

CITY OF WAUWATOSA, WISCONSIN

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2021

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



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INDEPENDENT AUDITORS' REPORT

Common Council
City of Wauwatosa, Wisconsin
Milwaukee County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City of Wauwatosa, Wisconsin's basic financial statements as listed in the table of contents.

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, Wisconsin, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wauwatosa, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wauwatosa, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Wauwatosa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Wauwatosa's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the City's Total Other Postemployment Benefits 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 is the responsibility of management and, 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 GAAS, 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.

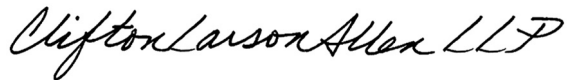
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational economic, and historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary 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 listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules listed as other supplementary information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2022, 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 results 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
July 26, 2022

BASIC FINANCIAL STATEMENTS

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 96,217,561	\$ 19,207,670	\$115,425,231
Receivables (Net of Allowance for Uncollectible Accounts)	42,442,348	7,066,937	49,509,285
Internal Balances	1,772,970	(1,772,970)	-
Prepaid Items	299,528	151,194	450,722
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	2,124,750	2,124,750
Designated Assets - Cash and Cash Equivalents	-	3,037,602	3,037,602
Unamortized Maintenance Costs	-	288,897	288,897
Net Pension Asset	18,715,400	501,978	19,217,378
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	26,962,421	3,595,761	30,558,182
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	113,682,793	165,945,001	279,627,794
Total Assets	<u>301,277,474</u>	<u>200,149,504</u>	<u>501,426,978</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Refunding of Debt	26,422	617,312	643,734
Deferred Amounts Related to the Pension	31,105,206	884,310	31,989,516
Deferred Amounts Related to the OPEB	7,331,734	-	7,331,734
Total Deferred Outflows of Resources	<u>38,463,362</u>	<u>1,501,622</u>	<u>39,964,984</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	8,955,102	3,171,891	12,126,993
Accrued Interest Payable	265,838	130,096	395,934
Deposits and Unearned Revenue	11,618,374	-	11,618,374
Due to Other Governments	114,205	-	114,205
Notes Payable	935,000	-	935,000
Liabilities Payable from Restricted Assets	-	1,071,226	1,071,226
Noncurrent Liabilities:			
Due Within One Year	14,362,239	6,120,000	20,482,239
Due in More than One Year	102,737,403	51,443,530	154,180,933
OPEB Liability	33,608,928	-	33,608,928
Total Liabilities	<u>172,597,089</u>	<u>61,936,743</u>	<u>234,533,832</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to the Pension	40,995,519	1,099,568	42,095,087
Deferred Amounts Related to the OPEB	835,001	-	835,001
Subsequent Year Tax Levy	58,458,969	-	58,458,969
Total Deferred Inflows of Resources	<u>100,289,489</u>	<u>1,099,568</u>	<u>101,389,057</u>
NET POSITION			
Net Investment in Capital Assets	84,083,817	115,382,146	199,465,963
Restricted for Debt Service	4,221,011	1,968,524	6,189,535
Restricted for Pension Obligations	18,715,400	501,978	19,217,378
Restricted for Other	1,449,909	-	1,449,909
Unrestricted (Deficit)	<u>(41,615,879)</u>	<u>20,762,167</u>	<u>(20,853,712)</u>
Total Net Position	<u>\$ 66,854,258</u>	<u>\$138,614,815</u>	<u>\$205,469,073</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

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
Governmental Activities:							
General Government	\$ 5,685,130	\$ 1,291,206	\$ 1,222,802	\$ -	\$ (3,171,122)	\$ -	\$ (3,171,122)
Public Safety	31,540,033	7,053,368	235,936	-	(24,250,729)	-	(24,250,729)
Public Works	11,222,071	157,456	824,826	-	(10,239,789)	-	(10,239,789)
Health and Human Services	1,925,529	1,586,335	3,548,354	-	3,209,160	-	3,209,160
Recreation and Education	4,866,207	733,724	7,000	-	(4,125,483)	-	(4,125,483)
Conservation and Development	7,888,323	221,717	2,066,002	-	(5,600,604)	-	(5,600,604)
Culture	525,739	-	71,705	-	(454,034)	-	(454,034)
Interest and Fiscal Charges	1,418,233	-	-	-	(1,418,233)	-	(1,418,233)
Loss on Sale of Capital Assets	-	-	-	-	-	-	-
Total Governmental Activities	65,071,265	11,043,806	7,976,625	-	(46,050,834)	-	(46,050,834)
Business-Type Activities:							
Water Utility	8,022,389	9,543,550	-	-	-	1,521,161	1,521,161
Sanitary Sewer	7,361,283	10,326,966	-	-	-	2,965,683	2,965,683
Storm Water Management	2,868,537	6,498,765	-	235,078	-	3,865,306	3,865,306
Total Business-Type Activities	18,252,209	26,369,281	-	235,078	-	8,352,150	8,352,150
Total	\$ 83,323,474	\$ 37,413,087	\$ 7,976,625	\$ 235,078	(46,050,834)	8,352,150	(37,698,684)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes and Debt Service					45,905,597	-	45,905,597
Property Taxes, Levied for TIF					7,820,859	-	7,820,859
Other Taxes					1,856,514	-	1,856,514
Intergovernmental Revenues not Restricted to Specific Programs					3,134,957	-	3,134,957
Gain on Sale of Capital Assets					248,681		
Investment Income					135,734	15,340	151,074
Total General Revenues					59,102,342	15,340	59,117,682
Transfers					1,033,488	(1,033,488)	-
CHANGE IN NET POSITION					14,084,996	7,334,002	21,418,998
Net Position - Beginning of Year					52,769,262	131,280,813	184,050,075
NET POSITION - END OF YEAR					\$ 66,854,258	\$138,614,815	\$205,469,073

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue			Capital Projects			Total Governmental Funds
	General Fund	Special Revenue Fund Tax Incremental District Fund	American Rescue Plan Act (ARPA) Fund	Debt Service Fund	General Obligation Debt Issue Fund	Nonmajor Governmental Funds	
ASSETS							
Cash and Investments	\$ 43,408,413	\$ 7,643,743	\$ 11,579,279	\$ 408,093	\$ 14,456,700	\$ 4,814,467	\$ 82,310,695
Taxes Receivable	30,790,366	5,410,447	-	-	-	118,279	36,319,092
Delinquent Personal Property Taxes	17,193	-	-	-	-	-	17,193
Special Assessments Receivable:							
Due in Installments	365	-	-	-	-	660,540	660,905
Accounts Receivable, Net	1690,716	240,000	-	1,675,000	480,666	-	4,086,382
Accrued Investment Income Receivable	209,423	-	-	-	-	-	209,423
Notes Receivable	-	-	-	-	-	-	-
Other Accrued Receivables	430,237	-	-	-	-	243,510	673,747
Due from Other Funds	1,184,064	-	-	-	-	-	1,184,064
Prepayments	1,804	23,875	-	-	-	33,303	58,982
Advance to Other Funds	135,134	-	-	-	-	300,000	1,651,343
Total Assets	\$ 79,238,524	\$ 13,318,065	\$ 11,579,279	\$ 2,083,093	\$ 14,937,366	\$ 6,170,099	\$ 127,326,426
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,737,508	\$ 194,499	\$ 60,406	\$ 52,148	\$ 2,288,885	\$ 422,898	\$ 4,756,344
Accrued Payroll	2,321,913	-	-	-	-	-	2,321,913
Unearned Revenues	-	-	11,518,873	-	-	99,501	11,637,374
Due to Other Governments	114,205	-	-	-	-	-	114,205
Due to Other Funds	1,021,978	-	-	-	-	88,883	1,110,861
Short Term Notes Payable	-	-	-	-	935,000	-	935,000
Advance from Other Funds	-	1,651,343	-	-	-	-	1,651,343
Total Liabilities	5,195,604	1,845,842	11,579,279	52,148	3,223,885	611,282	22,508,040
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	48,723,184	9,016,319	-	-	719,466	-	58,458,969
Special Assessments	-	-	-	-	-	660,540	660,540
Other Accounts Receivable	154,543	-	-	-	-	-	154,543
Total Deferred Inflows of Resources	48,877,727	9,016,319	-	-	719,466	660,540	59,274,052
FUND BALANCES							
Nonspendable	1,524,940	23,875	-	-	-	33,303	1,582,118
Restricted	-	2,432,029	-	2,030,945	6,063,603	1,449,909	11,976,486
Assigned	2,280,409	-	-	-	4,930,412	3,420,625	10,631,446
Unassigned	2,135,944	-	-	-	-	(5,560)	2,135,428
Total Fund Balances	25,165,193	2,455,904	-	2,030,945	10,994,015	4,898,277	45,544,334
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,238,524	\$ 13,318,065	\$ 11,579,279	\$ 2,083,093	\$ 14,937,366	\$ 6,170,099	

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.	132,928,279
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.	8,825,087
Internal service funds net position.	(6,898,457)
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Special assessments	660,540
Other accounts receivable	154,543
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	(114,360,068)
Total	\$ 66,854,258

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, 2021

	Special Revenue			Capital Projects			Total Governmental Funds
	General Fund	Special Revenue Fund Tax Incremental District Fund	American Rescue Plan Act (ARPA) Fund	Debt Service Fund	General Obligation Debt Issue Fund	Nonmajor Governmental Funds	
REVENUES							
Taxes	\$ 47,762,111	\$ 7,820,859	\$ -	\$ -	\$ -	\$ -	\$ 55,582,970
Intergovernmental Revenues	7,006,006	145,668	813,065	-	860,040	2,050,422	10,875,201
Licenses and Permits	1,767,638	-	-	-	-	1,200	1,768,838
Penalties and Forfeitures	812,623	-	-	-	-	-	812,623
Public Improvement Revenues	23,360	-	-	-	-	917,239	940,599
Public Charges for Services	3,154,704	-	-	-	-	1,982,696	5,137,400
Intergovernmental Charges for Services	1,766,190	-	-	-	-	-	1,766,190
Commercial Revenues	346,371	26,232	-	55,686	45,283	223,129	696,701
Total Revenues	62,639,003	7,992,759	813,065	55,686	905,323	5,174,686	77,580,522
EXPENDITURES							
Current:							
General Government	5,773,970	-	80,974	-	49,195	-	5,904,139
Public Safety	33,492,900	-	-	-	-	1,244,194	34,737,094
Public Works	7,048,021	-	12,000	-	-	-	7,060,021
Health and Human Services	1,994,383	-	17,380	-	-	-	2,011,763
Recreation and Education Conservation and Development	2,362,921	3,460,485	-	-	51,789	2,162,600	8,037,795
Culture	-	-	89,596	-	-	567,297	656,893
Debt Service:							
Principal	-	2,882,456	-	8,290,849	-	-	11,173,305
Interest and Other Fiscal Charges	-	77,584	-	2,404,640	-	-	2,482,224
Capital Outlay	516,426	46,452	-	-	8,924,955	2,012,408	11,500,241
Total Expenditures	51,188,621	6,466,977	199,950	10,695,489	9,025,939	9,994,954	87,571,930
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,450,382	1,525,782	613,115	(10,639,803)	(8,120,616)	(4,820,268)	(9,991,408)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	1,998,589	-	2,165,000	8,830,000	-	12,993,589
Premium on Long-Term Debt	-	-	-	381,960	-	-	381,960
Proceeds from the Sale of Assets	150	-	-	-	53,800	189,066	243,016
Transfers In	1,573,317	-	-	10,501,136	1,686,505	6,282,191	20,043,149
Payments to Escrow	-	-	-	(2,157,641)	-	-	(2,157,641)
Transfers Out	(2,898,086)	(3,175,264)	(613,115)	-	(100,000)	(1,296,338)	(18,082,803)
Total Other Financing Sources (Uses)	(11,324,619)	(1,176,675)	(613,115)	10,890,455	10,470,305	5,174,919	13,421,270
NET CHANGE IN FUND BALANCES	125,763	349,107	-	250,652	2,349,689	354,651	3,429,862
Fund Balances - Beginning of Year	25,039,430	2,106,797	-	1,780,293	8,644,326	4,543,626	42,114,472
FUND BALANCES - END OF YEAR	\$ 25,165,193	\$ 2,455,904	\$ -	\$ 2,030,945	\$ 10,994,015	\$ 4,898,277	\$ 45,544,334

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 3,429,862

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

Governmental funds report capital outlays as expenditures. However, in the statement of 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.

Capital outlay is reported as capital outlay expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	11,500,241
Some items reported as capital outlay were not capitalized.	(202,714)
Capital assets purchased in the current year by the governmental funds on behalf of the internal service 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	(1,500,642)
Depreciation is reported in the government-wide financial statements	(6,454,423)

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 (\$12,993,589) were less than the repayments (\$13,303,113). 309,524

Governmental funds report amounts paid to escrow agents defease debt as other financing uses. However, in the statement of net position, these are reported as deferred outflows/inflows of resources and are amortized over the period lesser of the new or defeased debt. This is the amount by which deferrals on new defeasance (\$27,833) exceed current year amortization (\$1,391). 26,422

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	(381,960)
Amortization of debt premium	219,139

Revenues in the statement of activities are recognized when earned, whereas revenues that do not provide current financial resources are not reported as revenues in the funds. 299,235

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 decrease in accrued interest payable (\$846,263), the increase in accrued vacation payable (\$68,487), and an decrease in expenses related to pension activity (\$5,557,804). 6,335,580

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. 7,650

The net revenue (expense) of internal service funds is reported with governmental activities. 497,082

Change in Net Position of Governmental Activities **\$ 14,084,996**

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 47,312,049	\$ 47,548,693	\$ 47,762,111	\$ 213,418
Intergovernmental Revenues	7,049,872	7,742,588	7,006,006	(736,582)
Licenses and Permits	1,507,209	1,647,249	1,767,638	120,389
Fines, Penalties, and Forfeitures	1,152,500	814,000	812,623	(1,377)
Public Improvement Revenues	7,000	25,521	23,360	(2,161)
Public Charges for Services	3,102,398	2,965,760	3,154,704	188,944
Intergovernmental Charges for Services	1,784,721	1,784,721	1,766,190	(18,531)
Commercial Revenues	1,309,624	1,770,218	346,371	(1,423,847)
Total Revenues	<u>63,225,373</u>	<u>64,298,750</u>	<u>62,639,003</u>	<u>(1,659,747)</u>
EXPENDITURES				
General Government	5,419,682	5,671,101	5,773,970	(102,869)
Public Safety	34,128,146	33,905,269	33,492,900	412,369
Public Works	7,384,844	7,642,847	7,048,021	594,826
Health and Human Services	2,477,787	3,070,528	1,994,383	1,076,145
Conservation and Development	2,278,755	2,572,542	2,362,921	209,621
Capital Outlay	107,609	460,374	516,426	(56,052)
Total Expenditures	<u>51,796,823</u>	<u>53,322,661</u>	<u>51,188,621</u>	<u>2,134,040</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	11,428,550	10,976,089	11,450,382	474,293
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	-	-	150	150
Transfers In	1,860,800	2,296,436	1,573,317	(723,119)
Transfers Out	(13,289,350)	(13,188,479)	(12,898,086)	290,393
Total Other Financing Sources (Uses)	<u>(11,428,550)</u>	<u>(10,892,043)</u>	<u>(11,324,619)</u>	<u>(432,576)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ 84,046</u>	125,763	<u>\$ 41,717</u>
Fund Balances - Beginning of Year			<u>25,039,430</u>	
FUND BALANCES - END OF YEAR			<u>\$ 25,165,193</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 8,284,960	\$ 8,085,439	\$ 7,820,859	\$ (264,580)
Intergovernmental Revenues	145,668	145,668	145,668	-
Commercial Revenues	13,700	20,700	26,232	5,532
Total Revenues	<u>8,444,328</u>	<u>8,251,807</u>	<u>7,992,759</u>	<u>(259,048)</u>
EXPENDITURES				
General Government	1,852,600	3,372,814	3,460,485	(87,671)
Health and Human Services	3,061,940	3,037,472	2,882,456	155,016
Interest and Other Fiscal Charges	-	77,854	77,584	270
Capital Outlay	154,500	198,613	46,452	152,161
Total Expenditures	<u>5,069,040</u>	<u>6,686,753</u>	<u>6,466,977</u>	<u>67,615</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	3,375,288	1,565,054	1,525,782	(39,272)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,998,589	1,998,589
Transfers Out	(3,150,939)	(3,150,939)	(3,175,264)	(24,325)
Total Other Financing Sources (Uses)	<u>(3,150,939)</u>	<u>(3,150,939)</u>	<u>(1,176,675)</u>	<u>1,974,264</u>
NET CHANGE IN FUND BALANCES				
	<u>\$ 224,349</u>	<u>\$ (1,585,885)</u>	349,107	<u>\$ 1,934,992</u>
Fund Balance - Beginning of Year			<u>2,106,797</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,455,904</u>	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN ACT (ARPA) FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 1,096,015	\$ 813,065	\$ (282,950)
Total Revenues	-	1,096,015	813,065	(282,950)
EXPENDITURES				
Conservation and Development	-	94,500	80,974	13,526
Public works	-	12,000	12,000	-
Health and Human Services	-	150,000	17,380	132,620
Culture	-	226,400	89,596	136,804
Total Expenditures	-	482,900	199,950	146,146
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	613,115	613,115	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(613,115)	(613,115)	-
Total Other Financing Sources (Uses)	-	(613,115)	(613,115)	-
NET CHANGE IN FUND BALANCES				
	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Total	Governmental
	Water	Sanitary Sewer	Storm Water Management	Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	\$ 5,653,315	\$ 11,507,089	\$ 2,047,266	\$ 19,207,670	\$ 13,906,866
Receivables, Net	2,232,689	3,642,493	1,191,755	7,066,937	321,006
Due from Other Funds	412,004	416,750	193,224	1,021,978	-
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund	1,153,817	-	-	1,153,817	-
Prepayments	151,194	-	-	151,194	240,546
Total Current Assets	<u>9,603,019</u>	<u>15,566,332</u>	<u>3,432,245</u>	<u>28,601,596</u>	<u>14,468,418</u>
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund	970,933	-	-	970,933	-
Designated Cash - System Improvement	2,523,381	514,221	-	3,037,602	-
Unamortized Maintenance Costs	288,897	-	-	288,897	-
Nonutility Property	2,684	-	-	2,684	-
Net Pension Asset	310,794	71,341	119,843	501,978	-
Deposit in Cities and Villages Mutual Insurance Company	-	-	-	-	1,184,453
Capital Assets:					
Land	81,405	-	-	81,405	22,617
Buildings	1,291,000	96,527	161,181	1,548,708	3,644,299
Improvements Other than Buildings	69,146,725	82,464,427	70,523,822	222,134,974	-
Machinery and Equipment	3,138,449	1,380,636	-	4,519,085	17,338,457
Construction in Progress	1,035,042	1,494,810	984,504	3,514,356	92,580
Less: Accumulated Depreciation	<u>(19,693,498)</u>	<u>(27,938,510)</u>	<u>(14,625,758)</u>	<u>(62,257,766)</u>	<u>(13,381,018)</u>
Total Capital Assets, Net	<u>54,999,123</u>	<u>57,497,890</u>	<u>57,043,749</u>	<u>169,540,762</u>	<u>7,716,935</u>
Total Noncurrent Assets	<u>59,095,812</u>	<u>58,083,452</u>	<u>57,163,592</u>	<u>174,342,856</u>	<u>8,901,388</u>
Total Assets	68,698,831	73,649,784	60,595,837	202,944,452	23,369,806
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Debt					
Refundings	220,737	345,091	51,484	617,312	-
Deferred Amounts Related to the Pension	564,034	119,179	201,097	884,310	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	7,331,734
Total Deferred Outflows of Resources	<u>784,771</u>	<u>464,270</u>	<u>252,581</u>	<u>1,501,622</u>	<u>7,331,734</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,417,021	\$ 1,431,847	\$ 232,374	\$ 3,081,242	\$ 1,876,845
Accrued Payroll	90,649	-	-	90,649	-
Due to Other Funds	1,095,181	-	-	1,095,181	-
Current Portion of Long-Term Debt	555,000	2,470,000	3,095,000	6,120,000	-
Current Portion of OPEB Obligation	-	-	-	-	2,836,357
Accrued Interest Payable	39,784	42,499	47,813	130,096	-
Other Accrued Liabilities	-	-	-	-	142,633
Liabilities Payable from Restricted Assets:					
Accounts Payable - Construction Account	-	-	-	-	-
Current Portion of Long-Term Debt	915,000	-	-	915,000	-
Accrued Interest Payable	156,226	-	-	156,226	-
Total Current Liabilities	4,268,861	3,944,346	3,375,187	11,588,394	4,855,835
Noncurrent Liabilities:					
Long-Term Debt	24,003,328	14,521,029	12,919,173	51,443,530	-
Net OPEB Obligation	-	-	-	-	33,608,928
Total Noncurrent Liabilities	24,003,328	14,521,029	12,919,173	51,443,530	33,608,928
Total Liabilities	28,272,189	18,465,375	16,294,360	63,031,924	38,464,763
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to the Pension	680,785	156,270	262,513	1,099,568	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	835,001
Total Deferred Inflows of Resources	680,785	156,270	262,513	1,099,568	835,001
NET POSITION					
Net Investment in Capital Assets	32,879,310	41,158,071	41,344,765	115,382,146	7,716,935
Restricted for Debt Service	1,968,524	-	-	1,968,524	-
Restricted for Pension	310,794	71,341	119,843	501,978	-
Unrestricted	5,372,000	14,262,997	2,826,937	22,461,934	(16,315,159)
Total Net Position	\$ 40,530,628	\$ 55,492,409	\$ 44,291,545	140,314,582	\$ (8,598,224)

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.

	(1,699,767)
Net Position of Business-Type Activities	<u>\$ 138,614,815</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, 2021**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
OPERATING REVENUES					
Charges for Services and Sales	\$ 9,052,850	\$ 10,316,471	\$ 6,492,428	\$ 25,861,749	\$ 7,017,420
Other Operating Revenues	472,264	-	-	472,264	11,840,895
Total Operating Revenues	<u>9,525,114</u>	<u>10,316,471</u>	<u>6,492,428</u>	<u>26,334,013</u>	<u>18,858,315</u>
OPERATING EXPENSES					
Operation and Maintenance	5,914,636	5,706,352	1,495,212	13,116,200	17,647,745
Depreciation	1,263,699	1,105,357	920,943	3,289,999	1,304,777
Taxes	123,716	-	-	123,716	-
Total Operating Expenses	<u>7,302,051</u>	<u>6,811,709</u>	<u>2,416,155</u>	<u>16,529,915</u>	<u>18,952,522</u>
OPERATING INCOME (LOSS)	2,223,063	3,504,762	4,076,273	9,804,098	(94,207)
NONOPERATING REVENUES (EXPENSES)					
Dividend Income	-	-	-	-	33,691
Investment Income (Loss)	5,032	8,214	2,094	15,340	-
Intergovernmental Income	-	-	235,078	235,078	-
Gain (Loss) on Sale or Trade of Assets	-	-	-	-	(30,500)
Interest on Long-Term Debt	(713,842)	(543,380)	(450,758)	(1,707,980)	-
Other Nonoperating income	18,436	10,495	6,337	35,268	-
Total Nonoperating Revenues (Expenses)	<u>(690,374)</u>	<u>(524,671)</u>	<u>(207,249)</u>	<u>(1,422,294)</u>	<u>3,191</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,532,689	2,980,091	3,869,024	8,381,804	(91,016)
Capital Contributions	-	-	-	-	1,500,642
Transfers In	44,493	6,761	10,439	61,693	293,738
Transfers Out	<u>(1,095,181)</u>	<u>-</u>	<u>-</u>	<u>(1,095,181)</u>	<u>(1,220,596)</u>
CHANGE IN NET POSITION	482,001	2,986,852	3,879,463	7,348,316	482,768
Net Position - Beginning of Year	<u>40,048,627</u>	<u>52,505,557</u>	<u>40,412,082</u>		<u>(9,080,992)</u>
NET POSITION - END OF YEAR	<u>\$ 40,530,628</u>	<u>\$ 55,492,409</u>	<u>\$ 44,291,545</u>		<u>\$ (8,598,224)</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.

Change in Net Position of Business-Type Activities	<u>(14,314)</u>
	<u>\$ 7,334,002</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total	
				Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 9,658,646	\$ 10,127,657	\$ 6,733,307	\$ 26,519,610	\$ 12,005,034
Payments from Other Funds	-	-	-	-	6,879,212
Payments to Suppliers	(4,470,962)	(5,878,580)	(1,363,392)	(11,712,934)	(17,796,221)
Payments to Employees	(2,093,804)	(283,639)	(394,081)	(2,771,524)	46,393
Net Cash Provided by Operating Activities	3,093,880	3,965,438	4,975,834	12,035,152	1,134,418
CASH FLOWS FROM NONCAPITAL ACTIVITIES					
Proceeds from Long-Term Debt	-	-	25,939	25,939	-
Principal Paid on Noncapital Debt	(571,019)	(20,990)	(33,790)	(625,799)	-
Interest Paid on Noncapital Debt	-	15,062	(1,461)	13,601	-
Payments from Other Funds	(47,079)	6,761	10,439	(29,879)	293,738
Payments from (to) Other Funds	(1,082,417)	(60,684)	(3,623)	(1,146,724)	(1,220,596)
Net Cash Used by Noncapital Financing Activities	(1,700,515)	(59,851)	(2,496)	(1,762,862)	(926,858)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES					
Proceeds from Long-Term Debt	4,365,000	6,108,735	1,649,061	12,122,796	-
Premium from Issuance of Long-Term Debt	44,157	-	19,618	63,775	-
Acquisition and Construction of Capital Assets	(2,322,570)	(1,633,014)	(1,559,541)	(5,515,125)	(197,575)
Proceeds from the Sale of Property, Plant, and Equipment	39,818	-	-	39,818	-
Grant Funds Received	-	10,495	241,415	251,910	-
Principal Paid on Capital Debt	(3,525,000)	(8,602,866)	(4,444,110)	(16,571,976)	(27,016)
Interest Paid on Capital Debt	(882,691)	(684,698)	(595,654)	(2,163,043)	-
Net Cash Used by Capital and Related Financing Activities	(2,281,286)	(4,801,348)	(4,689,211)	(11,771,845)	(224,591)
CASH FLOWS FROM INVESTING					
Interest and Dividends Received	5,032	8,214	2,094	15,340	33,691
Other	18,437	-	-	-	-
Net Cash Provided by Investing Activities	23,469	8,214	2,094	15,340	33,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(864,452)	(887,547)	286,221	(1,465,778)	16,660
Cash and Cash Equivalents - Beginning of Year	11,165,898	12,908,857	1,761,045	25,835,800	13,890,206
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,301,446</u>	<u>\$ 12,021,310</u>	<u>\$ 2,047,266</u>	<u>\$ 24,370,022</u>	<u>\$ 13,906,866</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$ 2,223,063	\$ 3,504,762	\$ 4,076,273	\$ 9,804,098	\$ (94,207)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,263,698	1,105,357	920,941	3,289,996	1,304,777
Depreciation Charged to Other Accounts	-	-	-	-	-
Amortization of Maintenance Costs	96,299	-	-	96,299	-
(Increase) Decrease In:					
Accounts Receivable	133,532	(188,814)	240,879	185,597	(138,208)
Unamortized Costs	-	-	-	-	-
Other Assets	112,218	-	-	112,218	(197,634)
Prepaid Items	(168,394)	-	-	(168,394)	164,139
Net Pension Liability	(156,407)	(35,902)	(60,311)	(252,620)	-
Deferred Outflows	(422,201)	(35,950)	(61,300)	-	(206,021)
Increase (Decrease) In:					
Accounts Payable	(148,864)	(434,015)	(224,642)	(807,521)	(420,779)
Accrued Payroll	(56,389)	-	-	(56,389)	-
Customer Deposits	-	-	-	-	-
Other Accrued Liabilities	(500)	-	-	(500)	25,164
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Net OPEB Liability	-	-	-	-	915,774
Deferred Inflows Related to the Pension	217,825	50,000	83,994	351,819	(218,587)
Total Adjustments	870,817	460,676	899,561	2,750,505	1,228,625
Net Cash Provided by Operating Activities	<u>\$ 3,093,880</u>	<u>\$ 3,965,438</u>	<u>\$ 4,975,834</u>	<u>\$ 12,035,152</u>	<u>\$ 1,134,418</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Additions Contributed:					
City of Wauwatosa	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,642</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS					
Unrestricted Cash and Cash Equivalents	\$ 5,653,315	\$ 11,507,089	\$ 2,047,266	\$ 19,207,670	\$ 13,906,866
Restricted Cash and Cash Equivalents:					
Special Redemption Funds:					
Bond Reserve Fund	970,933	-	-	970,933	-
Bond Principal and Interest Fund	1,153,817	-	-	1,153,817	-
Designated Cash - System Improvement	2,523,381	514,221	-	3,037,602	-
Cash and Cash Equivalents - End of Year	<u>\$ 10,301,446</u>	<u>\$ 12,021,310</u>	<u>\$ 2,047,266</u>	<u>\$ 24,370,022</u>	<u>\$ 13,906,866</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Investments	\$ 656,529	\$ 40,456,927
Taxes Receivable	-	65,032,204
	<u>\$ 656,529</u>	<u>\$ 105,489,131</u>
LIABILITIES		
Special Deposits	\$ 8,442	\$ -
Due to Other Taxing Units	-	40,456,927
Total Liabilities	<u>8,442</u>	<u>40,456,927</u>
DEFERRED INFLOWS		
Tax Levy	-	65,032,204
	<u>-</u>	<u>65,032,204</u>
NET POSITION - RESTRICTED	<u>\$ 648,087</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions	\$ 239,067	\$ -
Investment Income	138	-
Deposit Receipts	-	-
Tax Collections	-	70,594,272
Total Additions	239,205	70,594,272
DEDUCTIONS		
Trust Distributions	148,285	-
Remittance to Other Taxing Jurisdictions	-	70,594,272
Total Additions	148,285	70,594,272
CHANGES IN NET ASSETS	90,920	-
Net Position - Beginning of Year	557,167	-
NET POSITION - END OF YEAR	\$ 648,087	\$ -

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021**

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, 2021**

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

The 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

The Special Revenue Fund Tax Incremental District Fund accounts for the City's eight Tax Incremental Districts.

Special Revenue Fund American Rescue Plan Act Fund

The Special Revenue Fund American Rescue Plan Act Fund accounts for the City's administration of American Rescue Plan Act awards.

Debt Service Fund

The 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

The 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 Fund

The Water Utility Fund accounts for operations of the water system.

Sanitary Sewer Fund

The Sanitary Sewer Fund accounts for operations of the sewer system.

Storm Water Management Fund

The Storm Water Management Fund accounts for operations of the storm water management system.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 nonmajor governmental:

Special Revenue Fund

The Special Revenue Fund is 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
- State Grants Department of Health Services
- Public Library
- Parks
- Redevelopment Reserve Fund
- Community Development Fund
- Hospital Policing Fund
- Tourism Commission Fund

Capital Projects Fund

Capital Projects Fund is used to account for resources to be used for capital improvement projects.

- Fleet Equipment
- Information Systems Equipment
- Public Works Building Improvement Reserve Fund

In addition, the City reports the following fund types:

Internal Service Funds

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.*

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Private-Purpose Trust Funds

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*, *Cemetery Perpetual Care Fund*, and *Library Trust*.

Custodial Funds

Custodial 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 Presentaton

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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 custodial fund statement of net position.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables (Continued)

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 custodial fund statement of net position.

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	March 31, 2022
Third installment due	May 31, 2022
Personal property taxes in full	January 31, 2022
Tax deed - 2021 delinquent real estate taxes	October 2024

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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Prepaid Items

Governmental fund prepaid supplies are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund prepaid supplies 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 items 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, and 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, 2021**

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, 2021**

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, 2021, 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, 2021**

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, 2021**

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Policies – Tax Incremental Districts

1. 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.
2. 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.
3. 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.
4. 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.
5. 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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Policies – Tax Incremental Districts (Continued)

6. 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.
7. 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. 91 – *Conduit Debt Obligations* – was adopted as part of the City’s financial statements as of December 31, 2021.

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

1. Statement No. 87 – *Leases* – will be adopted as part of the City’s financial statements as of December 31, 2022.
2. Statement No. 92 – *Omnibus 2020* – will be adopted as part of the City’s financial statements as of December 31, 2022.
3. Statement No. 93 – *Replacement of Interbank Offered Rates* – will be adopted as part of the City’s financial statements as of December 31, 2022.
4. Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – will be adopted as part of the City’s financial statements as of December 31, 2023.
5. Statement No. 96 – *Subscription-Based Information Technology Arrangements* – will be adopted as part of the City’s financial statements as of December 31, 2023.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Policies – New Accounting Pronouncements (Continued)

6. Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84 , and a supersession of GASB Statement No. 32*– will be adopted as part of the City’s financial statements as of December 31, 2022.
7. Statement No. 99 – *GASB Statement No. 99, Omnibus 2022* – certain aspects will be adopted as part of the City’s financial statements as of December 31, 2023 and remaining aspects as of December 31, 2024 as permitted within the Statement.
8. Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* – will be adopted as part of the City’s financial statements as of December 31, 2024.
9. Statement No. 101 – *Compensated Absences* – will be adopted as part of the City’s financial statements as of December 31, 2024.

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	\$ 109,026,000
Bond Premium	2,338,903
Compensated Absences	2,645,599
Accrued Interest Payable	265,838
Deferred Amount on Refunding	(26,422)
Landfill Postclosure Liability	110,150
Combined Adjustment for Long-Term Liabilities	<u>\$ 114,360,068</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 American Rescue Plan Act Fund, the State Grants Department of Health Services Fund, 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. No annual appropriated budget is adopted for the major capital project fund, General Obligation Debt Issue Fund.

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 \$11,595,776. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$2,920,690. Expenditures are monitored by management at the department level for all funds.

Deficit Fund Equity

As of December 31, 2021, the following individual funds had deficit fund equity:

Nonmajor Governmental Funds:

Special Revenue Funds:

Special Assessments	\$	1
Community Development Block Grant	\$	5,559

Internal Service Funds:

Employee Health Insurance Fund	\$	23,370,971
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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, 2021**

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	\$ 49,275	\$ -
Deposits:		
Demand Deposits	70,106,362	70,456,102
Certificates of Deposit	24,227,108	24,227,108
Total Deposits	94,333,470	94,683,210
Investments:		
U.S. Agency Securities	14,731,072	14,731,072
Municipal Securities	26,472,182	26,472,182
Investment Pools:		
WISC - Investment Class Fund	653,275	653,275
WISC - Limited Term Duration Fund	7,662,140	7,662,140
Local Government Investment Pool (LGIP)	17,799,625	17,799,625
Total Investments	67,318,294	67,318,294
Total Cash and Investments	\$ 161,701,039	\$ 162,001,504
Reconciliation to the Statement of Net Position:		
Unrestricted Cash and Investments	\$ 115,425,231	
Restricted Cash and Investments	2,124,750	
Designated Cash and Investments	3,037,602	
Fiduciary Funds:		
Private Purpose Trust Funds	656,529	
Custodial Funds	40,456,927	
Total Cash and Investments	\$ 161,701,039	

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, 2021, 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 depositors 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, 2021**

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, 2021, \$9,922,096 of the City's bank balance of \$94,683,210 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, 2021, \$49,456,313 of the City's investment balance of \$67,318,294 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, 2021, the City is exposed to credit risk with investments in the following:

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 17,799,625	Unrated
WISC - Investment Class Fund	653,275	Unrated
WISC - Limited Term Duration Fund	7,662,140	Unrated
U.S. Agency Securities	14,731,072	AAA
Municipal Securities	5,984,578	AAA
Municipal Securities	19,150,396	AA
Municipal Securities	1,337,208	A
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 67,318,294</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, 2021, 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	\$ 14,731,072	32.4
Municipal Securities	26,472,182	77.7
WISC - Investment Class Fund	653,275	0.0
WISC - Limited Term Duration Fund	7,662,140	1.6
Local Government Investment Pool	17,799,625	1.9
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 67,318,294</u>	

Concentration of Credit Risk

As of December 31, 2021, 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, 2021**

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:

	Fair Value	Level 1	Level 2	Level 3
U.S. Agency Securities	\$14,731,072	\$ -	\$14,731,072	\$ -
Municipal Securities	26,472,182	-	26,472,182	-
WISC - Investment Class Fund	653,275	-	653,275	-
Local Government Investment Pool	7,662,140	-	7,662,140	-
Total Fair Value of Investments	<u>\$49,518,669</u>	<u>\$ -</u>	<u>\$49,518,669</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, 2021, an allowance for uncollectible accounts has been established for ambulance billings of \$1,069,038.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 \$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, 2021, the outstanding principal on the note is \$1,675,000.

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:

	<u>Unavailable</u>	<u>Tax Levy</u>	<u>Total</u>
Property Taxes Receivable	\$ -	\$ 58,458,969	\$ 58,458,969
Special Assessments	660,540	-	660,540
Other Accounts Receivable	154,543	-	154,543
Total	<u>\$ 815,083</u>	<u>\$ 58,458,969</u>	<u>\$ 59,274,052</u>

D. Restricted Assets

Following is a list of restricted assets at December 31, 2021:

Business-Type Activities:

Cash and Investments:

Special Redemption Funds:

Bond Reserve Fund	\$ 970,933
Bond Principal and Interest Fund	1,153,817
Total Business-Type Activities	<u>\$ 2,124,750</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 24,590,639	\$ -	\$ -	\$ 24,590,639
Construction in Progress	3,656,817	2,305,678	3,590,713	2,371,782
Total Capital Assets not Being Depreciated	28,247,456	2,305,678	3,590,713	26,962,421
Capital Assets Being Depreciated:				
Buildings	28,585,361	1,747,525	-	30,332,886
Improvements	13,641,349	36,400	-	13,677,749
Machinery and Equipment	25,971,641	3,864,693	859,965	28,976,369
Infrastructure	122,819,590	7,131,130	1,772,839	128,177,881
Total Capital Assets Being Depreciated	191,017,941	12,779,748	2,632,804	201,164,885
Less: Accumulated Depreciation for:				
Buildings	14,695,693	706,706	-	15,402,399
Improvements	4,543,022	706,526	-	5,249,548
Machinery and Equipment	17,292,222	1,884,823	829,855	18,347,190
Infrastructure	45,794,648	4,461,146	1,772,839	48,482,955
Total Accumulated Depreciation	82,325,585	7,759,201	2,602,694	87,482,092
Capital Assets Being Depreciated, Net of Depreciation	108,692,356	5,020,547	30,110	113,682,793
Total Capital Assets, Net of Depreciation	\$ 136,939,812	\$ 7,326,225	\$ 3,620,823	\$ 140,645,214

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 107,393
Public Safety	1,090,623
Public Works, which includes the Depreciation of Infrastructure	4,466,200
Health and Human Services	547
Recreation and Education	789,661
Depreciation Expense-Allocated with Internal Service Fund	1,304,777
Total Governmental Activities Depreciation Expense	\$ 7,759,201

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	4,154,581	2,790,818	3,431,043	3,514,356
Total Capital Assets not Being Depreciated	4,235,986	2,790,818	3,431,043	3,595,761
Capital Assets Being Depreciated:				
Buildings	1,555,172	16,536	23,000	1,548,708
Machinery and Equipment	4,246,297	1,001,899	729,111	4,519,085
Improvements Other Than Buildings	217,491,063	5,181,412	537,501	222,134,974
Total Capital Assets Being Depreciated	223,292,532	6,199,847	1,289,612	228,202,767
Less: Accumulated Depreciation for:				
Buildings	642,997	32,962	23,000	652,959
Machinery and Equipment	2,751,511	112,150	696,334	2,167,327
Improvements Other Than Buildings	56,823,051	3,137,927	523,498	59,437,480
Total Accumulated Depreciation	60,217,559	3,283,039	1,242,832	62,257,766
Capital Assets Being Depreciated, Net of Depreciation	163,074,973	2,916,808	46,780	165,945,001
Total Capital Assets, Net of Depreciation	<u>\$ 167,310,959</u>	<u>\$ 5,707,626</u>	<u>\$ 3,477,823</u>	<u>\$ 169,540,762</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility:	
Depreciation	\$ 1,263,699
Depreciation Charged to Water Utility Operation and Maintenance Expenses	(17,265)
Depreciation Charged to Sanitary Sewer Expenses	-
Total	<u>1,246,434</u>
Sanitary Sewer	1,115,662
Storm Water Management	920,943
Total Business-Type Activities Depreciation Expense	<u>\$ 3,283,039</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Water Utility	\$ 1,095,181
General Fund	Nonmajor governmental funds	88,883
		1,184,064
Proprietary Funds:		
Sanitary Sewer	General Fund	416,750
Storm Water Management	General Fund	193,224
Water Utility	General Fund	412,004
		1,021,978
Total Interfund Receivables		\$ 2,206,042

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. 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, 2021, was \$1,351,343.

The Redevelopment Reserve Fund advance \$300,000 to the Special Revenue Fund – Tax Incremental District No. 7 in 2020. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2021, was \$300,000.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 1,095,181
	Tax Increment Districts	42,500
	ARPA Grant Fund	435,636
		<u>1,573,317</u>
Debt Service Fund	General Fund	7,001,111
	Tax Increment Districts	3,120,927
	Nonmajor Governmental	379,098
		<u>10,501,136</u>
Capital Projects Fund - General Obligation Debt Issued	General Fund	753,139
	Nonmajor Governmental	917,239
	Internal Service Funds	16,127
		<u>1,686,505</u>
Nonmajor Governmental Funds	General Fund	5,008,936
	Tax Increment Districts	11,836
	ARPA Grant Fund	56,950
	Internal Service Funds	1,204,469
		<u>6,282,191</u>
Total Interfund Transfers		<u>\$ 20,043,149</u>
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 20,043,149
Governmental Funds Transfers Out		(18,082,803)
Internal Service Funds Net Transfers Out		(926,858)
Governmental Activities Transfers In (Out) from Business-Type Activities		<u>\$ 1,033,488</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, 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	\$ 75,886,534	\$ 10,995,000	\$ 10,421,534	\$ 76,460,000	\$ 8,730,000
Bond Premium	2,176,082	381,960	219,139	2,338,903	-
Total General Obligation Debt	<u>78,062,616</u>	<u>11,376,960</u>	<u>10,640,673</u>	<u>78,798,903</u>	<u>8,730,000</u>
Municipal Revenue Obligation	33,448,990	1,998,589	2,881,579	32,566,000	-
Total Bonds and Notes Payable	<u>111,511,606</u>	<u>13,375,549</u>	<u>13,522,252</u>	<u>111,364,903</u>	<u>8,730,000</u>
Other Liabilities:					
Capital Lease Obligations	27,016	-	27,016	-	-
Accrued Unused Vacation	2,694,581	2,985,058	2,891,407	2,788,232	2,788,232
Landfill Postclosure Liability	117,800	-	7,650	110,150	7,650
Total Other Liabilities	<u>2,839,397</u>	<u>2,985,058</u>	<u>2,926,073</u>	<u>2,898,382</u>	<u>2,795,882</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 114,351,003</u>	<u>\$ 16,360,607</u>	<u>\$ 16,448,325</u>	<u>\$ 114,263,285</u>	<u>\$ 11,525,882</u>
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 48,443,071	\$ 12,510,000	\$ 13,673,071	\$ 47,280,000	\$ 6,120,000
Revenue Bonds	13,580,000	-	3,525,000	10,055,000	915,000
Unamortized Bond Premium	1,378,934	64,073	299,477	1,143,530	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 63,402,005</u>	<u>\$ 12,574,073</u>	<u>\$ 17,497,548</u>	<u>\$ 58,478,530</u>	<u>\$ 7,035,000</u>

The City does not have any outstanding notes from direct borrowings and direct placements related to governmental or business-type activities.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 12/31/21
Promissory Notes	08/21/12	06/01/22	0.350 - 2.250	\$ 6,675,000	\$ 575,000
	08/20/13	06/01/23	2.000 - 3.000	3,440,000	400,000
	12/02/14	12/01/24	1.000 - 3.000	7,430,000	3,165,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	2,250,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	5,275,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	11,850,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	4,400,000
	12/01/16	12/01/36	3.000 - 4.000	7,495,000	5,770,000
	12/06/16	12/01/31	3.000 - 4.000	1,925,000	1,675,000
	11/03/17	11/01/32	2.000 - 3.000	10,180,000	7,790,000
	11/20/18	11/01/34	3.750 - 4.500	3,690,000	3,160,000
	11/20/18	11/01/33	3.000 - 4.000	10,020,000	7,620,000
	11/20/18	11/01/28	3.000 - 4.000	6,500,000	895,000
	12/02/19	12/01/39	2.375 - 4.000	4,540,000	3,860,000
	12/02/19	12/01/29	2.500 - 3.000	1,260,000	1,120,000
	12/01/20	12/01/30	0.050 - 4.000	4,890,000	4,385,000
	12/01/20	12/01/30	0.050 - 4.000	1,405,000	1,275,000
	12/01/21	11/01/34	1.750 - 5.000	6,490,000	6,490,000
	12/01/21	11/01/31	2.000 - 2.000	2,340,000	2,340,000
					74,295,000
Refunding Bonds	12/01/21	03/01/24	0.250 - 2.200	2,165,000	2,165,000
Total General Obligation Debt					\$76,460,000

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, 2021, was \$2,342,365.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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. 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, 2021, was \$1,432,810.

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, 2021, was \$2,054,389.

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, 2021, was \$2,900,506.

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, 2021, was \$1,162,224.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

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, 2021, was \$5,639,696.

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, 2021, was \$13,388,607.

During 2020, 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 2020 of \$1,646,814 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. 8. The outstanding balance as of December 31, 2021, was \$1,646,814.

During 2021, 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. 13 project costs, as described in the project plan. The Developer completed eligible costs in 2021 of \$1,998,589 and will become eligible for repayment beginning in 2022. 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, 2021, was \$1,998,589.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 12/31/21
WATER						
Waterworks System						
Revenue Bonds:						
Series 2011	11/29/11	2.000 - 3.000	1/1/13-22	1/18/7/1	\$ 2,400,000	\$ 300,000
Series 2013	11/19/13	1.750 - 4.125	1/1/15-34	1/18/7/1	4,575,000	600,000
Series 2016	06/21/16	2.000 - 3.500	1/1/17-36	1/18/7/1	4,225,000	3,300,000
Series 2017	11/03/17	3.000	1/1/19-37	1/18/7/1	3,000,000	2,700,000
Series 2018	11/20/18	4.000 - 3.750	1/1/19-38	1/18/7/1	3,620,000	3,655,000
						10,055,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/18/11/1	2,555,000	2,555,000
Corporate Purpose Bonds	12/02/19	2.500 - 4.000	12/1/20-39	6/18/12/1	7,225,000	6,760,000
Corporate Purpose Bonds	12/01/20	0.050 - 4.000	12/1/21-30	6/18/12/1	3,710,000	3,560,000
Corporate Purpose Bonds	12/01/21	1.750 - 5.000	12/1/22-41	6/18/12/1	1,810,000	1,810,000
Total Water Utility						24,740,000
SANITARY SEWER						
Promissory Notes:						
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/18/12/1	1,825,000	275,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/18/12/1	2,250,000	500,000
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/18/11/1	7,700,000	600,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/18/12/1	2,750,000	1,625,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/18/12/1	4,075,000	1,975,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/18/12/1	1,770,000	1,250,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/18/11/1	2,990,000	2,200,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/18/11/1	1,590,000	1,180,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/18/12/1	1,180,000	795,000
						10,400,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/18/11/1	6,470,000	6,470,000
Total Sanitary Sewer						16,870,000

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 12/31/21
STORM WATER MAINTENANCE						
Promissory Notes:						
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/18/12/1	\$ 3,900,000	\$ 625,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/18/12/1	560,000	50,000
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/18/11/1	1,775,000	125,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/18/12/1	6,190,000	2,235,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/18/12/1	1,775,000	1,375,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/18/12/1	4,000,000	2,925,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/18/11/1	1,110,000	575,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/18/11/1	3,545,000	2,950,000
Series 2019	12/02/19	2.500 - 4.000	12/1/20-39	6/18/12/1	1,000,000	650,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/18/12/1	2,750,000	2,440,000
Series 2021	12/01/21	2.000	12/1/22-31	6/18/12/1	630,000	630,000
						<u>14,680,000</u>
General Obligation Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/18/11/1	1,045,000	<u>1,045,000</u>
Total Storm Water Maintenance						<u>15,725,000</u>
Total Business-Type Activities Debt						<u>\$57,335,000</u>

The Water Utility has \$10,055,000 in Waterworks System Revenue Bonds related to Water Utility capital projects outstanding at December 31, 2021. 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 \$9,525,114. Net revenue available for debt service was \$2,288,095, which represents a coverage ratio of 1.89 of debt service for the year ended December 31, 2021.

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, 2021**

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
2022	\$ 8,730,000	\$ 2,212,851	\$ 6,120,000	\$ 1,169,571
2023	8,890,000	1,959,861	5,820,000	1,023,727
2024	8,885,000	1,717,163	5,475,000	867,102
2025	7,575,000	1,460,114	4,315,000	722,090
2026	6,070,000	1,218,626	4,385,000	604,897
2027-2031	24,465,000	3,669,912	13,835,000	1,616,407
2032-2036	11,845,000	782,534	5,410,000	555,332
2037-2041	-	-	1,920,000	115,558
Totals	<u>\$ 76,460,000</u>	<u>\$ 13,021,061</u>	<u>\$ 47,280,000</u>	<u>\$ 6,674,684</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, 2021, was \$377,299,095. Total general obligation debt outstanding at year-end was \$124,675,000.

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 \$110,150 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.

Current Refunding

On December 1, 2021 the City issued \$12,235,000 in General Obligation Refunding Bonds, series 2021C, and with \$420,248 of existing funds, refunded \$11,895,000 of principal. The cash flow requirement on the refunded bonds prior to the refunding was \$15,127,995 from 2021 through 2034. The cash flow requirements on the Series 2021C bonds are \$13,616,471 from 2021 through 2034. The refunding resulted in an economic gain of \$1,008,737 at an effective interest rate of 1.74%

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 includes the following:

Governmental Activities

Net Investment in Capital Assets:	
Nondepreciated	\$ 26,962,421
Depreciated	113,682,793
Less: Related Debt Excluding Unspent Bond Proceeds	(56,561,397)
Total Net Investment in Capital Assets	<u>84,083,817</u>
Restricted for Debt Service	4,221,011
Restricted for Pension	18,715,400
Restricted for Other	1,449,909
Unrestricted	(41,615,879)
Total Governmental Activities Net Position	<u>\$ 66,854,258</u>

Business-Type Activities

Net Investment in Capital Assets:	
Land	\$ 81,405
Construction in Progress	3,514,356
Other Capital Assets, Net of Accumulated Depreciation	165,945,001
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	(54,158,616)
Total Net Investment in Capital Assets	<u>115,382,146</u>
Restricted for Debt Service	1,968,524
Restricted for Pension	501,978
Unrestricted	20,762,167
Total Business-Type Activities Net Position	<u>\$ 138,614,815</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, include the following:

Nonspendable:

Major Funds:

General Fund:

Prepayments and Inventories	\$ 1,804
Noncurrent Receivables	1,523,136
Special Revenue Fund - Tax Incremental District Prepayments	23,875

Nonmajor Funds:

Special Revenue Fund - Parks Fund	33,303
Total Nonspendable	<u>1,582,118</u>

Restricted:

Major Funds:

Special Revenue Fund - Tax Incremental District - Debt Service	2,432,029
Debt Service Fund	2,030,945
Capital Projects Fund - General Obligation Debt Issue Fund	6,063,603

Nonmajor Funds:

State Grants Department of Health Services	72,620
Tourism Commission Fund	602,958
Community Development Fund	774,331
Total Restricted Fund Balance	<u>11,976,486</u>

Assigned:

Major Funds:

General Fund:

Capital Improvements	1,218,486
Encumbrances	1,058,481
Parks	3,442
Total General Fund	<u>2,280,409</u>

Capital Projects Fund - General Obligation Debt Issue Fund	4,930,412
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**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Net Position/Fund Balances (Continued)

Governmental Fund Balances (Continued)

Assigned (Continued):

Nonmajor Funds:

Special Revenue Fund - Parks Fund	\$ 1,182,797
Special Revenue Fund - Library Fund	-
Special Revenue Fund - Redevelopment Authority Reserve Fund	1,043,630
Special Revenue Fund - Community Development Fund	55,493
Special Revenue Fund - Hospital Policing Fund	3,103
Capital Projects Fund - Information Systems Equipment	968,061
Capital Projects Fund - Fleet Equipment	12,824
Capital Projects Fund - Public Works Building Improvement Reserve Fund	154,717
Total Assigned Fund Balance	10,631,446

Unassigned:

Major Funds - General Fund	21,359,844
Nonmajor Funds - Community Development Block Grant	(5,559)
Nonmajor Funds - Special Assessments	(1)
Total Unassigned Fund Balance	21,354,284

Total Governmental Fund Balance	\$ 45,544,334
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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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 December 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, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

Benefits Provided (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.

Postretirement 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>
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
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

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 \$3,569,385 in contributions from the employer.

Contribution rates as of December 31, 2021, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75 %	6.75 %
Protective With Social Security	6.75	11.65
Protective Without Social Security	6.75	16.25

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

At December 31, 2021, the City reported a liability (asset) of \$19,217,378 for its proportional share of the net pension liability (asset). The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. 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, 2020, the City's proportion was .30781598%, which was an increase of .01035340% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (credit) of (\$2,050,835).

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,813,445	\$ 5,990,966
Changes in Assumptions	435,887	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	36,079,062
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	170,799	25,059
Employer Contributions Subsequent to the Measurement Date	3,569,385	-
Total	\$ 31,989,516	\$ 42,095,087

\$3,569,385 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, 2022. 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>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (3,523,042)
2023	(925,368)
2024	(6,488,988)
2025	(2,737,558)
2026	-
Total	\$ (13,674,956)

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

Actuarial assumptions – The total pension liability (asset) in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0 %
Discount Rate:	7.0 %
Salary Increases:	
Inflation	3.0 %
Seniority\Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments:*	1.9 %

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020, is based upon a roll-forward of the liability calculated from the December 31, 2019, actuarial valuation.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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:

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Core Fund Asset Class:			
Global Equities	51.00 %	7.20 %	4.70 %
Fixed Income	25.00	3.20	0.80
Inflation Sensitive Assets	16.00	2.00	(0.40)
Real Estate	8.00	5.60	3.10
Private Equity/Debt	11.00	10.20	7.60
Multi-Asset	4.00	5.80	3.30
Total Core Fund	115.00 %	6.60 %	4.10 %
Variable Fund Asset Class:			
U.S. Equities	70.00 %	6.60 %	4.10 %
International Equities	30.00	7.40	4.90
Total Variable Fund	100.00 %	7.10 %	4.60 %

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

Single discount rate – A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
The City’s Proportionate Share of the Net Pension Liability (Asset)	\$ 18,292,281	\$(19,217,378)	\$(46,767,944)

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

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, 2021. 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-.

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, 2021. CVMIC continues to pay dividends that are used to pay the City's insurance premiums.

Complete financial statements 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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

Self-Insured General and Auto Liability (Continued)

At December 31, 2021, the Risk Management General Liability Fund had net position of \$3,821,845 which includes the City's deposit in CVMIC of \$1,184,453.

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

	2021	2020
Unpaid Claims - Beginning of Year	\$ 720,441	\$ 338,077
Current Year Claims and Changes in Estimates	194,196	819,549
Claim Payments Net of Recoveries	346,425	437,185
Unpaid Claims - End of Year	<u>\$ 568,212</u>	<u>\$ 720,441</u>

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 \$1,304,610 reported in the employee insurance internal service funds at December 31, 2021, 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, 2021 and 2020 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2020	<u>\$ 1,228,289</u>	<u>\$ 6,867,451</u>	<u>\$ 6,605,525</u>	<u>\$ 1,490,215</u>
2021	1,490,215	7,615,039	7,800,644	1,304,610

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 6,577,581
Other Postemployment Obligation	(36,445,285)
Other Postemployment Net Deferred Inflows and Outflows	<u>6,496,733</u>
Total	<u><u>\$ (23,370,971)</u></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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefits terms:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefit Payments	110
Active Plan Members	311
Total	<u>421</u>

Total OPEB Liability

The City's total OPEB liability of \$36,445,285 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021, 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, 2020
Measurement Date:	December 31, 2020
Salary Increases:	3.5%
Inflation:	3.0%
Assumed Rate of Return on Plan Assets:	3.44%
Plan Participation of Future Retirees:	95.0%
Discount Rate:	2.74%
Healthcare Cost Trend Rates:	5.4% Decreasing to 3.6%

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Postretirement

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.

The actuarial assumptions used in the December 31, 2021, 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
Balance - December 31, 2020	\$ 35,529,511
Changes for the Year:	
Service Cost	1,422,667
Interest on Total OPEB Liability	964,967
Effect of Plan Changes	-
Effect of Liability Gains or Losses	634,893
Effect of Assumptions Changes or Inputs	1,385,687
Benefit Payments	(3,492,440)
Net Changes	915,774
Balance - December 31, 2021	\$ 36,445,285

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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 (1.12%) or one percentage-point higher (3.12%) than the current discount rate:

	Discount Rate		
		Current	
	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 38,795,186	\$ 36,445,285	\$ 34,237,103

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 (4.4% Decreasing to 3.5%)	Trend Rates (5.4% Decreasing to 4.5%)	1% Increase (6.4% Decreasing to 5.5%)
Total OPEB Liability	\$ 33,506,496	\$ 36,445,285	\$ 39,821,416

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

For the year ended December 31, 2021, the City recognized negative OPEB expense of \$491,166. At December 31, 2021, the City reported net deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,932,615	\$ -
Changes of Assumptions or Other Input	2,562,762	835,001
Contributions made Subsequent to the Measurement Date	2,836,357	-
Total	\$ 7,331,734	\$ 835,001

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$2,836,357 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, 2022. 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>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ 729,023
2023	729,023
2024	708,326
2025	635,958
2026	630,878
Thereafter	227,168
Total	<u>\$ 3,660,376</u>

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 \$43,361 in 2021. Rental income from rental of the water towers reported in other water revenues amounted to \$294,071.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 385,884
2023	411,528
2024	426,981
2025	443,113
2026	459,955
Thereafter	12,474,721
Total	<u>\$ 14,602,182</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Antenna Lease Agreements (Continued)

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, 2021, 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.

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 2021, \$238,492 was repaid on this borrowing. The remaining balance outstanding as of December 31, 2021, is \$1,351,343. This amount is included in the General Fund as an advance to other funds.

G. Subsequent Events

On April 28, 2022, the City issued \$12,030,000 of Taxable General Obligation Community Development Bonds. These bond bear interest rates of 3.00% - 3.98%, with interest payable semi-annually June 1 and December 1, and maturities annually on December 1, beginning with 2027 through 2038. Proceeds will be used for project costs included in the City's Tax Incremental District No. 6 project plan.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 6, 7, 8, 9, 10, 11, 12, AND 13

A. Plan Summaries

The City has eight active Tax Incremental Districts. 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. Tax Incremental District No. 13 was created on September 15, 2020, and has a dissolution date of January 1, 2047.

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, 2021, was \$1,351,343.

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>
2022	\$ 675,000	\$ 280,344	\$ 955,344
2023	675,000	258,794	933,794
2024	700,000	236,269	936,269
2025	650,000	210,081	860,081
2026	675,000	186,831	861,831
2027 - 2031	3,275,000	564,194	3,839,194
2032 - 2036	1,900,000	119,922	2,019,922
Total	<u>\$ 8,550,000</u>	<u>\$ 1,856,435</u>	<u>\$ 10,406,435</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 6, 7, 8, 9, 10, 11, 12, AND 13 (CONTINUED)

D. Long-Term Debt (Continued)

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>
2022	\$ 1,610,000	\$ 395,345	\$ 2,005,345
2023	1,620,000	346,145	1,966,145
2024	2,345,000	300,095	2,645,095
2025	1,195,000	229,945	1,424,945
2026	700,000	193,195	893,195
2027 - 2031	3,745,000	572,203	4,317,203
2032 - 2036	1,180,000	92,013	1,272,013
Total	<u>\$ 12,395,000</u>	<u>\$ 2,128,941</u>	<u>\$ 14,523,941</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>
2022	\$ 50,000	\$ 7,063	\$ 57,063
2023	50,000	5,063	55,063
2024	75,000	3,938	78,938
2025	75,000	2,063	77,063
2026	-	-	-
2025	-	-	-
Total	<u>\$ 250,000</u>	<u>\$ 18,127</u>	<u>\$ 268,127</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>
2022	\$ 55,000	\$ 77,713	\$ 132,713
2023	55,000	76,063	131,063
2024	55,000	74,413	129,413
2025	55,000	72,763	127,763
2026	55,000	70,563	125,563
2027 - 2031	310,000	68,913	378,913
2032 - 2036	1,610,000	193,500	1,803,500
Total	<u>\$ 2,195,000</u>	<u>\$ 633,928</u>	<u>\$ 2,828,928</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11, 12, AND 13 (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
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 1,422,667	\$ 1,192,606	\$ 1,298,153	\$ 1,173,046
Interest on Total OPEB Liability	964,967	1,349,656	1,192,376	1,310,873
Effect of Plan Changes	-	17,448	-	-
Effect of Economic/Demographic (Gains) or Losses	634,893	1,450,482	661,100	-
Effect of Assumption Changes or Inputs	1,385,687	1,502,330	(1,490,762)	784,072
Benefit Payments	(3,492,400)	(3,383,691)	(3,221,014)	(3,593,299)
Net Change in Total OPEB Liability	915,814	2,128,831	(1,560,147)	(325,308)
Total OPEB Liability - Beginning	35,529,511	33,400,680	34,960,827	35,286,135
Total OPEB Liability - Ending	\$ 36,445,325	\$ 35,529,511	\$ 33,400,680	\$ 34,960,827
Covered - Employee Payroll*	\$28,267,000	\$32,373,184	\$29,943,000	\$29,094,000
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	128.93%	109.75%	111.55%	120.17%

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

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS***

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.30781598%	0.29746258%	0.29335784%	0.28785707%	0.28100006%	0.28040302%	0.28327583%
City's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ (19,217,378)</u>	<u>\$ (9,591,551)</u>	<u>\$ 10,436,752</u>	<u>\$ (8,546,816)</u>	<u>\$ 2,316,111</u>	<u>\$ 4,556,496</u>	<u>\$ (6,958,029)</u>
City's Covered Payroll	<u>\$34,378,930</u>	<u>\$ 31,471,798</u>	<u>\$30,496,633</u>	<u>\$29,777,290</u>	<u>\$ 29,711,934</u>	<u>\$ 29,108,607</u>	<u>\$ 28,350,192</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	96.45 %	96.45 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %

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

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	<u>\$ 3,519,819</u>	<u>\$ 3,125,502</u>	<u>\$ 3,057,444</u>	<u>\$ 3,146,087</u>	<u>\$ 3,004,354</u>	<u>\$ 2,721,212</u>	<u>\$ 2,708,618</u>
Contributions in Relation to the Contractually Required Contributions	<u>\$ 3,519,819</u>	<u>\$ 3,125,502</u>	<u>\$ 3,057,444</u>	<u>\$ 3,146,087</u>	<u>\$ 3,004,354</u>	<u>\$ 2,721,212</u>	<u>\$ 2,708,618</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 33,426,919</u>	<u>\$ 34,378,930</u>	<u>\$ 31,471,798</u>	<u>\$ 30,496,633</u>	<u>\$ 29,777,290</u>	<u>\$ 29,711,934</u>	<u>\$ 29,108,607</u>
Contributions as a Percentage of Covered Payroll	10.53 %	9.09 %	9.71 %	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, 2021**

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.

OTHER SUPPLEMENTARY INFORMATION

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES – ACTUAL AND BUDGET – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General Property Taxes	\$ 45,461,749	\$ 45,461,749	\$ 45,461,749	\$ -
Prior Year's Omitted Taxes	-	442,025	291,507	(150,518)
Hotel and Motel Room Tax	1,247,000	1,014,019	1,373,588	359,569
Payments in Lieu of Taxes	513,300	513,300	482,926	(30,374)
Interest on Taxes	90,000	117,600	118,075	475
Property Tax Chargebacks	-	-	34,266	34,266
Total Taxes	<u>47,312,049</u>	<u>47,548,693</u>	<u>47,762,111</u>	<u>213,418</u>
INTERGOVERNMENTAL				
State Shared Taxes	5,663,607	5,663,607	5,708,378	44,771
Federal Grants	85,640	233,786	262,473	28,687
State Grants	1,300,625	1,845,195	1,035,155	(810,040)
Total Intergovernmental	<u>7,049,872</u>	<u>7,742,588</u>	<u>7,006,006</u>	<u>(736,582)</u>
LICENSES AND PERMITS				
Licenses	307,456	327,456	289,495	(37,961)
Permits	1,199,753	1,319,793	1,478,143	158,350
Total Licenses and Permits	<u>1,507,209</u>	<u>1,647,249</u>	<u>1,767,638</u>	<u>120,389</u>
FINES, PENALTIES, AND FORFEITURES				
Court Penalties and Costs	500,000	350,000	360,424	10,424
Parking Violations	542,500	354,000	358,729	4,729
Other Penalties and Fees	110,000	110,000	93,470	(16,530)
Total Fines, Penalties, and Forfeitures	<u>1,152,500</u>	<u>814,000</u>	<u>812,623</u>	<u>(1,377)</u>
PUBLIC IMPROVEMENT REVENUES				
Special Assessments	7,000	25,521	23,360	(2,161)
PUBLIC CHARGES FOR SERVICES				
General Government	470,020	454,020	476,594	22,574
Public Safety	2,315,023	2,242,023	2,330,843	88,820
Health and Social Services	13,055	13,055	11,028	(2,027)
Streets and Related Facilities	31,000	50,862	56,929	6,067
Sanitation	273,300	205,800	279,310	73,510
Total Public Charges for Services	<u>3,102,398</u>	<u>2,965,760</u>	<u>3,154,704</u>	<u>188,944</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
County:				
Paramedics	97,850	97,850	97,691	(159)
Fire Protection Service	1,529,874	1,529,874	1,512,362	(17,512)
Local Departments	156,997	156,997	156,137	(860)
Total Intergovernmental Charges for Services	<u>1,784,721</u>	<u>1,784,721</u>	<u>1,766,190</u>	<u>(18,531)</u>
COMMERCIAL REVENUES				
Interest	1,133,000	768,000	125,655	(642,345)
Rentals	41,274	41,274	67,398	26,124
Other Miscellaneous Revenue	135,350	960,944	153,318	(807,626)
Total Commercial Revenues	<u>1,309,624</u>	<u>1,770,218</u>	<u>346,371</u>	<u>(1,423,847)</u>
Total Revenues	<u>\$ 63,225,373</u>	<u>\$ 64,298,750</u>	<u>\$ 62,639,003</u>	<u>\$ (1,659,747)</u>

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Mayor	\$ 131,291	\$ 131,640	\$ 83,746	\$ 47,894
Common Council	156,982	156,967	152,639	4,328
Youth Commission	2,700	2,700	937	1,763
Historical Preservation Commission	17,500	17,500	5,404	12,096
Senior Commission	3,195	3,195	4	3,191
Municipal Court	253,183	256,553	221,618	34,935
City Attorney	420,000	417,647	407,253	10,394
Litigation Reserve	625,000	725,000	731,769	(6,769)
City Administration	555,052	581,900	603,124	(21,224)
City Clerk	400,395	408,378	406,731	1,647
Elections	237,790	301,864	185,931	115,933
Human Resources	711,516	736,468	745,068	(8,600)
City Assessor	767,448	793,794	704,022	89,772
Finance	1,149,822	1,136,687	1,184,090	(47,403)
Remission of Taxes	-	-	269,699	(269,699)
Bike and Pedestrian Committee	42,000	62,000	41,718	20,282
Nondepartmental	(54,192)	(61,192)	30,217	(91,409)
Total General Government	<u>5,419,682</u>	<u>5,671,101</u>	<u>5,773,970</u>	<u>(102,869)</u>
PUBLIC SAFETY				
Milwaukee Area Domestic Animal	65,945	65,945	65,982	(37)
Police Reserves	17,334,620	16,790,352	16,852,297	(61,945)
Police Reserves	9,362	15,863	14,755	1,108
Fire	14,544,724	14,785,958	14,554,039	231,919
Crossing Guards	259,900	239,000	180,710	58,290
Traffic Control and Regulation	624,704	671,861	535,148	136,713
Police Station	282,099	310,258	300,951	9,307
Building and Code Enforcement	1,006,792	1,026,032	989,018	37,014
Total Public Safety	<u>34,128,146</u>	<u>33,905,269</u>	<u>33,492,900</u>	<u>412,369</u>
PUBLIC WORKS				
Public Works Operations	230,585	235,451	216,638	18,813
Roadway Maintenance	2,557,202	2,613,739	2,494,631	119,108
Electrical Services	942,022	971,299	930,554	40,745
Solid Waste Management	2,606,612	2,598,165	2,400,341	197,824
Engineering	1,048,423	1,224,193	1,005,857	218,336
Total Public Works	<u>7,384,844</u>	<u>7,642,847</u>	<u>7,048,021</u>	<u>594,826</u>
HEALTH AND HUMAN SERVICES				
Health	2,477,787	3,070,528	1,994,383	1,076,145
CONSERVATION AND DEVELOPMENT				
Forestry	1,507,213	1,570,951	1,596,188	(25,237)
Planning and Zoning	430,895	442,293	399,080	43,213
Economic Development	340,647	559,298	367,653	191,645
Total Highway and Transportation	<u>2,278,755</u>	<u>2,572,542</u>	<u>2,362,921</u>	<u>209,621</u>
CAPITAL OUTLAY				
	<u>107,609</u>	<u>460,374</u>	<u>516,426</u>	<u>(56,052)</u>
Total Expenditures	<u><u>\$51,796,823</u></u>	<u><u>\$53,322,661</u></u>	<u><u>\$51,188,621</u></u>	<u><u>\$ 2,134,040</u></u>

**CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	State Grants Department of Health Services	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
ASSETS							
Cash and Cash Equivalents	\$ -	\$ 13,934	\$ 73,750	\$ 1,150,530	\$ 29,831	\$ 743,630	\$ 754,771
Taxes Receivable	118,279	-	-	-	-	-	-
Special Assessments Receivable:							
Due in Installments	660,540	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Other Accrued Receivables	-	-	5,942	58,033	-	-	179,535
Prepayments	-	-	-	-	-	-	-
Advance to Special Revenue Fund	-	-	-	-	-	300,000	-
Total Assets	\$ 778,819	\$ 13,934	\$ 79,692	\$ 1,208,563	\$ 29,831	\$ 1,043,630	\$ 934,306
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 29,397	\$ 5,942	\$ 7,072	\$ 18,809	\$ 29,831	\$ -	\$ 18,532
Due to Other Funds	88,883	-	-	-	-	-	-
Customer Deposits	-	-	-	6,957	-	-	-
Unearned Revenue	-	13,551	-	-	-	-	85,950
Total Liabilities	118,280	19,493	7,072	25,766	29,831	-	104,482
DEFERRED INFLOWS OF RESOURCES							
Special Assessments	660,540	-	-	-	-	-	-
Total Deferred Inflows	660,540	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	72,620	-	-	-	774,331
Assigned	-	-	-	1,182,797	-	1,043,630	55,493
Unassigned	(1)	(5,559)	-	-	-	-	-
Total Fund Balances	(1)	(5,559)	72,620	1,182,797	-	1,043,630	829,824
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 778,819	\$ 13,934	\$ 79,692	\$ 1,208,563	\$ 29,831	\$ 1,043,630	\$ 934,306

CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021

	Special Revenue Funds		Capital Projects			Total
	Hospital Policing Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
ASSETS						
Cash and Cash Equivalents	\$ 3,119	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 4,814,467
Taxes Receivable	-	-	-	-	-	118,279
Special Assessments Receivable:						
Due in Installments	-	-	-	-	-	660,540
Due from Other Funds	-	-	-	-	-	-
Other Accrued Receivables	-	-	-	-	-	243,510
Prepayments	33,303	-	-	-	-	33,303
Advance to Special Revenue Fund	-	-	-	-	-	300,000
Total Assets	\$ 36,422	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 6,170,099
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 16	\$ 120	\$ -	\$ 306,222	\$ -	\$ 415,941
Due to Other Funds	-	-	-	-	-	88,883
Customer Deposits	-	-	-	-	-	6,957
Unearned Revenue	-	-	-	-	-	99,501
Total Liabilities	16	120	-	306,222	-	611,282
DEFERRED INFLOWS OF RESOURCES						
Special Assessments	-	-	-	-	-	660,540
Total Deferred Inflows	-	-	-	-	-	660,540
FUND BALANCES						
Nonspendable	33,303	-	-	-	-	33,303
Restricted	-	602,958	-	-	-	1,449,909
Assigned	3,103	-	968,061	12,824	154,717	3,420,625
Unassigned	-	-	-	-	-	(5,560)
Total Fund Balances	36,406	602,958	968,061	12,824	154,717	4,898,277
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 36,422	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 6,170,099

**CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	State Grants Department of Health Services	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
REVENUES							
Intergovernmental Revenues	\$ -	\$ 1,974,283	\$ 20,478	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	1,200	-	-	-
Public Improvement Revenues	917,239	-	-	-	-	-	-
Public Charges for Services	-	-	-	384,903	303,842	-	-
Commercial Revenues	-	-	16,040	50,779	-	133,988	777
Total Revenues	917,239	1,974,283	36,518	436,882	303,842	133,988	777
EXPENDITURES							
Current:							
Public Safety	-	-	35,462	-	-	-	-
Recreation and Education	-	-	-	882,355	3,126,100	-	-
Conservation and Development	-	1,872,114	-	-	-	118	290,368
Capital Outlay	-	-	-	40,673	-	-	384,885
Total Expenditures	-	1,872,114	35,462	923,028	3,126,100	118	675,253
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	917,239	102,169	1,056	(486,146)	(2,822,258)	133,870	(674,476)
OTHER FINANCING SOURCES (USES)							
Proceeds from the Sale of Assets	-	-	-	-	-	-	-
Transfers In	-	-	71,564	1,339,768	2,822,258	11,836	-
Transfers Out	(917,240)	-	-	(301,660)	-	-	-
Total Other Financing Sources (Uses)	(917,240)	-	71,564	1,038,108	2,822,258	11,836	-
NET CHANGE IN FUND BALANCES	(1)	102,169	72,620	551,962	-	145,706	(674,476)
Fund Balances - Beginning of Year	-	(107,728)	-	630,835	-	897,924	1,504,300
FUND BALANCES - END OF YEAR	\$ (1)	\$ (5,559)	\$ 72,620	\$ 1,182,797	\$ -	\$ 1,043,630	\$ 829,824

**CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds		Capital Projects			Totals
	Hospital Policing Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
REVENUES						
Intergovernmental Revenues	\$ -	\$ 50,160	\$ 5,501	\$ -	\$ -	\$ 2,050,422
	-	-	-	-	-	1,200
Public Improvement Revenues	-	-	-	-	-	917,239
Public Charges for Services	1,293,951	-	-	-	-	1,982,696
Commercial Revenues	-	21,545	-	-	-	223,129
Total Revenues	1,293,951	71,705	5,501	-	-	5,174,686
EXPENDITURES						
Current:						
Public Safety	1,208,732	-	-	-	-	1,244,194
Recreation and Education	-	-	-	-	-	4,008,455
Conservation and Development	-	-	-	-	-	2,162,600
Capital Outlay	58,545	-	-	1,519,131	9,174	2,012,408
Total Expenditures	1,267,277	567,297	-	1,519,131	9,174	9,994,954
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,674	(495,592)	5,501	(1,519,131)	(9,174)	(4,820,268)
OTHER FINANCING SOURCES (USES)						
Proceeds from the Sale of Assets	-	-	-	189,066	-	189,066
Transfers In	-	832,296	220,838	888,785	94,846	6,282,191
Transfers Out	-	-	-	(77,438)	-	(1,296,338)
Total Other Financing Sources (Uses)	-	832,296	220,838	1,000,413	94,846	5,174,919
NET CHANGE IN FUND BALANCES	26,674	336,704	226,339	(518,718)	85,672	354,651
Fund Balances - Beginning of Year	9,732	266,254	741,722	531,542	69,045	4,543,626
FUND BALANCES - END OF YEAR	\$ 36,406	\$ 602,958	\$ 968,061	\$ 12,824	\$ 154,717	\$ 4,898,277

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public Improvement Revenues	\$ 528,461	\$ 528,461	\$ 917,239	\$ 388,778
Total Revenues	<u>528,461</u>	<u>528,461</u>	<u>917,239</u>	<u>388,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(528,461)</u>	<u>(528,461)</u>	<u>(917,240)</u>	<u>(388,779)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ (1)</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,000,000	\$ 1,898,715	\$ 1,974,283	\$ 75,568
Commercial Revenues	-	-	-	-
Total Revenues	<u>1,000,000</u>	<u>1,898,715</u>	<u>1,974,283</u>	<u>75,568</u>
EXPENDITURES				
Conservation and Development	1,000,000	1,898,715	1,872,114	26,601
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,000,000</u>	<u>1,898,715</u>	<u>1,872,114</u>	<u>26,601</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	102,169	<u>\$ 102,169</u>
Fund Balance - Beginning of Year			<u>(107,728)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (5,559)</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE
FUND STATE GRANTS DEPARTMENT OF HEALTH SERVICES FUND
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 20,478	\$ 20,478
Public Charges for Services	-	-	-	-
Commercial Revenues	-	-	16,040	16,040
Total Revenues	-	-	36,518	36,518
EXPENDITURES				
Education and Recreation	-	108,082	35,462	72,620
Total Expenditures	-	108,082	35,462	72,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(108,082)	1,056	109,138
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	71,564	71,564
NET CHANGE IN FUND BALANCE				
	\$ -	\$ (108,082)	72,620	\$ 180,702
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ 72,620	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	1,200	1,200
Public Charges for Services	276,000	261,000	384,903	123,903
Commercial Revenues	43,361	43,361	50,779	7,418
Total Revenues	<u>319,361</u>	<u>304,361</u>	<u>436,882</u>	<u>132,521</u>
EXPENDITURES				
Education and Recreation	1,122,642	1,161,082	882,355	278,727
Capital Outlay	126,027	111,027	40,673	70,354
Total Expenditures	<u>1,248,669</u>	<u>1,272,109</u>	<u>923,028</u>	<u>349,081</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(929,308)	(967,748)	(486,146)	481,602
OTHER FINANCING SOURCES (USES)				
Transfers In	1,229,788	1,339,768	1,339,768	-
Transfers Out	(300,480)	(300,480)	(301,660)	(1,180)
Total Other Financing Sources (Uses)	<u>929,308</u>	<u>1,039,288</u>	<u>1,038,108</u>	<u>(1,180)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 71,540</u>	551,962	<u>\$ 480,422</u>
Fund Balance - Beginning of Year			<u>630,835</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,182,797</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	306,500	300,733	303,842	3,109
Commercial Revenues	-	-	-	-
Total Revenues	<u>306,500</u>	<u>300,733</u>	<u>303,842</u>	<u>3,109</u>
EXPENDITURES				
Education and Recreation	3,083,566	3,131,992	3,126,100	5,892
Total Expenditures	<u>3,083,566</u>	<u>3,131,992</u>	<u>3,126,100</u>	<u>5,892</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,777,066)	(2,831,259)	(2,822,258)	9,001
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>2,777,066</u>	<u>2,822,258</u>	<u>2,822,258</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (9,001)</u>	<u>-</u>	<u>\$ 9,001</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

**CITY OF WAUWATOSA, WISCONSIN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL – HOSPITAL POLICING FUND
 YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Public Charges for Services	\$ 1,347,003	\$ 1,347,003	\$ 1,293,951	\$ (53,052)
Commercial Revenues	-	-	-	-
Total Revenues	<u>1,347,003</u>	<u>1,347,003</u>	<u>1,293,951</u>	<u>(53,052)</u>
EXPENDITURES				
Public Safety	1,322,003	1,322,003	1,208,732	113,271
Capital Outlay	25,000	34,716	58,545	(23,829)
Total Expenditures	<u>1,347,003</u>	<u>1,356,719</u>	<u>1,267,277</u>	<u>89,442</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (9,716)</u>	26,674	<u>\$ 36,390</u>
Fund Balance - Beginning of Year			<u>9,732</u>	
FUND BALANCE - END OF YEAR			<u>\$ 36,406</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 50,160	50,160
Commercial Revenues	25,000	25,000	21,545	(3,455)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>71,705</u>	<u>46,705</u>
EXPENDITURES				
Culture	732,911	734,689	567,297	167,392
Total Expenditures	<u>732,911</u>	<u>734,689</u>	<u>567,297</u>	<u>167,392</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(707,911)	(709,689)	(545,752)	163,937
OTHER FINANCING SOURCES (USES)				
Transfers In	707,911	476,708	832,296	355,588
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (232,981)</u>	336,704	<u>\$ 569,685</u>
Fund Balance - Beginning of Year			<u>266,254</u>	
FUND BALANCE - END OF YEAR			<u>\$ 602,958</u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJCS GENERAL OBLIGATION DEBT ISSUE FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 373,210	\$ 373,210	\$ 860,040	\$ 486,830
Commercial Revenues	95,000	65,000	45,283	(19,717)
Total Revenues	<u>468,210</u>	<u>438,210</u>	<u>905,323</u>	<u>467,113</u>
EXPENDITURES				
General Government	40,000	186,733	49,195	137,538
Conservation and Development	-	3,422	51,789	
Capital Outlay	11,017,628	15,573,022	8,924,955	6,648,067
Total Expenditures	<u>11,057,628</u>	<u>15,763,177</u>	<u>9,025,939</u>	<u>6,785,605</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(10,589,418)	(15,324,967)	(8,120,616)	7,204,351
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	9,429,927	8,834,220	8,830,000	(4,220)
Proceeds from the Sale of Assets	-	-	53,800	
Transfers In	1,249,490	1,337,727	1,686,505	
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>10,579,417</u>	<u>10,071,947</u>	<u>10,470,305</u>	<u>(4,220)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,001)</u>	<u>\$ (5,253,020)</u>	2,349,689	<u>\$ 7,200,131</u>
Fund Balance - Beginning of Year			<u>8,644,326</u>	
FUND BALANCE - END OF YEAR			<u>\$ 10,994,015</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, 2021**

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 5,501	\$ 5,501	\$ 5,501	\$ -
Total Revenues	5,501	5,501	5,501	-
EXPENDITURES				
General Government	20,000	20,000	-	20,000
Capital Outlay	-	-	-	-
Total Expenditures	20,000	20,000	-	20,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(14,499)	(14,499)	5,501	20,000
OTHER FINANCING SOURCES (USES)				
Transfers In	204,873	204,873	220,838	15,965
NET CHANGE IN FUND BALANCE				
	\$ 190,374	\$ 190,374	226,339	\$ 35,965
Fund Balance - Beginning of Year			741,722	
FUND BALANCE - END OF YEAR			\$ 968,061	

**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, 2021**

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	1,236,000	2,402,399	1,519,131	883,268
Total Expenditures	1,236,000	2,402,399	1,519,131	883,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,236,000)	(2,402,399)	(1,519,131)	883,268
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	45,500	45,500	189,066	143,566
Transfers In	833,851	833,851	888,785	54,934
Transfers Out	(77,438)	(77,438)	(77,438)	-
Total Other Financing Sources	801,913	801,913	1,000,413	198,500
NET CHANGE IN FUND BALANCE	\$ (434,087)	\$ (1,600,486)	(518,718)	\$ 1,081,768
Fund Balance - Beginning of Year			531,542	
FUND BALANCE - END OF YEAR			\$ 12,824	

**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, 2021**

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
EXPENDITURES				
Capital Outlay	\$ 60,000	\$ 20,000	\$ 9,174	\$ 10,826
Total Expenditures	<u>60,000</u>	<u>20,000</u>	<u>9,174</u>	<u>10,826</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>95,321</u>	<u>95,321</u>	<u>94,846</u>	<u>(475)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,321</u>	<u>\$ 75,321</u>	85,672	<u>\$ 10,351</u>
Fund Balance - Beginning of Year			<u>69,045</u>	
FUND BALANCE - END OF YEAR			<u>\$ 154,717</u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ 55,531	\$ 55,531	\$ 55,531	\$ -
Interest Income	-	-	155	155
Total Revenues	<u>55,531</u>	<u>55,531</u>	<u>55,686</u>	<u>155</u>
EXPENDITURES				
Debt Service				
Principal	8,240,849	8,240,849	8,290,849	(50,000)
Interest and Other Fiscal Charges	2,313,222	2,313,222	2,404,640	(91,418)
Total Expenditures	<u>10,554,071</u>	<u>10,554,071</u>	<u>10,695,489</u>	<u>(141,418)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(10,498,540)	(10,498,540)	(10,639,803)	(141,263)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	2,165,000	2,165,000
Premium on Long-Term Debt	-	-	381,960	381,960
Transfers In	10,448,539	10,448,539	10,501,136	52,597
Payments to Escrow	-	-	(2,157,641)	(2,157,641)
Total Other Financing Sources	<u>10,448,539</u>	<u>10,448,539</u>	<u>10,890,455</u>	<u>441,916</u>
NET CHANGE IN FUND BALANCE	<u>\$ (50,001)</u>	<u>\$ (50,001)</u>	250,652	<u>\$ 300,653</u>
Fund Balance - Beginning of Year			<u>1,780,293</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,030,945</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
 YEAR ENDED DECEMBER 31, 2021**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
PROJECT COSTS									
Capital Expenditures	\$ 28,860	\$ 9,992	\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,452
Administration	11,032	12,208	6,032	3,532	2,290	10,651	3,707	2,650	52,102
Interest and Fiscal Charges	298,616	511,279	-	8,063	-	79,713	-	-	897,671
Professional Services	25,500	7,000	6,700	-	-	15,825	850	1,700	57,575
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	-	1,395,596	-	-	-	-	-	1,998,589	3,394,185
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Project Costs	364,008	1,936,075	20,332	11,595	2,290	106,189	16,393	2,002,939	4,459,821
PROJECT REVENUES									
Tax Increments	2,605,565	2,928,140	636,492	240,161	370,670	756,677	283,154	-	7,820,859
Investment Income	2,210	1,326	1,258	45	456	168	-	-	5,463
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	103,265	7,223	-	-	12,685	-	-	123,173
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Total Project Revenues	2,611,872	3,047,192	646,278	240,455	371,126	771,913	283,154	-	7,971,990
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2021									
	<u>\$ 2,247,864</u>	<u>\$ 1,111,117</u>	<u>\$ 625,946</u>	<u>\$ 228,860</u>	<u>\$ 368,836</u>	<u>\$ 665,724</u>	<u>\$ 266,761</u>	<u>\$ (2,002,939)</u>	<u>\$ 3,512,169</u>

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, 2021

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
PROJECT COSTS									
Capital Expenditures	\$ 20,361,810	\$ 16,724,582	\$ 2,196,043	\$ 415,759	\$ 88,196	\$ 2,765,768	\$ -	\$ -	\$ 42,552,158
Administration	190,721	134,424	48,219	25,559	30,272	113,113	36,382	2,650	581,340
Interest and Fiscal Charges	2,630,797	3,143,185	-	58,876	-	402,251	-	-	6,235,109
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Professional Services	97,895	32,722	25,729	6,981	6,279	32,407	37,577	16,700	256,290
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Developers Grants and Incentive	4,500,000	16,991,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	52,735,751
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Project Costs	<u>27,781,223</u>	<u>37,100,482</u>	<u>5,416,805</u>	<u>2,501,175</u>	<u>4,624,747</u>	<u>8,678,308</u>	<u>14,325,641</u>	<u>2,017,939</u>	<u>102,446,320</u>
PROJECT REVENUES									
Tax Increments	13,690,260	15,881,941	2,913,284	790,907	2,962,742	2,236,439	295,445	-	38,771,018
Investment Income	166,486	250,594	115,295	3,304	20,384	8,581	-	-	564,644
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	1,998,589	2,584,610
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	25,589	82,241	7,913	1,230	-	11,769	-	-	128,742
Personal Property Aid	14,233	116,832	10,602	-	2,770	14,434	-	-	158,871
Developer Fees	68,903	27,880	28,845	10,621	20,318	20,000	10,000	-	186,567
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	2,725,777	-	-	-	-	-	2,725,777
Miscellaneous Revenue	10,000	769	10,000	-	-	-	-	-	20,769
Total Project Revenues	<u>19,647,243</u>	<u>16,999,642</u>	<u>5,811,716</u>	<u>816,209</u>	<u>3,006,214</u>	<u>2,359,755</u>	<u>305,445</u>	<u>1,998,589</u>	<u>50,944,813</u>
NET COST RECOVERABLE THROUGH TIF									
INCREMENTS - DECEMBER 31, 2021	<u>\$ (8,133,980)</u>	<u>\$ (20,100,840)</u>	<u>\$ 394,911</u>	<u>\$ (1,684,966)</u>	<u>\$ (1,618,533)</u>	<u>\$ (6,318,553)</u>	<u>\$ (14,020,196)</u>	<u>\$ (19,350)</u>	<u>\$ (51,501,507)</u>

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
YEAR ENDED DECEMBER 31, 2021**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
SOURCES OF FUNDS									
Tax Increments	\$ 2,605,565	\$ 2,928,140	\$ 636,492	\$ 240,161	\$ 370,670	\$ 756,677	\$ 283,154	\$ -	\$ 7,820,859
Investment Income	2,210	1,326	1,258	45	456	168	-	-	5,463
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Municipal Revenue Obligations	-	-	-	-	-	-	-	1,998,589	1,998,589
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	103,265	7,223	-	-	12,685	-	-	123,173
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	10,000	769	10,000	-	-	-	-	-	20,769
Total Sources of Funds	2,621,872	3,047,961	656,278	240,455	371,126	771,913	283,154	1,998,589	9,991,348
USES OF FUNDS									
Capital Expenditures	28,860	9,992	7,600	-	-	-	-	-	46,452
Administration	11,032	12,208	6,032	3,532	2,290	10,651	3,707	2,650	52,102
Interest on Long-Term Debt	298,616	511,279	-	8,063	-	79,713	-	-	897,671
Principal on Long-Term Debt	650,841	1,550,000	-	50,000	-	50,000	-	-	2,300,841
Principal on Municipal Revenue Obligation	444,711	540,150	186,122	188,344	648,528	418,657	455,067	-	2,881,579
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	-	1,395,596	-	-	-	-	-	1,998,589	3,394,185
Professional Services	25,500	7,000	6,700	-	-	15,825	850	1,700	57,575
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Uses of Funds	1,459,560	4,026,225	206,454	249,939	650,818	574,846	471,460	2,002,939	9,642,241
NET CHANGE IN FUND BALANCE	1,162,312	(978,264)	449,824	(9,484)	(279,692)	197,067	(188,306)	(4,350)	349,107
Beginning Fund Balance	1,596,074	(1,087,880)	1,591,901	7,328	715,547	(257,890)	(443,283)	(15,000)	2,106,797
ENDING FUND BALANCE	\$ 2,758,386	\$ (2,066,144)	\$ 2,041,725	\$ (2,156)	\$ 435,855	\$ (60,823)	\$ (631,589)	\$ (19,350)	\$ 2,455,904

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, 2021

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
SOURCES OF FUNDS									
Tax Increments	\$ 13,690,260	\$ 15,881,941	\$ 2,913,284	\$ 790,907	\$ 2,962,742	\$ 2,236,439	\$ 295,445	\$ -	\$ 38,771,018
Investment Income	166,486	250,594	115,295	3,304	20,384	8,581	-	-	564,644
Long-Term Debt Issued	12,003,815	19,630,000	-	425,000	-	2,295,000	-	-	34,353,815
Municipal Revenue Obligations Issued	4,500,000	6,979,218	3,146,814	1,994,000	4,500,000	6,289,096	13,843,674	-	41,252,802
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	1,998,589	2,584,610
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	25,589	82,241	7,913	1,230	-	11,769	-	-	128,742
Personal Property Aid	14,233	116,832	10,602	-	2,770	14,434	-	-	158,871
Developer Fees	68,903	27,880	28,845	10,621	20,318	20,000	10,000	-	186,567
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	2,725,777	-	-	-	-	-	2,725,777
Miscellaneous Revenues	10,000	769	10,000	-	-	-	-	-	20,769
Total Sources of Funds	36,151,058	43,608,860	8,958,530	3,235,209	7,506,214	10,943,851	14,149,119	1,998,589	126,551,430
USES OF FUNDS									
Capital Expenditures	20,361,810	16,724,582	2,196,043	415,759	88,196	2,765,768	-	-	42,552,158
Administration	190,721	134,424	48,219	25,559	30,272	113,113	36,382	2,650	581,340
Interest on Long-Term Debt	2,630,797	3,143,185	-	58,876	-	402,251	-	-	6,235,109
Principal on Long-Term Debt	3,453,815	7,235,000	-	175,000	-	100,000	-	-	10,963,815
Principal on Municipal Revenue Obligation	2,157,634	1,339,522	1,500,000	561,190	2,445,612	2,226,366	455,067	-	10,685,391
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	4,500,000	16,991,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	52,735,751
Professional Services	97,895	32,722	25,729	6,981	6,279	32,407	37,577	16,700	256,290
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Uses of Funds	33,392,672	45,675,004	6,916,805	3,237,365	7,070,359	11,004,674	14,780,708	2,017,939	124,095,526
NET CHANGE IN FUND BALANCE	2,758,386	(2,066,144)	2,041,725	(2,156)	435,855	(60,823)	(631,589)	(19,350)	2,455,904
Beginning Fund Balance	-	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	<u>\$ 2,758,386</u>	<u>\$ (2,066,144)</u>	<u>\$ 2,041,725</u>	<u>\$ (2,156)</u>	<u>\$ 435,855</u>	<u>\$ (60,823)</u>	<u>\$ (631,589)</u>	<u>\$ (19,350)</u>	<u>\$ 2,455,904</u>
RECONCILIATION OF RECOVERABLE COSTS									
Fund Balance	\$ 2,758,386	\$ (2,066,144)	\$ 2,041,725	\$ (2,156)	\$ 435,855	\$ (60,823)	\$ (631,589)	\$ (19,350)	\$ 2,455,904
Principal Balance of Outstanding Long-Term Debt	(8,550,000)	(12,395,000)	-	(250,000)	-	(2,195,000)	-	-	(23,390,000)
Principal Balance of Municipal Revenue Obligation	(2,342,366)	(5,639,696)	(1,646,814)	(1,432,810)	(2,054,388)	(4,062,730)	(13,388,607)	-	(30,567,411)
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2021	<u>\$ (8,133,980)</u>	<u>\$ (20,100,840)</u>	<u>\$ 394,911</u>	<u>\$ (1,684,966)</u>	<u>\$ (1,618,533)</u>	<u>\$ (6,318,553)</u>	<u>\$ (14,020,196)</u>	<u>\$ (19,350)</u>	<u>\$ (51,501,507)</u>

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 STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	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			
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 631,283	\$ 254,730	\$ 3,205,604	\$ 1,012,573	\$ 240,007	\$ 6,946,337	\$ 841,142	\$ 775,190	\$ 13,906,866
Receivables, Net	-	3,963	-	40,000	-	277,043	-	-	321,006
Prepays and Other Current Assets	240,546	-	-	-	-	-	-	-	240,546
Total Current Assets	871,829	258,693	3,205,604	1,052,573	240,007	7,223,380	841,142	775,190	14,468,418
NONCURRENT ASSETS									
Deposit in Cities and Villages Mutual Insurance Company	-	-	1,184,453	-	-	-	-	-	1,184,453
Capital Assets:									
Land	-	22,617	-	-	-	-	-	-	22,617
Buildings	-	3,644,299	-	-	-	-	-	-	3,644,299
Machinery and Equipment	15,507,988	18,507	-	-	-	-	1,811,962	-	17,338,457
Construction in Progress	-	9,174	-	-	-	-	83,406	-	92,580
Less: Accumulated Depreciation	(10,905,209)	(1,529,662)	-	-	-	-	(946,147)	-	(13,381,018)
Total Capital Assets, Net	4,602,779	2,164,935	-	-	-	-	949,221	-	7,716,935
Total Assets	5,474,608	2,423,628	4,390,057	1,052,573	240,007	7,223,380	1,790,363	775,190	23,369,806
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	7,331,734	-	-	7,331,734
CURRENT LIABILITIES									
Accounts Payable	14,986	23,098	568,212	490,500	-	645,711	93,905	40,433	1,876,845
Accrued Liabilities	61,404	-	-	-	-	88	55,001	26,140	142,633
Current Portion of Capital Lease	-	-	-	-	-	-	-	-	-
Current Portion of OPEB Obligation	-	-	-	-	-	2,836,357	-	-	2,836,357
Total Current Liabilities	76,390	23,098	568,212	490,500	-	3,482,156	148,906	66,573	4,855,835
NONCURRENT LIABILITIES									
Net OPEB Obligation	-	-	-	-	-	33,608,928	-	-	33,608,928
Capital Lease	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	33,608,928	-	-	33,608,928
Total Liabilities	76,390	23,098	568,212	490,500	-	37,091,084	148,906	66,573	38,464,763
DEFERRED INFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	835,001	-	-	835,001
NET POSITION									
Net Investment in Capital Assets	4,602,779	2,164,935	-	-	-	-	949,221	-	7,716,935
Unrestricted	795,439	235,595	3,821,845	562,073	240,007	(23,370,971)	692,236	708,617	(16,315,159)
Total Net Position	\$ 5,398,218	\$ 2,400,530	\$ 3,821,845	\$ 562,073	\$ 240,007	\$ (23,370,971)	\$ 1,641,457	\$ 708,617	\$ (8,598,224)

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	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			
OPERATING REVENUES									
Charges for Services and Sales	\$ 3,462,812	\$ 512,507	\$ -	\$ -	\$ -	\$ -	\$ 2,139,498	\$ 902,603	\$ 7,017,420
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Other Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenues	-	-	507,991	817,480	399,597	10,110,151	5,676	-	11,840,895
Total Operating Revenues	<u>3,462,812</u>	<u>512,507</u>	<u>507,991</u>	<u>817,480</u>	<u>399,597</u>	<u>10,110,151</u>	<u>2,145,174</u>	<u>902,603</u>	<u>18,858,315</u>
OPERATING EXPENSES									
Operation and Maintenance	2,485,650	377,123	374,029	807,762	371,126	10,533,580	1,786,848	911,627	17,647,745
Depreciation	958,687	97,802	-	-	-	-	248,288	-	1,304,777
Total Operating Expenses	<u>3,444,337</u>	<u>474,925</u>	<u>374,029</u>	<u>807,762</u>	<u>371,126</u>	<u>10,533,580</u>	<u>2,035,136</u>	<u>911,627</u>	<u>18,952,522</u>
OPERATING INCOME (LOSS)	18,475	37,582	133,962	9,718	28,471	(423,429)	110,038	(9,024)	(94,207)
NONOPERATING REVENUES (EXPENSES)									
Dividend Income	-	-	33,691	-	-	-	-	-	33,691
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale or Trade of Assets	(30,500)	-	-	-	-	-	-	-	(30,500)
Other Nonoperating Income	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(30,500)</u>	<u>-</u>	<u>33,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,191</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(12,025)	37,582	167,653	9,718	28,471	(423,429)	110,038	(9,024)	(91,016)
Capital Contributions	1,491,468	9,174	-	-	-	-	-	-	1,500,642
Transfers In	24,193	3,404	136,033	801	-	5,534	119,332	4,441	293,738
Transfers Out	(888,785)	(94,846)	-	-	-	(16,127)	(220,838)	-	(1,220,596)
CHANGES IN NET POSITION	<u>614,851</u>	<u>(44,686)</u>	<u>303,686</u>	<u>10,519</u>	<u>28,471</u>	<u>(434,022)</u>	<u>8,532</u>	<u>(4,583)</u>	<u>482,768</u>
Net Position - Beginning of Year	4,783,367	2,445,216	3,518,159	551,554	211,536	(22,936,949)	1,632,925	713,200	(9,080,992)
NET POSITION - END OF YEAR	<u>\$ 5,398,218</u>	<u>\$ 2,400,530</u>	<u>\$ 3,821,845</u>	<u>\$ 562,073</u>	<u>\$ 240,007</u>	<u>\$ (23,370,971)</u>	<u>\$ 1,641,457</u>	<u>\$ 708,617</u>	<u>\$ (8,598,224)</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	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			
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers and Users	\$ 164,139	\$ -	\$ 507,991	\$ 817,480	\$ 399,597	\$ 10,110,151	\$ 5,676	\$ -	\$ 12,005,034
Receipts from Other Funds	3,481,234	532,141	-	-	-	(176,264)	2,139,498	902,603	6,879,212
Payments to Suppliers	(3,652,400)	(510,782)	(556,736)	(1,071,207)	(373,299)	(9,775,451)	(1,096,753)	(759,593)	(17,796,221)
Payments to Employees	967,800	145,799	30,478	45,101	-	(326,215)	(657,292)	(159,278)	46,393
Net Cash Provided (Used) by Operating Activities	960,773	167,158	(18,267)	(208,626)	26,298	(167,779)	391,129	(16,268)	1,134,418
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from Other Funds	24,193	3,404	136,033	801	-	5,534	119,332	4,441	293,738
Transfers to Other Funds	(888,785)	(94,846)	-	-	-	(16,127)	(220,838)	-	(1,220,596)
Net Cash Provided (Used) by Noncapital Financing Activities	(864,592)	(91,442)	136,033	801	-	(10,593)	(101,506)	4,441	(926,858)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and Construction of Capital Assets	(1)	-	-	-	-	-	(197,574)	-	(197,575)
Proceeds from Sale of Property, Plant, and Equipment	-	-	-	-	-	-	-	-	-
Proceeds from Long-Term Debt	-	-	-	-	-	-	-	-	-
Principal Paid on Capital Debt	-	-	-	-	-	-	(27,016)	-	(27,016)
Net Cash Used by Capital and Related Financing Activities	(1)	-	-	-	-	-	(224,590)	-	(224,591)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends Received	-	-	33,691	-	-	-	-	-	33,691
Other	-	-	-	-	-	-	-	-	-
Net Cash Provided by Investing Activities	-	-	33,691	-	-	-	-	-	33,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	96,180	75,716	151,457	(207,825)	26,298	(178,372)	65,033	(11,827)	16,660
Cash and Cash Equivalents - Beginning of Year	535,103	179,014	3,054,147	1,220,398	213,709	7,124,709	776,109	787,017	13,890,206
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 631,283	\$ 254,730	\$ 3,205,604	\$ 1,012,573	\$ 240,007	\$ 6,946,337	\$ 841,142	\$ 775,190	\$ 13,906,866

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	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			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ 18,475	\$ 37,582	\$ 133,962	\$ 9,718	\$ 28,471	\$ (423,429)	\$ 110,038	\$ (9,024)	\$ (94,207)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation Expense	958,687	97,801	-	-	-	-	248,289	-	1,304,777
(Increase) Decrease:									
Accounts Receivable - Other	18,422	19,634	-	-	-	(176,264)	-	-	(138,208)
Inventories	(197,634)	-	-	-	-	-	-	-	(197,634)
Prepays	164,139	-	-	-	-	-	-	-	164,139
Accounts Payable	3,626	12,141	(152,229)	(218,344)	(2,173)	(59,340)	9,555	(14,015)	(420,779)
Accrued Liabilities	(4,942)	-	-	-	-	88	23,247	6,771	25,164
Net OPEB Liability	-	-	-	-	-	915,774	-	-	915,774
Deferred Outflows Related to OPEB	-	-	-	-	-	(206,021)	-	-	(206,021)
Deferred Inflows Related to OPEB	-	-	-	-	-	(218,587)	-	-	(218,587)
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Adjustments	<u>942,298</u>	<u>129,576</u>	<u>(152,229)</u>	<u>(218,344)</u>	<u>(2,173)</u>	<u>255,650</u>	<u>281,091</u>	<u>(7,244)</u>	<u>1,228,625</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 960,773</u>	<u>\$ 167,158</u>	<u>\$ (18,267)</u>	<u>\$ (208,626)</u>	<u>\$ 26,298</u>	<u>\$ (167,779)</u>	<u>\$ 391,129</u>	<u>\$ (16,268)</u>	<u>\$ 1,134,418</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES									
Capital Assets Contributed by City of Wauwatosa	<u>\$ 1,491,468</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,642</u>

**CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Private Purpose Trust Funds							Total	Custodial Fund
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust		Subsequent Year's Tax Roll Collections
ASSETS									
Cash and Investments	\$ 11,443	\$ 44,635	\$ 691	\$ 187,795	\$ 15,704	\$ 33,164	\$ 363,097	\$ 656,529	\$ 40,456,927
Taxes Receivable	-	-	-	-	-	-	-	-	65,032,204
Total Assets	11,443	44,635	691	187,795	15,704	33,164	363,097	656,529	105,489,131
LIABILITIES									
Special Deposits	-	-	-	-	-	-	8,442	8,442	-
Due to Other Taxing Units	-	-	-	-	-	-	-	-	40,456,927
Total Liabilities	-	-	-	-	-	-	8,442	8,442	40,456,927
DEFERRED INFLOWS									
Tax Levy	-	-	-	-	-	-	-	-	65,032,204
NET POSITION - RESTRICTED	\$ 11,443	\$ 44,635	\$ 691	\$ 187,795	\$ 15,704	\$ 33,164	\$ 354,655	\$ 648,087	\$ -

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Private Purpose Trust Funds							Total	Custodial Fund Subsequent Year's Tax Roll Collections
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust		
ADDITIONS									
Contributions	\$ 583	\$ 1	\$ 49	\$ -	\$ 9,600	\$ -	\$ 228,834	\$ 239,067	\$ -
Deposit receipts	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	138	138	-
Tax Collections	-	-	-	-	-	-	-	-	70,594,272
Total Additions	583	1	49	-	9,600	-	228,972	239,205	70,594,272
DEDUCTIONS									
Endowment Payments	-	-	-	1	9,495	3,125	135,664	148,285	-
Deposit returns	-	-	-	-	-	-	-	-	-
Payments to Other Governments	-	-	-	-	-	-	-	-	70,594,272
Total Deductions	-	-	-	1	9,495	3,125	135,664	148,285	70,594,272
CHANGES IN NET POSITION	583	1	49	(1)	105	(3,125)	93,308	90,920	-
Net Position - Beginning of Year	10,860	44,634	642	187,796	15,599	36,289	261,347	557,167	-
NET POSITION - END OF YEAR	<u>\$ 11,443</u>	<u>\$ 44,635</u>	<u>\$ 691</u>	<u>\$ 187,795</u>	<u>\$ 15,704</u>	<u>\$ 33,164</u>	<u>\$ 354,655</u>	<u>\$ 648,087</u>	<u>\$ -</u>



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CITY OF WAUWATOSA
Milwaukee County, Wisconsin

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2021



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YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Common Council
City of Wauwatosa
Wauwatosa, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Wauwatosa's basic financial statements, and have issued our report thereon dated July 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

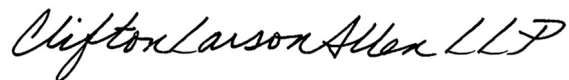
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
September 29, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES

Common Council
City of Wauwatosa
Wauwatosa, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the City of Wauwatosa's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Wisconsin State Single Audit Guidelines that could have a direct and material effect on each of the City of Wauwatosa's major federal and major state programs for the year ended December 31, 2021. The City of Wauwatosa's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Wauwatosa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Wisconsin State Single Audit Guidelines. Our responsibilities under those standards, the Uniform Guidance and the Wisconsin State Single Audit Guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Wauwatosa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the City of Wauwatosa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Wauwatosa's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Wauwatosa's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Wisconsin State Single Audit Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Wauwatosa's compliance with the requirements of each major federal or major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Wisconsin State Single Audit Guidelines, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Wauwatosa's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Wauwatosa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Wisconsin State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the City of Wauwatosa's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Wauwatosa's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Wauwatosa's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedules of Expenditures of Federal Awards and State Awards Required by the Uniform Guidance and Wisconsin State Single Audit Guidelines

We have audited the financial statements of the City of Wauwatosa as of and for the year ended December 31, 2021, and have issued our report thereon dated July 26, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and Wisconsin State Single Audit Guidelines and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state awards are fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
September 29, 2022

**CITY OF WAUWATOSA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Contract Number	Expenditures	Subrecipient Payments
U.S. Department of Housing and Urban Development				
Community Development Block Grant Cluster				
Community Development Block Grant Program	14.218		\$ 1,974,283	\$ 812,558
Community Development Block Grant Program - Revolving Loan Fund	14.218		3,470	-
Total U.S. Department of Housing and Urban Development			<u>1,977,753</u>	<u>812,558</u>
U.S. Department of Interior				
Historic Preservation Fund Grants-In-Aid	15.904		2,568	-
Total U.S. Department of Interior			<u>2,568</u>	<u>-</u>
U.S. Department of Justice				
Bullet Proof Vest Partnership	16.607		8,253	-
Public Safety Partnership and Community Policing Grants	16.710		170,754	-
Total U.S. Department of Justice			<u>179,007</u>	<u>-</u>
National Highway Traffic Safety Administration				
Highway Safety Cluster				
Passed through State of Wisconsin Department of Transportation State and Community Highway Safety	20.600	Not Available	25,662	-
Total National Highway Traffic Safety Administration			<u>25,662</u>	<u>-</u>
U.S. Department of Treasury				
COVID 19: Coronavirus State and Local Fiscal Relief Fund	21.027		813,065	-
Total U.S. Department of Treasury			<u>813,065</u>	<u>-</u>
U.S. Environmental Protection Agency				
Passed through State of Wisconsin Election Commission Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Not Available	91,719	-
Total Environmental Protection Agency			<u>91,719</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through State of Wisconsin Department of Health Services				
Preparedness Planning Grant	93.069	Not Available	74,848	-
Opioid Pathways	93.136	Not Available	22,878	-
Immunization Registry Grant	93.268	Not Available	97,812	-
COVID-19: Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Not Available	482,196	-
Cities Readiness Initiative	93.823	Not Available	320	-
Preventive Health & Health Services	93.991	Not Available	10,369	-
Maternal and Child Health Grant	93.994	Not Available	23,926	-
Total U.S. Department of Health and Human Services			<u>712,349</u>	<u>-</u>
 Total Federal Awards			 <u>\$ 3,802,123</u>	 <u>\$ 812,558</u>

See Notes to Schedules of Expenditures of Federal and State Awards.

**CITY OF WAUWATOSA
SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>ID Number</u>	<u>Expenditures</u>	<u>Subrecipient Payments</u>
State of Wisconsin Department of Health Services			
Emergency Medical Services Funding	435.162	\$ 18,734	\$ -
GPR Lead Poisoning	435.157720	3,170	-
Communicable Disease	435.155800	4,675	-
Total State of Wisconsin Department of Health Services		<u>26,579</u>	<u>-</u>
State of Wisconsin Department of Natural Resources			
Urban Nonpoint Source Cost Share	370.TH1	149,900	-
Recycling Grants to Responsible Units	370.670	186,739	-
Total State of Wisconsin Department of Natural Resources		<u>336,639</u>	<u>-</u>
Total State Awards		<u>\$ 363,218</u>	<u>\$ -</u>

See Notes to Schedules of Expenditures of Federal and State Awards.

CITY OF WAUWATOSA
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2021

NOTE 1 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes all of the Federal funds of the City of Wauwatosa, Wisconsin (the City).

State programs reported include only those programs required to be included by the *State Single Audit Guidelines*.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting records for the grant programs are maintained on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 OVERSIGHT AGENCIES

The City's federal oversight agency for audit is the U.S. Department of Housing and Urban Development. The City's state oversight agency for audit is the State of Wisconsin Department of Revenue.

NOTE 4 INDIRECT COST ALLOCATION RATE

The City of Wauwatosa, Wisconsin has elected not to apply the 10% de minimis cost rate to awards for the year ended December 31, 2021.

**CITY OF WAUWATOSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
21.027	COVID-19: Coronavirus State and Local Fiscal Relief Funds
93.323	COVID-19: Epidemiology and Laboratory Capacity for Infectious Diseases

- Dollar threshold used to distinguish between Type A and Type B programs: \$ \$750,000
- Auditee qualified as low-risk auditee? x yes _____ no

**CITY OF WAUWATOSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes x no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
370.670	Recycling Consolidated Grants
N/A	Department of Health Services General Requirements

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 250,000

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**CITY OF WAUWATOSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal and Major State Programs

2021 – 001

Federal Agencies: U.S. Department of Treasury and US. Department of Health and Human Services
Federal Program Names: Coronavirus State and Local Fiscal Recovery Funds and Epidemiology and
Laboratory Capacity for Infectious Diseases

Assistance Listing Number: 21.027 and 93.323

Pass-Through Agency: Direct Award and Wisconsin Department of Health Services

Award Period: March 2020 through December 31, 2024 and October 1, 2020 through October 31, 2024

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per 2 CFR Part 200 Section 200.214 - Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Condition: During our testing, we noted the City of Wauwatosa did not have adequate internal controls designed to ensure vendors were not suspended or debarred.

Questioned costs: None

Context: For 3 of the 3 vendor, with in the Coronavirus State and Local Fiscal Recovery Fund program, and for 2 of the the 2 vendors, with in the Epidemiology and Laboratory Capacity for Infectious Diseases program, selected for testing, the City did not verify and retain documentation of the verification for any that vendors were not suspended or debarred by the Federal Government. The auditor noted no instances of noncompliance with the provisions of procurement, suspension, and debarment; however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

Cause: The City has not designed and implemented controls related to the verification and documentation of vendor's status as not suspended or debarred with the Federal Government.

Effect: The lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

Repeat Finding: The finding is not a repeat finding.

Recommendation: We recommend the City of Wauwatosa design controls to ensure an adequate review process is in place to review potential contractors to determine they are not suspended or debarred.

Views of responsible officials: There is no disagreement with the audit finding.

**CITY OF WAUWATOSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

2021 – 002

Federal Agency: U.S. Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Award Period: March 2020 through December 31, 2024

Type of Finding

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Treasury Final Rule governing the the Cornoavirus State and Local Fiscal Recovery Funds program, Part 2 requires that quarterly compliance reports be submitted detail expenditures during the reporting period following an initial report covering the period of March 1, 2021 through December 31, 2021.

Condition: During our testing, we noted the City of Wauwatosa did not have adequate internal controls designed to ensure only expenditures occurring during the reporting period were included in the filed report.

Questioned costs: None

Context: The SLFRF compliance report test (1 or 1 required) during the audit year included amounts for some projects that were incurred after the reporting period, resulting in overstatement of expenditures through the report date.

Cause: The City's initial reporting support used included cummulative expenditures and all amounts occuring subsequent to the report period were not properly excluded.

Effect: The auditor noted the initial compliance report included expenditures that were incurred outside the reporting period.

Repeat Finding: The finding is not a repeat of a finding.

Recommendation: We recommend the City design controls to ensure controls to ensure that amounts reported are accurate and complete.

Views of responsible officials: There is no disagreement with the audit finding.

**CITY OF WAUWATOSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section IV – State Single Audit Other Matters

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Health Services No
Department of Natural Resources No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

Name and Signature of Partner


Jacob Lenell

Date of Report

September 29, 2022



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



City of Wauwatosa
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**CITY OF WAUWATOSA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2021**

United States Departments of Treasury and Health and Human Services

The City of Wauwatosa respectfully submits the following corrective action plan for the year ended December 31, 2021.

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds and Epidemiology and Laboratory Capacity for Infectious Diseases

Assistance Listing Number: 21.027 and 93.323

Award Period: March 2020 through December 31, 2024 and October 1, 2020 through October 31, 2024

Audit Period: January 1, 2021 to December 31, 2021

The findings from the schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule

FINDINGS – FEDERAL AWARD PROGRAM AUDITS

SIGIFICANT DEFICIENCY

2021-001 Internal Control over Compliance – Verification of non-debarment status

Recommendation: We recommend the City of Wauwatosa design controls to ensure an adequate review process is in place to review potential contractors to determine they are not suspended or debarred.

Explanation of disagreement with the audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Purchasing Manager has been added as a required approver in the electronic requisition workflow process for all requisitions (Previously she was only a required approver for those greater than \$25,000). At this step, the Purchasing Manager will look-up the vendor on Sam.gov and attach a screenshot on the requisition to show the vendor is not debarred. An affidavit of non-debarment status will also be added to the City's standard terms and conditions document as well as its public construction contracts.

Name(s) of the contact person(s) responsible for corrective action: John Ruggini, Director of Finance

Planned completion date for corrective action plan: October 31, 2022

2021-002 Internal Control over Compliance – Expenditure Reporting

Recommendation: We recommend the City design controls to ensure controls to ensure that amounts reported are accurate and complete.

Explanation of disagreement with the audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: A second person will review the submission to verify accuracy and ensure the report submission ties to the general and project ledgers.

Name(s) of the contact person(s) responsible for corrective action: John Ruggini, Director of Finance

Planned completion date for corrective action plan: October 31, 2022

If the United States Department of Treasury or Health and Human Services has questions regarding this plan, please call John Ruggini, Director of Finance at 414-479-8962.