,273,165	5,815,250	3,457,915	850,000	561,581	1,411,581	2.4497
2017	9,191,038	5,448,043	3,742,995	900,000	528,678 *	1,428,678	2.6199
2016	7,923,520	5,531,971	2,391,549	650,000	431,675 *	1,081,675	2.2110
2015	7,633,949	5,467,058	2,166,891	625,000	448,550 *	1,073,550	2.0184
2014	7,239,382	5,832,749	1,406,633	425,000	400,347 *	825,347	1.7043
2013	7,084,066	5,033,490	2,050,576	425,000	313,938 *	738,938	2.7750
2012	6,700,078	5,068,291	1,631,787	400,000	401,038 *	801,038	2.0371
2011	6,661,612	4,800,326	1,861,286	500,000	305,588 *	805,588	2.3105
2010	6,282,463	4,876,111	1,406,352	275,000	256,836	531,836	2.6443
2009	6,356,650	4,752,925	1,603,725	830,000	227,230	1,057,230	1.5169
2008	6,490,664	4,641,842	1,848,822	780,000	262,649	1,042,649	1.7732

**City of Wauwatosa**

**Table 14**

**Demographic and Economic Statistics**

**For the fiscal years ended December 31, 2008 through 2018**

Fiscal Year	Population	Total Personal Income (in millions)	Per Return Personal Income (1)			Unemployment Rates		
			City of Wauwatosa	Milwaukee County	State of Wisconsin	City of Wauwatosa	Milwaukee County	State of Wisconsin
2018	47,781	(2) - (2)	(2)	(2)	(2)	2.7%	3.6%	3.0%
2017	47,389	3,877	81,811	50,516	56,698	3.0%	4.6%	3.4%
2016	47,160	3,824	81,077	49,692	55,267	3.5%	5.1%	4.1%
2015	46,947	3,548	75,583	48,533	54,227	3.7%	5.8%	4.6%
2014	46,766	3,410	72,920	45,980	52,050	4.2%	6.9%	5.4%
2013	46,710	3,326	71,210	45,620	50,670	5.2%	8.4%	6.7%
2012	46,320	3,190	68,860	44,460	49,900	5.4%	8.6%	7.0%
2011	46,380	3,062	66,020	42,830	47,640	5.7%	9.3%	7.8%
2010	46,396	2,977	64,160	41,932	46,958	6.6%	9.6%	8.3%
2009	45,800	2,822	61,619	41,704	45,372	6.7%	9.6%	8.7%
2008	45,880	2,923	63,718	43,557	47,046	3.8%	5.7%	4.9%

**Notes** (1) Per Return Personal Income Data from Wisconsin Department of Revenue, Wisconsin Municipal Income Per Return Report.  
 (2) 2018 estimated per return income not yet available from Wisconsin Department of Revenue

**City of Wauwatosa**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Table 15

Employer	2018			2008		
	Number of Employees	Rank	Percentage (1) of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
	Milwaukee Regional Medical Center	17,000	1	N/A	10,600	1
Briggs & Stratton Corp.	1,555	2	N/A	2,700	2	
Wauwatosa Unified School District	797	3	N/A	865	3	
Bell Marquette I LLC, (formerly, GE Medical Systems, Inc.)	671	4	N/A	700	5	
Harley Davidson Inc.	650	5	N/A	700	4	
Lutheran Home of the Aging, Inc.	515	6	N/A	450	9	
City of Wauwatosa	442	7	N/A	461	8	
UnitedHealth Care (formerly, Prime Care Health Plan)	365	8	N/A	549	7	
St. Camillus Health System	363	9	N/A			
Bostik Findley	250	10	N/A			
J.C. Penny Company				680	6	
Grede Foundries Liberty Div.				200	10	
<b>Total</b>	<b>22,608</b>		<b>0.00%</b>	<b>17,905</b>		<b>N/A</b>

(1) Total Employment is not available at the City level from the United States Census Bureau.

**City of Wauwatosa**

**Table 16**

**City Government Employees by Function/Program (1)**

**For the fiscal years ended December 31, 2008 through 2018**

(full time equivalents)

Function/Program	Fiscal Year										
	2018	2017	2016	2015	2014 (2)	2013	2012	2011	2010	2009	2008
General Government											
Courts/City Clerk/Elections	8.16	8.34	8.18	8.25	8.77	8.32	8.15	8.30	8.30	8.80	8.80
Mayor/Administration	8.76	7.51	6.50	5.15	5.32	5.32	5.21	5.21	5.21	4.76	4.41
Human Resources	2.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Information Systems	6.00	6.00	6.00	6.00	6.00	5.60	5.60	5.60	5.60	5.60	5.60
Finance	9.38	9.88	9.88	9.88	9.88	9.56	9.83	10.80	10.80	11.10	11.40
Assessor	6.00	6.00	5.80	5.57	5.57	5.57	5.57	5.57	5.64	5.50	5.50
Attorney	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety											
Police Department	120.68	119.54	119.04	118.54	119.54	119.39	121.51	121.54	123.43	123.16	122.16
Fire Department	103.57	103.70	103.00	103.00	105.00	106.00	106.00	109.00	109.00	112.00	115.00
Public Works											
Operations	46.22	38.41	38.41	39.41	41.00	42.44	39.94	41.77	41.77	41.77	41.77
Engineering	19.92	20.92	19.92	20.42	18.92	16.92	16.92	16.70	17.70	19.65	17.65
Traffic Electrical Maint.	6.28	6.28	6.28	6.28	6.28	6.37	6.37	6.98	6.98	6.98	7.01
Parks/Forestry	13.55	23.66	21.22	19.30	19.14	19.14	19.14	19.30	19.40	20.40	20.40
Fleet Maintenance	9.50	9.00	9.00	9.00	9.00	9.44	9.44	9.98	9.98	9.98	9.98
Municipal Complex	4.00	3.00	3.00	3.00	3.00	3.00	3.00				
Development	13.00	13.50	13.50	12.50	12.60	12.50	13.08				
Planning								3.05	3.05	3.15	3.15
Building								12.13	12.13	12.13	12.01
Economic Development								2.05	1.55	1.00	N/A
Health	12.80	12.86	13.36	12.63	12.86	13.75	12.93	13.53	13.23	13.23	15.70
Library	26.69	26.55	26.55	26.55	26.55	26.55	26.55	26.42	26.42	26.14	26.54
Water	21.38	21.38	21.38	20.38	20.38	20.38	20.88	20.80	20.80	20.80	20.80
<b>TOTAL</b>	<b>441.39</b>	<b>444.03</b>	<b>438.52</b>	<b>433.36</b>	<b>437.31</b>	<b>437.75</b>	<b>437.62</b>	<b>446.23</b>	<b>448.49</b>	<b>453.65</b>	<b>455.38</b>

**Notes**

Elected Officials other than Mayor are not included.  
 Is the budgeted Full-Time Equivalency Employment amounts for the year 2014.  
 Planning, Building, and Economic Development were consolidated in 2012  
 Municipal Complex previously included in Building.

City of Wauwatosa

Table 17

Operating Indicators by Function/Program

For the fiscal years ended December 31, 2008 through 2018

Function/Program	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety:											
Police:											
Calls for service	32,515	34,123	37,715	36,012	35,945	31,807	33,788	29,456	30,515	31,401	31,775
Arrests	1,744	1,908	2,307	2,123	2,371	2,164	2,431	2,540	2,707	2,665	2,382
Index Crimes	2,113	1,849	1,990	1,768	1,686	1,776	2,090	2,014	2,014	1,982	1,965
Fire:											
EMS responses	4,202	4,618	4,290	4,607	4,481	4,470	4,359	4,127	3,476	3,475	3,573
Fire inspections (1)	3,770	2,637	2,972	2,972	3,846	5,148	N/A	1,315	1,246	1,414	1,600
Public Works:											
Solid waste (tons)	23,921	23,790	30,626	29,326	28,113	29,762	27,601	25,833	27,530	28,056	30,418
Recycling - single stream (tons)	4,368	4,125	5,184	4,820	4,625	5,669	5,453	5,451	5,486	5,312	5,637
Sewers cleaned (feet)	119,736	320,490	332,001	243,915	307,944	302,524	511,020	486,814	367,572	306,407	385,841
Asphalt patched (tons)	456	958	698	1,104	861	830	673	656	728	1,245	1,076
Crack filler used (gallons)	3,782	9,912	N/A	N/A	N/A	4,180	N/A	N/A	5,637	5,562	4,074
Trees Pruned	2,534	2,329	2,638	1,812	2,338	1,882	1,578	1,046	1,396	1,225	1,035
Library											
Circulation	827,941	813,304	813,169	810,671	(2) 799,300	837,105	869,049	890,926	896,659	894,678	845,703
User Visits	340,910	344,744	381,932	360,810	(3) 385,627	406,315	430,388	449,964	449,617	458,369	413,233
Water Utility											
Number of customers	15,507	15,507	15,507	15,514	15,515	15,513	15,507	15,502	15,505	15,507	15,510
Gallons sold (thousands)	1,338,182	1,317,475	1,372,928	1,372,700	1,325,223	1,390,683	1,564,276	1,541,665	1,459,089	1,533,466	1,546,078
Hydrants flushed	1,557	1,678	1,545	628	492	1,230	1,171	1,256	1,278	1,265	904
Health:											
Births	614	651	608	633	627	599	621	573	602	647	595
Health Referrals	1,258	1,147	1,089	1,391	1,459	1,059	1,169	1,028	1,122	1,397	1,077
Engineering:											
Paving (feet)	12,878	20,777	6,272	9,860	15,344	19,610	6,785	8,780	6,414	5,692	15,708
Storm Sewers (feet)	9,929	8,618	6,116	10,974	9,053	24,922	13,373	19,432	1,432	1,432	11,455
Sanitary Sewers (feet)	24,675	29,334	28,619	58,064	41,591	26,194	34,744	9,218	14,513	4,705	12,946
Water Main (feet)	4,478	7,515	3,030	14,309	-	13,409	14,098	12,877	7,730	1,732	651

(1) Methodology for counting fire inspections changed in 2012 to include on-site inspections as well

(2) Starting in 2015 Library started providing electronic checkouts

(3) In 2015 library gate was out of service for 8 weeks, so actual number is higher, this number was reported to the state

City of Wauwatosa

Table 18

Capital Asset Statistics by Function/Program

For the fiscal years ended December 31, 2008 through 2018

Function/Program	Fiscal Year										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety											
Fire stations	3	3	3	3	3	3	3	3	3	3	3
Fire apparatus	7	6	6	6	6	6	6	7	7	7	7
Ambulances	4	4	4	4	4	4	4	6	6	6	6
Public Works											
Streets (miles) (1)	159.46	159.46	159.39	159.39	159.46	159.59	158.61	158.56	158.56	158.56	158.78
Street signs	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800
Street lights	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050
Traffic signals (intersections) (2)	41	41	41	41	40	39	39	39	39	39	39
Parks and Recreation											
Number of parks	4	2	2	2	2	2	2	2	2	2	2
Acreage of parks	58.61	57.69	57.69	57.69	57.69	57.69	57.69	57.69	57.69	57.69	57.69
Water Utility											
Miles of water main	204.04	203.85	203.53	203.37	202.69	202.51	200.67	200.11	198.88	198.38	198.15
Number of hydrants	2236	2235	2197	2192	2166.00	2163	2122	2119	2098	2093	2087
Storage capacity (millions of gallons)	10.2	10.2	10.2	10.2	10.20	10.2	10.2	10.2	10.2	10.2	10.2

Notes (1) Miles do not include: US 45, US 18, Sth 100, Sth 181, Sth 190, or County Parkways and Roadways in Medical Complex

(2) In the period up to 2011, two signalized intersections have been added, and one has been removed. The change shown from 2006 is net, as actual dates of intersection

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