CITY OF WAUWATOSA, WISCONSIN

Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

CITY OF WAUWATOSA, WISCONSIN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

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

CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2016

CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2016

INTRODUCTORY SECTION

CITY OF WAUWATOSA
Finance Department
7725 W. North Avenue
Wauwatosa, WI 53213

June 30, 2017

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

Wisconsin Statutes and the Wisconsin Administrative Code require that cities with a population greater than 25,000 publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, the Comprehensive Annual Financial Report of the City of Wauwatosa for the fiscal year ended December 31, 2016 is hereby submitted.

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

As indicated above, state law requires that the City's financial records be audited annually by independent certified public accountants. Based upon the recommendation of the Budget and Finance Committee and the approval of the Common Council, the City retained the services of CliftonLarsonAllen, LLP to perform its audit. CliftonLarsonAllen, LLP concluded based upon its audit procedures that the City's financial statements for the year ended December 31, 2016 are fairly presented in accordance with GAAP. The auditor's opinion is included as the first item in the financial section of this report.

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

PROFILE OF THE CITY OF WAUWATOSA

The City of Wauwatosa is located in Milwaukee County, approximately five miles from downtown Milwaukee, in the southeast corner of Wisconsin. Incorporated in 1892, the City of Wauwatosa covers thirteen square miles and has a population of 47,160 (per state Department of Administration). The City operates under the Council-Administrator form of government. The sixteen aldermen represent eight districts, serving four-year staggered terms, with one alderman per district elected every two years. The Mayor is elected to serve a four-year term while the City Administrator is appointed by the Common Council to manage the day-to-day operations of the City. Wauwatosa provides a full range of services typical of municipal governments, including police, fire and emergency medical protection; public works activities such as highway and street maintenance, refuse and recycling collection, water utility and wastewater treatment services; public library; parks and recreation activities; community development activities including planning and zoning enforcement, economic development, and construction inspection; and general and financial administration.

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

ACKNOWLEDGEMENTS

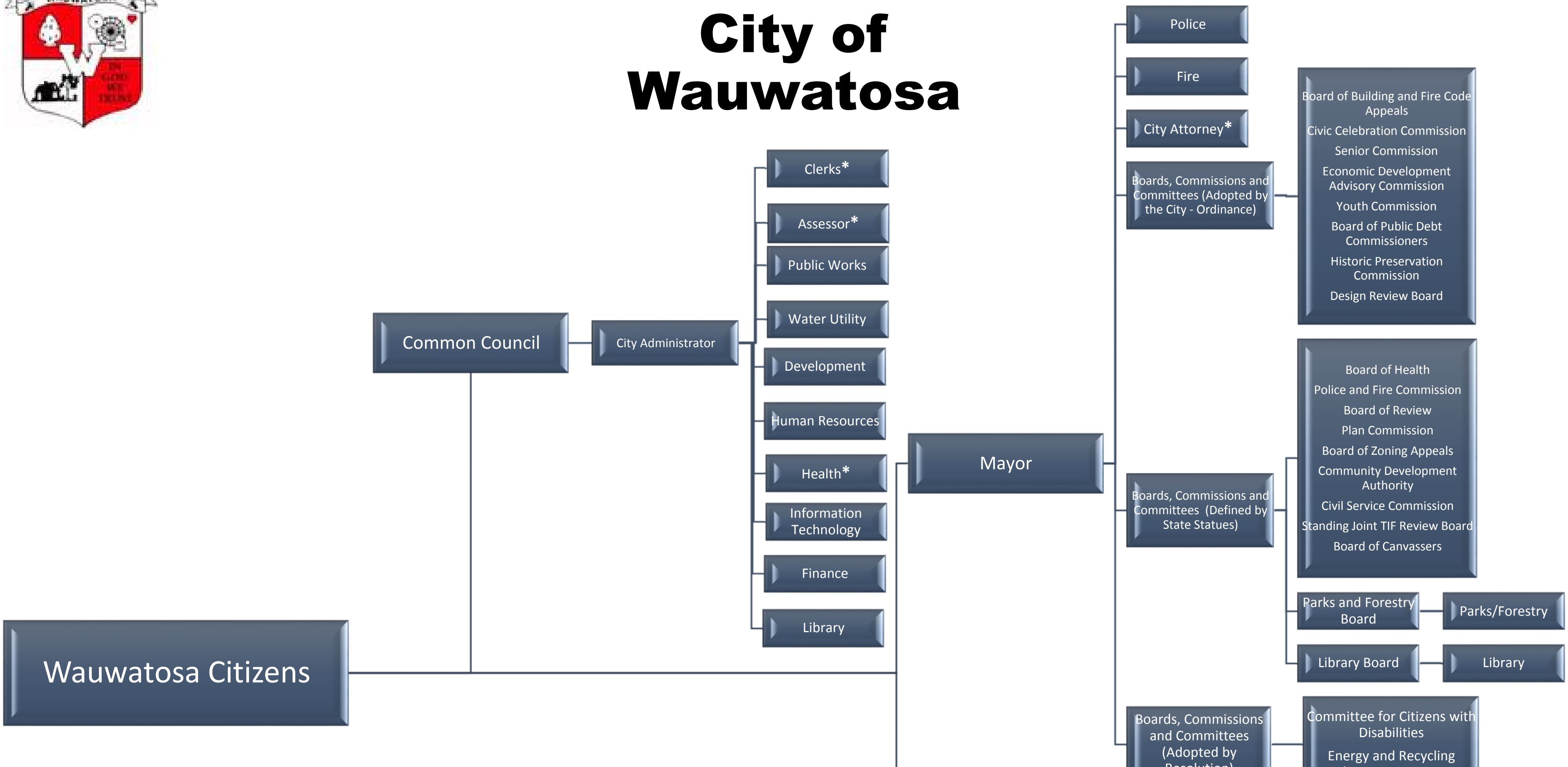
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wauwatosa for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,

John Ruggini
Director of Finance

City of Wauwatosa



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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2016

THE CITY OF WAUWATOSA, WISCONSIN
7725 W North Avenue
WAUWATOSA, WISCONSIN 53213

Kathleen Ehley, Mayor
Cheryl Berdan, Common Council President

MEMBERS OF THE COMMON COUNCIL

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

ADMINISTRATORS

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

OFFICIALS ISSUING REPORT

John Ruggini	Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wauwatosa

Wisconsin

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Common Council
City of Wauwatosa, Wisconsin
Milwaukee County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, Wisconsin, as of and for the year ended December 31, 2016, and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 23 and the Schedule of Funding Progress – Other Postemployment Benefits – Retiree Health and Life Insurance, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of the City's Contributions on page 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wauwatosa, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules, the introductory section, and the statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wauwatosa, Wisconsin’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
June 30, 2017

Management Discussion and Analysis

This section of the City of Wauwatosa's comprehensive annual financial report provides the reader with management's narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, and (4) identify any changes in the City's financial plan (approved budget). The financial discussion and analysis presented in the section is intended to be used in conjunction with the accompanying financial statements. Additional information is provided in the transmittal letter which can be found on pages 1-3 of this report.

Financial Highlights

- The assets of the City of Wauwatosa exceeded its liabilities by $157,695,145 (net position) as of December 31, 2016.
- As of December 31, 2016, the City of Wauwatosa's governmental funds reported combined ending fund balances of $37,318,586. Of this balance, $17,567,603 is available for spending at the government's discretion (unassigned fund balance)
- At the end of the current fiscal year, $17,567,603 of unassigned fund balance for the general fund is equal to 36% of general fund expenditures and transfers out.
- The City's net Other Post Employment Benefit (OPEB) obligation increased $722,726 to $23,541,555.
- Total primary government bonds and notes payable increased $6,428,826 to $87,183,677 while business-type debt increased $5,112,039 to $59,677,404. Government debt increased due to general obligation debt issued for Tax Increment District financing and infrastructure replacement as well as $2,362,596 in additional Municipal Revenue Obligations. Business-type debt increased as part of a planned enhanced capital improvement plan to address end-of-life infrastructure as well as street and basement flooding.
- The City maintained an Aaa rating from Moody's

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Wauwatosa's basic financial statements. The City of Wauwatosa's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Wauwatosa's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the City of Wauwatosa's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wauwatosa is improving or deteriorating.

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

Both of the government–wide financial statements distinguish functions of the City of Wauwatosa that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City of Wauwatosa include general government, protection of persons and property, health and sanitation, highway and transportation, education and recreation, conservation and development, and interest and fiscal charges. The business-type activities of the City of Wauwatosa include the Water Utility, Sanitary Sewer Reserve and Storm Water Management.

The government-wide financial statements include the activities of the City of Wauwatosa itself (known as the *primary government*). The Government-wide financial statements can be found on pages 24-25.

Fund Financial Statements.

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wauwatosa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wauwatosa can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds.

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

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

The City of Wauwatosa maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects General Obligation Debt Issue Fund, and the Tax Incremental Fund, which are considered to be major funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 26-30.

Proprietary funds.

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

The basic proprietary fund financial statements can be found on pages 31-34.

Fiduciary Funds.

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

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

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-88.

Other information.

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

The supplementary information can be found on pages 89-141.

Government-wide Financial Analysis-

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wauwatosa assets exceeded liabilities by $157,695,145 at the close of 2016 as shown below in Figure 1.

The largest portion of the City of Wauwatosa's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). Although the City of Wauwatosa's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since most of the capital assets themselves cannot be used to liquidate these liabilities.

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

Figure 1
CITY OF WAUWATOSA NET POSITION
December 31, 2016

	Governmental Activities				Busines Type Activities				Total			
		2016		2015		2016		2015		2016		2015
Assets and deferred outflows of resources												
Other assets	$	104,645,579	$	109,776,293	$	20,909,477	$	12,236,605	$	125,555,056	$	122,012,898
Capital assets		108,763,081		99,453,728		141,765,483		138,706,568		250,528,564		238,160,296
Deferred outflows of resources		24,647,058		7,027,854		955,199		278,083		25,602,257		7,305,937
Total assets and deferred outflows of resources		238,055,718		216,257,875		163,630,159		151,221,256		401,685,877		367,479,131
Liabilities and deferred inflows of resources												
Current liabilities	$	8,810,056	$	10,324,754	$	3,116,093	$	3,804,047	$	11,926,149	$	14,128,801
Noncurrent liabilities		117,340,044		105,822,814		59,655,996		54,383,555		176,996,040		160,206,369
Deferred inflows of resources		54,711,829		42,645,503		356,714		-		55,068,543		42,645,503
Total liabilities and deferred inflows of resources		180,861,929		158,793,071		63,128,803		58,187,602		243,990,732		216,980,673
Net position												
Net investment in capital assets	$	63,495,055	$	66,023,354	$	87,065,505	$	87,876,117	$	150,560,560	$	153,899,471
Restricted		1,830,471		9,579,876		2,242,818		2,007,667		4,073,289		11,587,543
Unrestricted		(8,131,737)		(18,138,426)		11,193,033		3,149,870		3,061,296		(14,988,556)
Total net position		57,193,789		57,464,804		100,501,356		93,033,654		157,695,145		150,498,458

Change in Net Position

Net position of the City of Wauwatosa increased by $7,196,687 (4.8%) in 2016 as the increase in business-type net position offset the decrease in governmental net position. Net position of the City's governmental activities totaled $57,193,789 as of December 31, 2016, a decrease of $271,015. The City's unrestricted net position for governmental activities is negative due development incentives associated with Tax Increment Districts that result in a liability without an associated asset. As the debt is repaid and when the TIF closes, this negative amount will be reduced. The net position of business-type activities totaled $100,501,356, an increase of $7,467,702. Following is a summary of the changes in net position for the City of Wauwatosa.

Governmental Activities

Governmental activities for 2016 decreased the City's net position by $271,015 as detailed above. Some of the significant changes in revenues and expenses as shown in Figure 2 that contributed to that change were as follows:

Revenues

- Charges for service increased $503,917 due to increases in building permit related revenue, alarm fees, property maintenance re-inspection.
- Property tax revenue decreased largely due to the closing of Tax Increment District 2 – Research Park in 2015 which resulted in a $4,818,795 reduction. This was offset by a 2.6 % property tax levy increase which raised $1,008,307 as well as an increases in other tax increment district revenue.
- Operating grants increased due to the transfer of Community Development Block Grant funds related to a revolving loan program from a sub-recipient external to the City to the Community Development Fund.
- Capital grants increased due to a $4.3 million contribution of capital by the State of Wisconsin Department of Transportation.

Expenses

- General government increased $598,635. This is largely the result of a $350,629 change in the pension expense. The remainder is the result of election costs due to the number of elections in 2016, an organizational review conducted by the Human Resources department, increased property tax settlements and litigation costs as well as increased wages and associated benefits due to a cost of living increase.
- Protection of persons and property increased largely due to a $2,043,665 expense in 2016 related to the increase in the net pension liability. In 2016, the net pension asset became a net pension liability based on the most recent actuarial valuation. This along with an increase in wages due to contractual cost of living increases was offset by a decrease in the allocation of the internal service funds expenses.
- Highway and Transportation decreased $400,774 related to a decrease in the allocation of internal service fund expenses offset by an increase in the pension expense noted above. In addition the difference between changes in the addition of capital assets, capital contributions from the internal service funds and depreciation decreased year over year.
- The increase in Education and Recreation was due to conducting an “Open Space Study” in the Parks Department and an increase in operating expenditures in the library. As with the above programs, the allocation of the net pension expense also increased program costs.
- Conservation and Development decreased $22,517,106 largely due to a decrease in Tax Incremental District related expenses. $14,920,500 in Municipal Revenue Obligations were issued and proceeds were used for related to economic development projects in 2015 as compared to $2,362,596 in 2016. These obligations are treated as long-term debt although they are repaid through property taxes paid by the developer. The proceeds from these issuance are used for economic development expenses. In addition, in 2015 $8.9 million was paid to the overlapping taxing jurisdictions representing their share in the fund balance remaining when Tax Increment District 2 – the Research Park was closed. These decreases were offset by an approximately $2.3 million increase in developer agreement payments for improvements of non-City owned assets. These included parking structures in Tax Increment District 6 and 7

Figure 2
CHANGE IN NET POSITION- GOVERNMENTAL ACTIVITIES
For The Years Ended December 31, 2016 and 2015

	Governmental Activities		
	2016	2015	Variance
Revenues:			
Program Revenues:			
Charges for services	$ 7,466,052	$ 6,962,135	503,917
Operating grants	4,275,608	3,521,416	754,192
Capital grants/ contributions	9,056,914	4,802,639	4,254,275
General Revenues:			
Property taxes	42,716,567	45,480,360	(2,763,793)
Other taxes	1,514,953	1,552,948	(37,995)
Grants not restricted to specific programs	2,925,602	3,569,706	(644,104)
Investments	603,777	558,497	45,280
Total revenues	$ 68,559,473	$ 66,447,701	2,111,772
Expenses:			
General government	$ 6,197,443	$ 5,598,808	598,635
Protection of persons and property	32,359,435	30,656,837	1,702,598
Health and sanitation	3,342,039	3,410,386	(68,347)
Highway and transportation	7,864,442	8,265,216	(400,774)
Education and recreation	4,577,202	4,213,631	363,571
Conservation and development	12,192,824	34,709,930	(22,517,106)
Interest and fiscal charges	1,971,394	1,614,875	356,519
Total gov't activities expense	$ 68,504,779	$ 88,469,683	(19,964,904)
Increase (decrease) in net assets before transfers	$ 54,694	$ (22,021,982)	22,076,676
Net Transfers	(325,709)	(7,593)	(318,116)
Change in net position	$ (271,015)	$ (22,029,575)	21,758,560
Net position- beginning	57,464,804	79,494,379	(22,029,575)
Net position- ending	$ 57,193,789	$ 57,464,804	(271,015)

Business Activities

Business activities for 2016 increased the City's net position by $7,467,702 as detailed above. Some of the significant changes in revenues and expenses as shown in Figure 3 that contributed to that change were as follows:

Revenues

- Higher charges for service are due to sanitary and storm rate increases necessary to fund increasing capital improvement costs associated with aging infrastructure. Sanitary rates increased 6.8% and storm rates increased 11.2%.

Expenses

- Water expenses increased 6.0% largely due increased debt service expenses, increases in depreciation and the payment-in-lieu of taxes paid to the City's general fund.
- Sanitary expenses decreased 9.5% due to delays in the private lateral grouting program. Approximately $600,000 which was originally budgeted to be spent in 2016 will likely be spent in 2017. Likewise, approximately $200,000 that was budgeted in 2016 for analysis of the infiltration of clear water into the sanitary system will be spent in 2017 instead.
- Transfers increased $318,116 due largely to an increase in the transfer in of capital assets from the governmental to the proprietary funds in 2016 as compared to 2015. The majority of these capital assets were water mains paid for by the Tax Incremental District special revenue fund as part of the Village improvement project in District 11.

Figure 3
CHANGE IN NET POSITION- BUSINESS ACTIVITIES
For The Years Ended December 31, 2016 and 2015

	Business Activities		
	2016	2015	Variance
Revenues:			
Program Revenues:			
Charges for services	$ 21,586,546	$ 19,580,952	2,005,594
Capital grants/ contributions	1,115,691	1,151,631	(35,940)
General Revenues:			
Investments	42,941	12,068	30,873
Total revenues	$ 22,745,178	$ 20,744,651	2,000,527
Expenses:			
Water Utility	$ 7,134,052	$ 6,731,221	402,831
Sanitary sewer	6,245,363	6,899,271	(653,908)
Storm water management	2,223,770	2,234,739	(10,969)
Total business activities expense	$ 15,603,185	$ 15,865,231	(262,046)
Increase (decrease) in net assets before transfers	$ 7,141,993	$ 4,879,420	2,262,573
Net Transfers	325,709	7,593	318,116
Change in net position	$ 7,467,702	$ 4,887,013	2,580,689
Net position- beginning	93,033,654	88,146,641	4,887,013
Net position- ending	$ 100,501,356	$ 93,033,654	7,467,702

Fund Financial Analysis

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

Governmental Funds

As of December 31, 2016, the City of Wauwatosa's governmental funds reported combined ending balances of $37,318,586 a decrease of $2,151,493 from the prior year. This decrease is due to several factors described below and presented in Figure 4.

- The largest factor were timing differences in the Tax Increment District special revenue fund from when borrowed funds were received and the expenditures incurred that resulted in a $4.6 million use of fund balance. District 6 – Innovation Campus incurred $1,875,000 in expenditures related to reimbursement for the construction of a parking structure while the funds were borrowed in 2015. Similarly in District 7 – Burleigh Triangle, approximately

$4.2 million was expended to reimburse a developer for the construction of a parking structure while the funds were borrowed and received in the prior fiscal year.

- The General Fund balance increased $1,813,710 to $22,435,452. This was largely the result of a continued high level of building activity producing permit revenue surplus, successful collection of ambulance billing bad debt, miscellaneous other fee revenue surplus and salary savings due to vacancies in public safety and engineering.
- The $1,784,539 increase in fund balance in the Debt Service fund is due to the receipt of $1,925,000 in bond proceeds that were borrowed on behalf of the Milwaukee Area Domestic Animal Control Commission (MADACC) and represent a long-term receivable as MADACC will pay the debt service for those bonds. This amount, along with bond premium earned in 2016 to be used to pay 2017 debt service is restricted in fund balance.
- The Capital Projects General Obligation Debt Issue fund balance decreased due to the use of bond proceeds issued in the prior year.
- The Parks Fund increased by $63,779 as funds are budgeted for the eventual replacement of the Hart Park stadium turf in 2018 and track in 2028.
- The Redevelopment Reserve Fund decreased by $883,536 large due to a transfer of funds to the Community Development Fund. The Community Development Fund grew in addition to this transfer as Community Development Block Grant funds as part of a revolving loan program were transferred from a sub-recipient separate from the City.

Figure 4
CHANGE IN GOVERNMENTAL FUND BALANCES

	General Fund	TIF	Debt Service	CP - General Obligation Debt Issue Fund	Community Development Block Grant	Park
Beginning year balance	$ 20,621,742	$ 6,827,664	$ 354,248	$ 6,488,657	$ 73	$ 930,550
Current Year Activity	1,813,710	(4,638,744)	1,784,539	(1,521,753)	-	63,779
End of Year Balance	$ 22,435,452	$ 2,188,920	$ 2,138,787	$ 4,966,904	$ 73	$ 994,329
Non-spendable	$ 2,521,308	$ -	$ -	$ 499,985	$ -	$ -
Restricted	-	2,188,920	2,138,787	625,954	73	-
Committed	-	-	-	-	-	-
Assigned	2,346,541	-	-	3,840,965	-	994,329
Unassigned	17,567,603	-	-	-	-	-

	Library	Redevelopment Authority Reserve Fund	Community Development Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	Total
Beginning year balance	$ 191,024	$ 2,330,966	$ -	$ 254,696	$ 1,436,367	$ 34,092	$ 39,470,079
Current Year Activity	(16,520)	(883,536)	1,355,473	113,326	(243,840)	22,073	(2,151,493)
End of Year Balance	$ 174,504	$ 1,447,430	$ 1,355,473	$ 368,022	$ 1,192,527	$ 56,165	$ 37,318,586
Non-spendable	$ -	$ -	$ -	$ -		$ -	$ 3,021,293
Restricted	-	-	642,088	-		-	5,595,822
Committed	-	-	-	-		-	-
Assigned	174,504	1,447,430	713,385	368,022	1,192,527	56,165	11,133,868
Unassigned	-	-	-	-		-	17,567,603

Proprietary Funds

Revenue and Expense highlights related to Water, Sanitary and Storm water funds are discussed above. Internal Service Funds showed an increase in net position of $1,822,917. Fleet Maintenance has a $217,307 increase as the vehicle replacement transfer out was less than the capitalization of new vehicles by approximately that much. In the General Liability Fund, the City's ownership portion of the Cities and Villages Mutual Insurance Company was revalued resulting in a $291,413 interest earnings revenue. The reminder of the $704,450 change in net position was due to lower than budgeted general liability claims. Similarly in Workers Compensation, lower than budgeted claims costs contributed to a $195,431 surplus. In the Employee Insurance Funds, lower than budgeted claims costs offset the increase in the Other Post-Employment Benefits expense resulting in a $345,556 surplus. Delays in implementing information technology projects and the postponement of major building improvement projects contributed to positive net position changes in the Information Systems and Municipal Building Complex budgets.

The annual OPEB cost was $3,821,514 representing 77.9% of the net OPEB obligation. The unfunded actuarial accrued liability (UAAL) is $46,237,093.

General Fund Budgetary Highlights

Differences between actual revenues and expenses and the final amended budget resulted in a positive revenue variance of $942,194 (2.0% of total) and a positive expenditure variance of $798,686 (1.7% of total). The following explains these variances:

Revenues

- Tax revenue exceeded budget by $483,451 due to the City using bond premium in the Debt Service Fund in-lieu of property tax revenue to pay for debt service.
- Intergovernmental revenues was up $166,593 compared to budget as revenue from the site assessment grant was not budgeted as it was not certain in which fiscal year it would be received.
- Fines, penalties and forfeitures was $78,879 under the original budget due largely to vacancies in the police department which impacted the number of municipal citations and parking tickets issues.
- Public charges for services was $336,761 over budget largely due to ambulance fees performing better than expected. This is attributable to better than expected recovery of previously written-off debt through collections and income tax intercept.

Expenditures

- Protection of Persons and Property has a positive budget variance of $181,500. This was due mostly to the $214,297 surplus in the Police Station budget due to a $142,000 internal and external lighting project delayed until 2017 and surplus in professional services.
- The Health and Sanitation surplus of $242,933 is largely due to vacancies as a result of turnover in the Health Department.
- Highway and transportation had a surplus of $488,495 due to a surplus of approximately $168,000 in Engineering salary and benefit saving due to vacancies net of an increase in

overtime as well as an additional $130,371 in charges to capital. Roadway maintenance had a positive variance of $171,324 due to lower than budgeted landfill tipping fees, lower than budgeted seal-coating costs and a higher than budgeted reimbursement from the Capital Projects fund.

Capital Assets and Debt Administration

Capital Assets

The City of Wauwatosa investments in capital assets for its governmental and business-type activities as of December 31, 2016 increased $12,368,268 to $250,528,564 net of accumulated depreciation. This investment in capital assets includes land, buildings, sewer and water main improvements, machinery and equipment, parks facilities, roads and bridges. The increase in the City of Wauwatosa's investment in capital assets for the current fiscal year was 9.4% for governmental and 2.2% for business-type functions. This increase reflects the continuation of the City's enhanced capital improvement plan to replace infrastructure (largely roads, bridges and sewer mains) that are past-their useful life or of insufficient capacity.

Major capital assets improvements during 2016 included the following:

- 6,272 linear feet of reconstructed and resurfaced streets.
- 28,407 linear feet of replaced or relined sanitary sewer mains
- 5,324 linear feet of replaced or relined storm sewer mains
- 3,030 linear feet of replaced water mains
- $555,139 in public bike share stations, public building upgrades including Health Department & Employee Health Clinic renovation, Development & Engineering remodel and construction of a new Police Memorial Area

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

Debt Administration

At the end of the current fiscal year, the City of Wauwatosa had total general bonded debt outstanding of $111,464,660. During 2016, the City of Wauwatosa issued $15,190,000 in General Obligation bonds for street and sewer improvements. The City maintains an "Aaa" rating from Moody's for its general obligation debt.

State Statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of Wauwatosa is $284,963,615 of which the City has utilized 39.12% for its current outstanding general obligation debt.

The remainder of the City of Wauwatosa's debt represents bonds secured solely by specific revenue sources. The Wauwatosa Water Utility has outstanding debt of $16,400,000 and issued $4,225,000 in water revenue bonds for water infrastructure projects during 2016. The Water Utility maintains an Aa2 rating from Moody's.

Additional information on the City of Wauwatosa's long-term debt can be found in note G on pages 63-69 of this report.

Economic Factors and Next Year's Budget and Rates

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

Other key economic factors include:

- The City's equalized property valuation (including tax increment district value) has increased from $5.5 billion in 2006 to $5.70 billion in 2016 after reaching a pre-recession peak of $5.8 in 2007.
- The unemployment rate for the City of Wauwatosa is currently 3.3% annually for 2016. This compares favorably to the state's average of 3.5% and Milwaukee County's average rate of 4.6%.
- The City maintains an Aaa bond rating from Moody's Investors Service, based in part on the relatively strong economic climate of the City.

The City adopts operating budgets for its governmental funds (General, Special Revenue, Debt Service, Capital Projects) and enterprise funds (Water and Sewer Utilities). The 2017 fiscal year operating budget for the General Fund includes $57,963,521 in projected revenues and expenditures. The budget does not include the use of any unassigned fund balance.

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

No significant new programs were added to the 2017 operating budget given the current economic climate and revenue pressures. Accompanying the revenue challenges noted above will be the need to examine program expenditures and service levels for modifications.

Rate increases for sanitary and storm water are planned for 2017 due largely to increases in debt service associated with enhanced capital spending. The increases in capital spending are predominately related to replacing infrastructure at the end of its useful life as well as expanding capacity of the storm and sanitary sewer system to address surface and basement flooding that has been experienced in recent years.

BASIC FINANCIAL STATEMENTS

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 50,124,670	$ 8,521,955	$ 58,646,625
Receivables (Net of Allowance for Uncollectible Accounts)	51,593,326	5,661,035	57,254,361
Internal Balances	1,072,568	(1,072,568)	-
Inventories	170,577	127,726	298,303
Prepaid Items	499,985	7,766	507,751
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	2,517,842	2,517,842
Designated Assets - Cash and Cash Equivalents	-	4,640,716	4,640,716
Unamortized Maintenance Costs	-	502,321	502,321
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	25,123,496	1,636,842	26,760,338
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	83,639,585	140,128,641	223,768,226
Total Assets	213,408,660	162,674,960	376,083,620
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to the Pension	24,647,058	955,199	25,602,257
LIABILITIES			
Accounts Payable and Other Current Liabilities	8,403,079	1,142,716	9,545,795
Accrued Interest Payable	301,534	133,184	434,718
Deposits and Unearned Revenue	105,443	110,049	215,492
Liabilities Payable from Restricted Assets	-	1,730,144	1,730,144
Noncurrent Liabilities:			
Due Within One Year	8,215,609	4,586,114	12,801,723
Due in More than One Year	81,195,886	54,900,380	136,096,266
Net Pension Liability	4,386,994	169,502	4,556,496
Accrued Net Other Postemployment Benefits Obligation	23,541,555	-	23,541,555
Total Liabilities	126,150,100	62,772,089	188,922,189
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to the Pension	9,232,352	356,714	9,589,066
Subsequent Year Tax Levy	45,479,477	-	45,479,477
Total Deferred Inflows of Resources	54,711,829	356,714	55,068,543
NET POSITION			
Net Investment in Capital Assets	63,495,055	87,065,505	150,560,560
Restricted for Debt Service	1,830,471	2,242,818	4,073,289
Unrestricted (Deficit)	(8,131,737)	11,193,033	3,061,296
TOTAL NET POSITION	$ 57,193,789	$ 100,501,356	$ 157,695,145

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental Activities:							
General Government	$ 6,197,443	$ 1,269,331	$ 108,131	$ 758,732	$ (4,061,249)	$ -	$ (4,061,249)
Protection of Persons and Property	32,359,435	4,997,841	1,877,736	62,735	(25,421,123)	-	(25,421,123)
Health and Sanitation	3,342,039	153,304	284,601	186,153	(2,717,981)	-	(2,717,981)
Highway and Transportation	7,864,442	435,494	-	7,713,858	284,910	-	284,910
Education and Recreation	4,577,202	523,777	272,482	-	(3,780,943)	-	(3,780,943)
Conservation and Development	12,192,824	86,305	1,732,658	335,436	(10,038,425)	-	(10,038,425)
Interest and Fiscal Charges	1,971,394	-	-	-	(1,971,394)	-	(1,971,394)
Total Governmental Activities	68,504,779	7,466,052	4,275,608	9,056,914	(47,706,205)	-	(47,706,205)
Business-type activities:							
Water Utility	7,134,052	7,913,767	-	955,548	-	1,735,263	1,735,263
Sanitary Sewer	6,245,363	9,305,133	-	-	-	3,059,770	3,059,770
Storm Water Management	2,223,770	4,367,646	-	160,143	-	2,304,019	2,304,019
Total Business-Type Activities	15,603,185	21,586,546	-	1,115,691	-	7,099,052	7,099,052
Total	$ 84,107,964	$ 29,052,598	$ 4,275,608	$ 10,172,605	(47,706,205)	7,099,052	(40,607,153)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					36,285,018	-	36,285,018
Property taxes, levied for debt service					3,867,876	-	3,867,876
Property taxes, levied for TIF					2,563,673	-	2,563,673
Other taxes					1,514,953	-	1,514,953
Gain on sale of capital assets					-	-	-
Intergovernmental revenues not restricted to specific programs					2,925,602	-	2,925,602
Investment income					603,777	42,941	646,718
Total general revenues					47,760,899	42,941	47,803,840
Transfers					(325,709)	325,709	-
Change in net position					(271,015)	7,467,702	7,196,687
NET POSITION - BEGINNING OF YEAR					57,464,804	93,033,654	150,498,458
NET POSITION - END OF YEAR					$ 57,193,789	$ 100,501,356	$ 157,695,145

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Special Revenue Fund Tax Incremental District Fund	Debt Service Fund	Capital Projects General Obligation Debt Issue Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	$ 22,248,178	$ 4,093,919	$ 213,787	$ 7,045,466	$ 5,588,376	$ 39,189,726
Taxes Receivable	33,641,009	4,343,207	7,930,060	-	133,225	46,047,501
Delinquent Personal Property Taxes	40,499	-	-	-	-	40,499
Special Assessments Receivable:						
Due in Installments	365	-	-	-	673,666	674,031
Deferred	-	-	-	-	1,934	1,934
Accounts Receivable, Net	929,747	-	-	-	-	929,747
Accrued Investment Income Receivable	127,855	-	-	-	-	127,855
Notes Receivable	575,000	-	1,925,000	-	-	2,500,000
Other Accrued Receivables	464,961	-	-	564,842	129,604	1,159,407
Due from Other Funds	1,211,147	-	-	-	-	1,211,147
Prepayments	-	-	-	499,985	-	499,985
Inventories	809	-	-	-	-	809
Advance to Other Funds	1,905,000	-	-	-	-	1,905,000
Total Assets	$ 61,144,570	$ 8,437,126	$ 10,068,847	$ 8,110,293	$ 6,526,805	$ 94,287,641
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 3,048,225	$ -	$ -	$ 2,863,389	$ 31,245	$ 5,942,859
Accrued Payroll	1,272,933	-	-	-	-	1,272,933
Unearned Revenues	-	-	-	-	105,443	105,443
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	1,031,814	-	-	-	126,228	1,158,042
Advance from Other Funds	-	1,905,000	-	-	-	1,905,000
Total Liabilities	5,352,972	1,905,000	-	2,863,389	262,916	10,384,277
DEFERRED INFLOWS OF RESOURCES						
Subsequent Year Tax Levy	33,206,211	4,343,206	7,930,060	-	-	45,479,477
Special Assessments	-	-	-	-	675,366	675,366
Other Accounts Receivable	149,935	-	-	280,000	-	429,935
Total Deferred Inflows of Resources	33,356,146	4,343,206	7,930,060	280,000	675,366	46,584,778
FUND BALANCES						
Nonspendable	2,521,308	-	-	499,985	-	3,021,293
Restricted	-	2,188,920	2,138,787	625,954	642,161	5,595,822
Assigned	2,346,541	-	-	3,840,965	4,946,362	11,133,868
Unassigned	17,567,603	-	-	-	-	17,567,603
Total Fund Balances	22,435,452	2,188,920	2,138,787	4,966,904	5,588,523	37,318,586
Total Liabilities, Deferred Inflows, and Fund Balances	$ 61,144,570	$ 8,437,126	$ 10,068,847	$ 8,110,293	$ 6,526,805	

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.	104,723,924
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.	11,027,712
Internal service funds net position	(7,362,810)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Special assessments	675,366
Other accounts receivable	429,935
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(89,618,924)
	$ 57,193,789

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, 2016

	General Fund	Special Revenue Fund Tax Incremental District Fund	Debt Service Fund	Capital Projects General Obligation Debt Issue Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 35,397,278	$ 2,563,673	$ 3,867,876	$ -	$ 2,408,194	$ 44,237,021
Intergovernmental Revenues	5,500,775	25,944	-	720,540	1,724,364	7,971,623
Licenses and Permits	2,185,359	-	-	-	-	2,185,359
Penalties and Forfeitures	1,086,121	-	-	-	-	1,086,121
Public Improvement Revenues	10,827	-	-	-	1,138,212	1,149,039
Public Charges for Services	3,180,829	-	-	-	743,002	3,923,831
Intergovernmental Charges for Services	1,553,480	-	-	-	-	1,553,480
Commercial Revenues	710,144	42,481	50,579	743,993	60,999	1,608,196
Total Revenues	49,624,813	2,632,098	3,918,455	1,464,533	6,074,771	63,714,670
EXPENDITURES						
Current:						
General Government	6,086,548	-	-	-	-	6,086,548
Protection of Persons and Property	30,275,241	-	-	-	-	30,275,241
Health and Sanitation	3,352,250	-	-	-	-	3,352,250
Highway and Transportation	4,505,666	-	-	-	-	4,505,666
Education and Recreation	78,817	-	-	-	3,907,897	3,986,714
Conservation and Development	1,541,127	2,529,077	-	6,074,780	1,301,555	11,446,539
Unclassified	419,956	-	-	-	-	419,956
Debt Service:						
Principal	-	327,812	5,217,085	-	-	5,544,897
Interest and Other Fiscal Charges	-	105,000	1,948,450	-	-	2,053,450
Capital Outlay	235,643	-	-	11,001,656	1,107,858	12,345,157
Total Expenditures	46,495,248	2,961,889	7,165,535	17,076,436	6,317,310	80,016,418
Excess of Revenues Over (Under) Expenditures	3,129,565	(329,791)	(3,247,080)	(15,611,903)	(242,539)	(16,301,748)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	4,657,596	1,925,000	5,200,000	-	11,782,596
Premium on Long-Term Debt	-	68,532	294,002	-	-	362,534
Proceeds from the Sale of Capital Assets	-	-	-	-	-	-
Transfers In	987,755	-	2,812,617	8,890,150	2,974,846	15,665,368
Transfers Out	(2,303,610)	(9,035,081)	-	-	(2,321,552)	(13,660,243)
Net Change in Fund Balances	1,813,710	(4,638,744)	1,784,539	(1,521,753)	410,755	(2,151,493)
Fund Balances - Beginning of Year	20,621,742	6,827,664	354,248	6,488,657	5,177,768	39,470,079
FUND BALANCES - END OF YEAR	$ 22,435,452	$ 2,188,920	$ 2,138,787	$ 4,966,904	$ 5,588,523	$ 37,318,586

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, 2016

Net change in fund balances - total governmental funds	$ (2,151,493)
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 estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	12,355,582
Some items reported as capital outlay were not capitalized.	(1,840,581)
Capital assets purchased by the governmental funds are reported as capital outlay on the fund financial statements and capital contributions on the internal service fund statements, but are eliminated on the government-wide statements	(1,313,464)
Contributed assets are reported in the government-wide financial statements	335,436
Depreciation is reported in the government-wide financial statements	(4,735,183)
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 ($11,782,596) were greater than the repayments ($5,544,897).	(6,237,699)
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	(362,534)
Amortization of debt premium	171,415
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	141,115
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in accrued interest payable ($89,359), the decrease in accrued vacation payable ($9,708), and an increase in expenses related to pension activity ($2,695,157).	(2,774,808)
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.	4,101
The net revenue (expense) of internal service funds is reported with governmental activities.	1,768,846
Change in net assets of governmental activities	$ (4,639,267)

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 34,878,051	$ 34,913,827	$ 35,397,278	$ 483,451
Intergovernmental Revenues	5,209,859	5,334,182	5,500,775	166,593
Licenses and Permits	1,362,955	2,138,157	2,185,359	47,202
Fines, Penalties and Forfeitures	1,215,000	1,165,000	1,086,121	(78,879)
Public Improvement Revenues	21,100	19,600	10,827	(8,773)
Public Charges for Services	2,718,890	2,844,068	3,180,829	336,761
Intergovernmental Charges for Services	1,615,551	1,601,725	1,553,480	(48,245)
Commercial Revenues	666,890	666,060	710,144	44,084
Total Revenues	47,688,296	48,682,619	49,624,813	942,194
EXPENDITURES				
General Government	5,648,257	6,066,748	6,086,548	(19,800)
Protection of Persons and Property	30,137,080	30,456,741	30,275,241	181,500
Health and Sanitation	3,597,567	3,595,183	3,352,250	242,933
Highway and Transportation	4,904,889	4,994,161	4,505,666	488,495
Education and Recreation	47,866	77,866	78,817	(951)
Conservation and Development	1,509,176	1,563,774	1,541,127	22,647
Unclassified	569,943	441,961	419,956	22,005
Capital Outlay	100,000	127,500	235,643	(108,143)
Total Expenditures	46,514,778	47,323,934	46,495,248	828,686
Excess of Revenues Over (Under) Expenditures	1,173,518	1,358,685	3,129,565	1,770,880
OTHER FINANCING SOURCES (USES)				
Transfers in	1,413,738	1,118,584	987,755	(130,829)
Transfers out	(2,384,719)	(2,080,238)	(2,303,610)	(223,372)
Net Change in Fund Balances	$ 202,537	$ 397,031	1,813,710	$ 1,416,679
Fund Balances - Beginning of Year			20,621,742	
FUND BALANCES - END OF YEAR			$ 22,435,452	

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,602,289	$ 2,602,289	$ 2,563,673	$ (38,616)
Intergovernmental Revenues	26,335	26,335	25,944	(391)
Commercial Revenues	3,100	3,100	42,481	39,381
Total Revenues	2,631,724	2,631,724	2,632,098	374
EXPENDITURES				
Conservation and Development	93,600	93,600	2,529,077	(2,435,477)
Principal	335,000	335,000	327,812	7,188
Interest and Other Fiscal Charges	-	-	105,000	(105,000)
Total Expenditures	428,600	428,600	2,961,889	(2,533,289)
Excess of Revenues Over Expenditures	2,203,124	2,203,124	(329,791)	(2,532,915)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	4,657,596	4,657,596
Premium on Long-Term Debt	-	-	68,532	68,532
Transfers Out	(2,561,452)	(2,561,452)	(9,035,081)	(6,473,629)
Net Change in Fund Balance	$ (358,328)	$ (358,328)	(4,638,744)	$ (4,280,416)
Fund Balance - Beginning of Year			6,827,664	
FUND BALANCE - END OF YEAR			$ 2,188,920	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities Enterprise Funds				Governmental Activities
ASSETS	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	Internal Service Funds
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	$ 2,370,624	$ 3,613,158	$ 2,538,173	$ 8,521,955	$ 10,934,944
Receivables, Net	2,203,327	2,935,114	522,594	5,661,035	112,352
Due from Other Funds	557,934	365,541	144,133	1,067,608	-
Inventories	127,726	-	-	127,726	169,768
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund	1,171,543	-	-	1,171,543	-
Prepayments	7,766	-	-	7,766	-
Total Current Assets	6,438,920	6,913,813	3,204,900	16,557,633	11,217,064
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund	1,346,299	-	-	1,346,299	-
Designated Cash - System Improvement	-	1,991,371	2,649,345	4,640,716	-
Unamortized Maintenance Costs	502,321	-	-	502,321	-
Nonutility Property	2,684	-	-	2,684	-
Deposit in Cities and Villages Mutual Insurance Company	-	-	-	-	1,184,453
Capital Assets:					
Land	81,405	-	-	81,405	22,617
Buildings	789,794	-	-	789,794	1,481,912
Improvements Other than Buildings	59,458,754	71,354,489	55,574,693	186,387,936	-
Machinery and Equipment	1,690,250	1,380,636	-	3,070,886	12,965,329
Construction in Progress	348,000	1,207,437	-	1,555,437	-
Less: Accumulated Depreciation	(15,874,186)	(22,878,857)	(11,366,932)	(50,119,975)	(10,430,701)
Total Capital Assets, Net	46,494,017	51,063,705	44,207,761	141,765,483	4,039,157
Total Noncurrent Assets	48,345,321	53,055,076	46,857,106	148,257,503	5,223,610
Total Assets	54,784,241	59,968,889	50,062,006	164,815,136	16,440,674
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to the Pension	665,094	117,974	172,131	955,199	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	263,710	749,885	-	1,013,595	1,187,287
Accrued Payroll	72,199	-	-	72,199	-
Due to Other Funds	1,084,919	35,794	-	1,120,713	-
Customer Deposits	6,757	-	-	6,757	-
Current Portion of Long-Term Debt	-	1,900,487	2,650,473	4,550,960	-
Current Portion of Refunding Bond	24,521	4,043	6,590	35,154	-
Accrued Interest Payable	-	77,264	55,920	133,184	-
Unearned Revenue	-	-	103,292	103,292	
Other Accrued Liabilities	56,922	-	-	56,922	94,105
Liabilities Payable from Restricted Assets:					
Accounts Payable - Construction Account	555,120	-	-	555,120	-
Current Portion of Long-Term Debt	900,000	-	-	900,000	-
Accrued Interest Payable	275,024	-	-	275,024	-
Total Current Liabilities	3,239,172	2,767,473	2,816,275	8,822,920	1,281,392
Noncurrent Liabilities:					
Bonds Payable	15,691,283	19,580,686	19,333,116	54,605,085	-
Refunding Bond	205,981	33,958	55,356	295,295	-
Net Pension Liability	118,014	20,960	30,528	169,502	-
Accrued Net Other Postemployment Benefits Obligation	-	-	-	-	23,541,555
Total Noncurrent Liabilities	16,015,278	19,635,604	19,419,000	55,069,882	23,541,555
Total Liabilities	19,254,450	22,403,077	22,235,275	63,892,802	24,822,947
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to the Pension	248,357	44,110	64,247	356,714	-
NET POSITION					
Net Investment in Capital Assets	30,094,017	31,832,225	25,139,263	87,065,505	4,039,157
Restricted for Debt Service	2,242,818	-	-	2,242,818	-
Unrestricted	3,609,693	5,807,451	2,795,352	12,212,496	(12,421,430)
Total Net Position	$ 35,946,528	$ 37,639,676	$ 27,934,615	101,520,819	$ (8,382,273)
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.				(1,019,463)	
Net Position of Business-type Activities				$ 100,501,356	

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, 2016

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for Services and Sales	$ 7,511,859	$ 9,305,133	$ 4,367,646	$ 21,184,638	$ 15,675,373
Other Operating Revenues	401,908	-	-	401,908	1,453,200
Total Operating Revenues	7,913,767	9,305,133	4,367,646	21,586,546	17,128,573
OPERATING EXPENSES					
Operation and Maintenance	5,527,426	4,690,493	1,079,304	11,297,223	14,920,821
Depreciation	962,055	999,670	722,471	2,684,196	978,923
Taxes	88,026	-	-	88,026	-
Total Operating Expenses	6,577,507	5,690,163	1,801,775	14,069,445	15,899,744
Operating Income (Loss)	1,336,260	3,614,970	2,565,871	7,517,101	1,228,829
NONOPERATING REVENUES (EXPENSES)					
Dividend Income	-	-	-	-	54,361
Investment Income	9,754	21,205	11,982	42,941	324,922
Intergovernmental Income	-	-	154,974	154,974	-
Gain on Sale or Trade of Assets	-	-	-	-	85,333
Interest on Long-Term Debt	(559,728)	(566,964)	(461,119)	(1,587,811)	-
Total Nonoperating Revenues (Expenses)	(549,974)	(545,759)	(294,163)	(1,389,896)	464,616
Income (Loss) Before Capital Contributions and Transfers	786,286	3,069,211	2,271,708	6,127,205	1,693,445
CAPITAL CONTRIBUTIONS	2,269,012	-	5,169	2,274,181	1,146,842
TRANSFERS IN	-	-	-	-	88,735
TRANSFERS OUT	(968,717)	(19,038)	-	(987,755)	(1,106,105)
CHANGE IN NET ASSETS	2,086,581	3,050,173	2,276,877	7,413,631	1,822,917
Net Position - Beginning of Year	33,859,947	34,589,503	25,657,738		(10,205,190)
NET POSITION - END OF YEAR	$ 35,946,528	$ 37,639,676	$ 27,934,615		$ (8,382,273)

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.	54,071
Change in net position of business-type activities	$ 7,467,702

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	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	$ 7,721,495	$ 8,426,556	$ 4,394,028	$ 20,542,079	$ 1,984,453
Payments from Other Funds	-	-	-	-	15,054,067
Payments to Suppliers	(4,466,261)	(4,715,526)	(801,848)	(9,983,635)	(12,332,038)
Payments to Employees	(1,582,306)	(159,322)	(258,903)	(2,000,531)	(1,874,663)
Net Cash Provided by Operating Activities	1,672,928	3,551,708	3,333,277	8,557,913	2,831,819
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal Paid on Noncapital Debt	(23,455)	(3,867)	(6,304)	(33,626)	-
Interest Paid on Noncapital Debt	(10,825)	(2,909)	(3,012)	(16,746)	-
Payments from Other Funds	(154,598)	17,178	(14,134)	(151,554)	88,735
Payments to Other Funds	(1,622,184)	(8,875)	-	(1,631,059)	(1,106,105)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,811,062)	1,527	(23,450)	(1,832,985)	(1,017,370)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Long-Term Debt	4,225,000	1,770,000	4,000,000	9,995,000	-
Premium from Issuance of Long-Term Debt	141,887	52,855	119,445	314,187	-
Acquisition and Construction of Capital Assets	(154,024)	(1,620,453)	(1,813,692)	(3,588,169)	(32,352)
Proceeds from the Sale of Property, Plant, and Equipment	-	-	-	-	146,293
Grant Funds Received	-	-	154,974	154,974	-
Principal Paid on Capital Debt	(650,000)	(1,802,971)	(2,396,364)	(4,849,335)	-
Interest Paid on Capital Debt	(514,557)	(597,344)	(486,249)	(1,598,150)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	3,048,306	(2,197,913)	(421,886)	428,507	113,941
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends Received	9,754	21,205	11,982	42,941	87,869
Net Cash Provided by Investing Activities	9,754	21,205	11,982	42,941	87,869
Net Increase in Cash and Cash Equivalents	2,919,926	1,376,527	2,899,923	7,196,376	2,016,259
Cash and Cash Equivalents - Beginning of Year	1,968,540	4,228,002	2,287,595	8,484,137	8,918,685
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,888,466	$ 5,604,529	$ 5,187,518	$ 15,680,513	$ 10,934,944

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	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	$ 1,336,260	$ 3,614,970	$ 2,565,871	$ 7,517,101	$ 1,228,829
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	962,055	999,670	722,471	2,684,196	978,923
Depreciation Charged to Other Accounts	80,153	-	-	80,153	-
Amortization of Maintenance Costs	122,200	-	-	122,200	-
Transferred from (to) Other Funds	-	-	-	-	-
(Increase) Decrease:					
Accounts Receivable	(192,272)	(878,577)	(76,910)	(1,147,759)	(90,053)
Due from Other Funds	-	-	-	-	-
Inventories	5,411	-	-	5,411	(42,167)
Prepaid Items	(168)	-	-	(168)	-
Unamortized Maintenance	129,736	-	-	129,736	-
Net Pension Liability	303,793	51,575	77,147	432,515	-
Deferred Outflows/Inflows of Resources	(220,313)	(85,605)	(122,841)		
Increase (Decrease):					
Accounts Payable	(840,092)	(194,435)	-	(1,034,527)	41,060
Accrued Payroll	8,897	-	-	8,897	-
Customer Deposits	-	-	-	-	-
Other Accrued Liabilities	(22,732)	44,110	-	21,378	715,227
Unearned Revenue	-	-	167,539	-	-
Total Adjustments	336,668	(63,262)	767,406	1,302,032	1,602,990
Net Cash Provided by Operating Activities	$ 1,672,928	$ 3,551,708	$ 3,333,277	$ 8,557,913	$ 2,831,819
Noncash Investing, Capital, and Financing Activities					
Capital Additions Contributed:					
City of Wauwatosa	$ 1,313,464	$ -	$ 5,169	$ 1,318,633	$ 1,151,735
Sanitary Sewer	-	-	-	-	-
Developers	955,548	-	-	955,548	-
	$ 2,269,012	$ -	$ 5,169	$ 2,274,181	$ 1,151,735
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets - Proprietary Funds					
Unrestricted Cash and Cash Equivalents	$ 2,370,624	$ 3,613,158	$ 2,538,173	$ 8,521,955	$ 10,934,944
Restricted Cash and Cash Equivalents					
Special Redemption Funds:					
Bond Reserve Fund	1,346,299	-	-	1,346,299	-
Bond Principal and Interest Fund	1,171,543	-	-	1,171,543	-
Designated Cash - System Improvement	-	1,991,371	2,649,345	4,640,716	-
Cash and Cash Equivalents - End of Year	$ 4,888,466	$ 5,604,529	$ 5,187,518	$ 15,680,513	$ 10,934,944

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Private Purpose Trust Funds Total	Agency Funds Total
ASSETS		
Cash and Investments	$ 208,787	$ 58,840,036
Taxes Receivable	-	34,706,070
Total Assets	$ 208,787	$ 93,546,106
LIABILITIES		
Special Deposits	-	$ 181,170
Due to Other Taxing Units	-	93,364,936
Total Liabilities	-	$ 93,546,106
NET POSITION - RESTRICTED	$ 208,787	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Private Purpose Trust Funds
ADDITIONS	
Contributions	$ 3,524
Investment Income	115
Total Additions	3,639
DEDUCTIONS	3,204
CHANGES IN NET ASSETS	435
Net Position - Beginning of Year	208,352
NET POSITION - END OF YEAR	$ 208,787

See accompanying Notes to Financial Statements.

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 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 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.

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 are 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

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

Special Revenue Fund Tax Incremental District Fund - accounts for the City's seven Tax Incremental Districts.

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

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

The City reports the following major enterprise funds:

Water Utility - accounts for operations of the water system.

Sanitary Sewer - accounts for operations of the sewer system.

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

The City reports the following nonmajor governmental and enterprise funds:

Nonmajor Governmental Funds

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

Special Assessments
Community Development Block Grant
Public Library
Parks
Redevelopment Reserve Fund
Community Development Fund

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

Fleet Equipment
Information Systems Equipment
Public Works Building Improvement Reserve Fund

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

In addition, the City reports the following fund types:

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

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

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

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

Government-wide Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, other post employment 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues are reported for grants and contributions that are received and intended for general operational purposes. Grants received that are restricted to capital purchases are reported as capital contributions.

All Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables

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

Property tax calendar - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	March 31, 2017
Third installment due	May 31, 2017
Personal property taxes in full	January 31, 2017
Tax deed - 2016 delinquent real estate taxes	October 2020

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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.

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. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds. No net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to capital assets. 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.

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	20-40 Years
Land improvements other than building	20-30 Years
Machinery and equipment	2-23 Years
Utility system (improvements other than buildings)	18-77 Years
Infrastructure	15-40 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. 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 have 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, 2016 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 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.

8. 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 are 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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 $17.490 million, made up of one issue.

9. 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.

10. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Net Position and Fund Balance Classifications (Continued)

Fund Statements (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.

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

E. Other Policies - Tax Incremental Districts

1. In 2007, the City adopted the Resolution #07-79 creating "City of Wauwatosa Tax Incremental District No. 5" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $1,950,000. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Policies - Tax Incremental Districts (Continued)

2. In 2010, the City adopted the Resolution #10-73 creating "City of Wauwatosa Tax Incremental District No. 6" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $12,000,000. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 6 through adoption of Resolution #R-15-198 and #13-32.

3. In 2012, the City adopted the Resolution #12-211 creating "City of Wauwatosa Tax Incremental District No. 7" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $10.8 million. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 7 through adoption of Resolution #R16-21.

4. In 2014, the City adopted the Resolution #14-63 creating "City of Wauwatosa Tax Incremental District #8" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $13.1 million. The costs are to be paid by futures debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue.

5. In 2015, the City adopted the Resolution #15-84 creating "City of Wauwatosa Tax Incremental District #9" to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $2.87 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.

6. In 2015, the City adopted the Resolution #15-145 creating "City of Wauwatosa Tax Incremental District #10" to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $4.9 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Policies - Tax Incremental Districts (Continued)

7. In 2015, the City adopted the Resolution #15-217 creating “City of Wauwatosa Tax Incremental District #11” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at $14.79 million. The costs are to be paid by 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.

F. Other Policies - New Accounting Pronouncements

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

1. The Government Accounting Standards Board (GASB) issued Statement No. 72 – *Fair Value Measurement and Application* in February of 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The Statement has been adopted by the City as of December 31, 2016, see Note 4.a for impact of implementation.

2. The GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets* that are not within the Scope of GABS 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The Statement has been adopted by the City as of December 31, 2016 with no impact of the financial statements.

3. The GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* in June 2015, updating the hierarchy of authoritative literature. The Statement has been adopted by the City as of December 31, 2016 with no impact to the financial statements.

4. The GASB issued Statement No. 77 – *Tax Abatement Disclosures* in August of 2015. This Statement established reporting requirements for governments that enter into tax abatement agreements. The Statement has been adopted by the City as of December 31, 2016, see Note 5.f for impact of implementation.

5. The GASB issued Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Pension Plans* in December of 2015. This Statement establishes recognition, measurement and reporting requirements for certain multiple-employer plans. The Statement has been adopted by the City as of December 31, 2016 with no impact on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Policies - New Accounting Pronouncements (Continued)

6. The GASB issued Statement No. 79 – *Certain External Investment Pools and Pool Participants* in December 2015 This Statement establishes criteria for an external investment pool to measure its investments at amortized cost. The Statement has been adopted by the City as of December 31, 2016, with no impact on the financial statements.

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

1. Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* will be adopted as a part of the City's financial statements as of December 31, 2017.

2. Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* will be adopted as a part of the City's financial statements as of December 31, 2018. This will result in the inclusion in the City's statement of net position the total OPEB obligation.

3. Statement No. 80 – *Blending Requirements for Certain Component Units* – an amendment of GASB Statement No. 14 will be adopted as a part of the City's financial statements as of December 31, 2017.

4. Statement No. 81 – *Irrevocable Split-Interest Agreements* – will be adopted as a part of the City's financial statements as of December 31, 2017.

5. Statement No. 82 – *Pension Issues* – an amendment of GASB No. 67, No. 68, and No. 73 will be adopted as a part of the City's financial statements as of December 31, 2017.

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

7. Statement No. 84 – *Fiduciary Activities* – will be adopted as part of the City's financial statements as of December 31, 2019.

8. Statement No. 85 – *Omnibus 2017* – will be adopted as part of the City's financial statements as of December 31, 2018.

9. Statement No. 86 – *Certain Debt Extinguishment Issues* – will be adopted as part of the City's financial statements as of December 31, 2018.

10. Statement No. 87 – *Leases* – will be adopted as part of the City's financial statements as of December 31, 2020.

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	$ 85,429,002
Bond Premium	1,754,675
Compensated Absences	1,993,667
Accrued Interest Payable	301,534
Landfill Postclosure Liability	140,046
Combined Adjustment for Long-Term Liabilities	$ 89,618,924

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 all funds in accordance with Wisconsin Statute Section 65.90. The capital projects fund adopts a five year capital improvement plan annually.

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 $779,156. Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were $1,140,527. Expenditures are monitored by management at the department level for all funds.

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:

	Carrying Value	Bank Balance
Petty Cash	$ 15,500	$ -
Deposits:		
Demand Deposits	53,877,560	55,058,674
Certificates of Deposit	9,134,368	9,144,038
Total Deposits	63,011,928	64,202,712
Investments:		
U.S. Agency Securities	11,811,942	11,811,942
Municipal Securities	12,766,745	12,766,745
Corporate Securities	499,411	499,411
Bankers Acceptances	4,367,053	4,367,053
Investment Pools:		
Local Government Investment Pool (LGIP)	32,381,427	32,381,427
Total Investments	61,826,578	61,826,578
Total Cash and Investments	$124,854,006	$126,029,290

Reconciliation to the Statement of Net Position:	
Unrestricted Cash and Investments	$ 58,646,625
Restricted Cash and Investments	2,517,842
Designated Cash and Investments	4,640,716
Fiduciary Funds:	
Private Purpose Trust Funds	208,787
Agency Funds	58,840,036
Total Cash and Investments	$124,854,006

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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, 2016, 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.

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, 2016, $6,715,284 of the City's bank balance of $64,202,712 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, 2016, $20,649,575 of the City's investment balance of $61,826,579 was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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, 2016 the City is exposed to credit risk with investments in the following:

Investment Type	Fair Value	Moody's Rating
Local Government Investment Pool	$ 32,381,427	Unrated
U.S. Agency Securities	11,811,942	AAA
Municipal Securities	508,738	AAA
Municipal Securities	8,063,151	AA
Municipal Securities	1,408,470	A
Municipal Securities	2,786,386	Unrated
Corporate Securities	499,411	AA
Bankers Acceptances	4,367,053	Unrated
Total Fair Value of Investments Subject to Credit Risk	$ 61,826,578	

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, 2016 the City's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
U.S. Agency Securities	$ 11,811,942	19.7
Municipal Securities	12,766,745	28.1
Local Government Investment Pool	32,381,427	2.0
Corporate Securities	499,411	13.5
Bankers Acceptances	4,367,053	9.2
Total Fair Value of Investments Subject to Credit Risk	$ 61,826,578	

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Concentration of Credit Risk

As of December 31, 2016, 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.

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	$ 11,811,942	$ -	$ 11,811,942	$ -
Municipal Securities	12,766,745	-	12,766,745	-
Local Government Investment Pool	32,381,427	-	32,381,427	-
Corporate Securities	499,411	499,411	-	-
Bankers Acceptances	4,367,053	-	4,367,053	-
Total Fair Value of Investments	$ 61,826,578	$ 499,411	$ 61,327,167	$ -

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2016, an allowance for uncollectible accounts has been established for ambulance billings of $357,844.

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

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

C. Deferred Inflows

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

	Unavailable	Tax Levy	Total
Property Taxes Receivable	$ -	$ 45,479,477	$ 45,479,477
Special Assessments	675,366	-	675,366
Other Accounts Receivable	429,935	-	429,935
Total	$ 1,105,301	$ 45,479,477	$ 46,584,778

D. Restricted Assets

Following is a list of restricted assets at December 31, 2016:

Business-Type Activities:	
Cash and Investments:	
Special Redemption Funds:	
Bond Reserve Fund	$ 1,346,299
Bond Principal and Interest Fund	1,171,543
Total Business-Type Activities	$ 2,517,842

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	$ 24,027,491	$ 296,718	$ -	$ 24,324,209
Construction in Progress	765,534	45,307	11,554	799,287
Total Capital Assets not Being Depreciated	24,793,025	342,025	11,554	25,123,496
Capital Assets Being Depreciated:				
Buildings	25,249,947	114,628	-	25,364,575
Improvements	6,891,554	462,925	-	7,354,479
Machinery and Equipment	20,448,293	2,563,389	921,030	22,090,652
Infrastructure	85,103,017	11,623,378	1,778,549	94,947,846
Total Capital Assets Being Depreciated	137,692,811	14,764,320	2,699,579	149,757,552
Less: Accumulated Depreciation for:				
Buildings	11,815,907	554,928	-	12,370,835
Improvements	2,016,754	378,621	-	2,395,375
Machinery and Equipment	13,072,597	1,499,542	849,698	13,722,441
Infrastructure	36,126,850	3,281,015	1,778,549	37,629,316
Total Accumulated Depreciation	63,032,108	5,714,106	2,628,247	66,117,967
Capital Assets Being Depreciated, Net of Depreciation	74,660,703	9,050,214	71,332	83,639,585
Total Capital Assets, Net of Depreciation	$ 99,453,728	$ 9,392,239	$ 82,886	$ 108,763,081

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 50,088
Protection of Persons and Property	801,449
Health and Sanitation	9,843
Highway and Transportation, Which Includes the Depreciation of Infrastructure	3,299,621
Education and Recreation	574,182
Depreciation Expense-Allocated With Internal Service Fund	978,923
Total Governmental Activities Depreciation Expense	$ 5,714,106

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	576,467	2,384,650	1,405,680	1,555,437
Total Capital Assets not Being Depreciated	657,872	2,384,650	1,405,680	1,636,842
Capital Assets Being Depreciated:				
Buildings	789,794	-	-	789,794
Machinery and Equipment	3,070,886	-	-	3,070,886
Improvements Other Than Buildings	181,957,087	4,804,295	373,446	186,387,936
Total Capital Assets Being Depreciated	185,817,767	4,804,295	373,446	190,248,616
Less: Accumulated Depreciation for:				
Buildings	580,187	25,164	-	605,351
Machinery and Equipment	2,324,989	129,429	-	2,454,418
Improvements Other Than Buildings	44,863,895	2,606,639	410,328	47,060,206
Total Accumulated Depreciation	47,769,071	2,761,232	410,328	50,119,975
Capital Assets Being Depreciated, Net of Depreciation	138,048,696	2,043,063	(36,882)	140,128,641
Total Capital Assets, Net of Depreciation	$ 138,706,568	$ 4,427,713	$ 1,368,798	$ 141,765,483

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility:	
Depreciation	$ 962,055
Depreciation Charged to Water Utility Operation and Maintenance Expenses	15,777
Depreciation Charged to Sanitary Sewer Expenses	61,259
	1,039,091
Sanitary Sewer	999,670
Storm Water Management	722,471
Total Business-Type Activities Depreciation Expense	$ 2,761,232

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	$ 1,084,919
General Fund	Special Assessments	102,214
General Fund	Community Development Block Grant	24,014
		1,211,147
Proprietary Funds:		
Sanitary Sewer	General Fund	365,541
Storm Water Management	General Fund	144,133
Water Utility	General Fund	522,140
Water Utility	Sanitary Sewer	35,794
		1,067,608
Total Interfund Receivables		$ 2,278,755

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

The General fund advanced $2,000,000 to the Special Revenue Fund - Tax Incremental District No. 7 in 2015. This advance earns interest at 5.25%. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2016 was $1,905,000.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Interfund Receivables/Payables and Transfers (Continued)

The following is a schedule of interfund transfers:

Transferred To	Transferred From	Amount
General Fund	Water Utility	$ 968,717
	Sanitary Sewer	19,038
		987,755
Debt Service Fund	General Fund	630,000
	Tax Increment Districts	1,787,394
	Nonmajor Governmental	395,223
		2,812,617
Capital Projects Fund - General Obligation Debt Issued	Tax Increment Districts	7,247,687
	General Fund	450,000
	Nonmajor Governmental	216,256
	Internal Service Funds	976,207
		8,890,150
Nonmajor Governmental Funds	General Fund	1,134,875
	Internal Service Funds	129,898
	Nonmajor Governmental Funds	1,710,073
		2,974,846
Internal Service Funds	General Fund	88,735
	Internal Service Funds	-
		88,735
		$ 15,754,103

Reconciliation of Transfers in/(out):	
Governmental Funds Transfers in	$ 15,665,368
Governmental Funds Transfers out	(13,660,243)
Internal Service Funds Transfers in	88,735
Internal Service Funds Transfers out	(1,106,105)
Governmental Fund Transfers in from Business-Type Activities	987,755
Capital Contributions Reported as Transfers on the Statement of Activities	(1,313,464)
Governmental Activities Transfers in (out) from Business-Type Activities	$ (325,709)

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, 2016 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	$ 62,229,659	$ 9,420,000	$ 5,217,078	$ 66,432,581	$ 6,133,886
Bond Premium	1,563,556	362,534	171,415	1,754,675	-
Total General Obligation Debt	63,793,214	9,782,534	5,388,493	68,187,256	6,133,886
Redevelopment Lease Revenue Bond	-	-	-	-	-
Municipal Revenue Obligation	16,961,637	2,362,596	327,812	18,996,421	-
Total Bonds and Notes Payable	80,754,851	12,145,130	5,716,305	87,183,677	6,133,886
Other Liabilities:					
Accrued Unused Vacation	2,104,987	2,418,964	2,436,179	2,087,772	2,077,622
Landfill Postclosure Liability	144,147	-	4,101	140,046	4,101
Total Other Liabilities	2,249,134	2,418,964	2,440,280	2,227,818	2,081,723
Total Governmental Activities Long-Term Liabilities	$ 83,003,985	$ 14,564,094	$ 8,156,585	$ 89,411,495	$ 8,215,609
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	$ 41,740,365	$ 5,770,000	$ 4,232,961	$ 43,277,404	$ 4,586,114
Revenue Bonds	12,825,000	4,225,000	650,000	16,400,000	900,000
Unamortized Bond Premium	468,190	314,187	73,287	709,090	-
Total Business-Type Activities Long-Term Liabilities	$ 55,033,555	$ 10,309,187	$ 4,956,248	$ 60,386,494	$ 5,486,114

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 12/31/16
Promissory Notes	04/01/06	12/01/15	3.625 - 4.000	$ 1,803,000	$ -
	05/01/08	12/01/17	3.000 - 3.500	1,906,000	307,000
	11/29/11	11/01/21	2.000 - 2.500	1,772,190	1,248,129
	08/21/12	06/01/22	0.350 - 2.250	6,675,000	4,675,000
	08/20/13	06/01/23	2.000 - 3.000	3,440,000	2,000,000
	12/02/14	12/01/24	1.000 - 3.000	7,430,000	6,140,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	4,575,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	6,150,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	18,750,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	7,250,000
	12/01/16	12/01/36	3.0-4.0	7,495,000	7,495,000
	12/06/16	12/01/31	3.0-4.0	1,925,000	1,925,000
					60,515,129
Refunding Bonds	08/03/10	03/01/24	3.000 - 4.000	7,933,387	5,073,988
	08/20/13	12/01/18	3.000	3,315,000	843,464
					5,917,452
Total General Obligation Debt					$ 66,432,581

Municipal Revenue Obligation

On August 15, 2007 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. 5 project costs as described in the project plan. The Developer completed eligible costs of $1,800,000 and became eligible for repayment in 2009. 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. 5. The outstanding balance as of December 31, 2016 was $227,614.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

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, 2016 was $4,500,000.

On December 15, 2015 the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 8, project costs as described in the project plan. The Developer completed eligible costs in 2015 of $1,500,000 and became eligible for repayment beginning in 2016. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 8. The outstanding balance as of December 31, 2016 was $1,485,712.

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, 2016 was $1,994,000.

On January 20, 2015 the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 10, project costs as described in the project plan. The Developer completed eligible costs in 2015 of $4,500,000 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 10. The outstanding balance as of December 31, 2016 was $4,500,000.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

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, 2016 was $3,926,500.

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 became 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, 2016 was $1,438,269.

On September 27, 2016 the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11, project costs as described in the project plan. The Developer completed eligible costs in 2016 of $924,327 and became 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, 2016 was $924,327.

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 12/31/16
WATER						
Waterworks System						
Revenue Bonds:						
Series 2010	10/25/10	3.000 - 4.000%	1/1/11-29	1/1&7/1	$ 7,750,000	$ 6,425,000
Series 2011	11/29/11	2.000 - 3.000	1/1/13-22	1/1&7/1	2,400,000	1,550,000
Series 2013	11/19/13	1.750 - 4.125	1/1/15-34	1/1&7/1	4,575,000	4,200,000
Series 2016	06/21/16	2.00-3.50%	1/1/17-36	1/1&7/1	4,225,000	4,225,000
						16,400,000
General Obligation Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	360,359	230,502
Total Water Utility						16,630,502
SANITARY SEWER						
Promissory Notes:						
Series 2008	05/01/08	3.000 - 3.500	12/1/09-17	6/1&12/1	1,141,000	184,000
Series 2011	11/29/11	2.000 - 2.500	11/1/12-21	5/1&11/1	3,560,487	2,506,583
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	1,825,000	1,275,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	2,250,000	1,775,000
Series 2013	08/20/13	3.000	12/1/14-18	6/1&12/1	660,340	262,244
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	7,700,000	7,450,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	2,750,000	2,425,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	4,075,000	3,575,000
Series 2016	12/01/16	3.0-4.0	12/1/17-35	6/1&12/1	1,770,000	1,770,000
						21,222,827
General Obligation Refunding Bonds	08/03/10	1.75 - 5.0	3/1/11-24	3/1&9/1	59,409	38,001
Total Sanitary Sewer						21,260,828

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 12/31/16
STORM WATER MAINTENANCE						
Promissory Notes:						
Series 2008	05/01/08	3.000 - 3.500	12/1/09-17	6/1&12/1	$ 3,153,000	$ 508,500
Series 2011	11/29/11	2.000 - 2.500	11/1/12-21	5/1&11/1	7,167,323	5,046,555
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	3,900,000	3,100,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	560,000	400,000
Series 2013	08/20/13	3.000	12/1/14-18	6/1&12/1	528,380	209,073
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	1,775,000	1,550,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	6,190,000	5,160,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	1,775,000	1,750,000
Series 2016	12/01/16	3.0-4.0	12/1/17-35	6/1&12/1	4,000,000	4,000,000
						21,724,128
General Obligation Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	96,845	61,946
Total Storm Water Maintenance						21,786,074
Total Business-Type Activities Debt						$ 59,677,404

The Water Utility has $16,400,000 in Waterworks System Revenue Bonds related to Water Uility capital projects outstanding at December 31, 2016. 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 $7,923,523. Net revenue available for debt service was $2,391,549 which represents a coverage ratio of 1.78 of debt service for the year ended December 31, 2016,

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.

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
2017	$ 6,133,886	$ 1,876,517	$ 5,486,114	$ 1,729,872
2018	5,627,534	1,732,730	5,237,450	1,599,645
2019	5,845,363	1,589,381	5,254,661	1,475,886
2020	5,568,835	1,451,653	5,331,190	1,340,644
2021	5,765,875	1,306,057	5,644,152	1,204,356
2022-2026	25,021,303	4,074,386	19,273,837	3,955,879
2027-2031	8,960,000	1,323,950	8,825,000	1,734,907
2032-2036	3,509,785	313,422	4,625,000	351,372
Totals	$ 66,432,581	$ 13,668,096	$ 59,677,404	$ 13,392,561

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, 2016, was $284,963,615. Total general obligation debt outstanding at year end was $109,709,985.

Landfill Postclosure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site after closure. Future landfill maintenance and monitoring costs are estimated to be a total of $140,046 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.

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, 2016 includes the following:

Governmental Activities

Net Investment in Capital Assets:	
Nondepreciated	$ 25,123,496
Depreciated	83,639,585
Less: Related Debt Excluding Unspent Bond Proceeds	(45,268,026)
Total Net Investment in Capital Assets	63,495,055
Restricted for Debt Service	1,830,471
Unrestricted	(8,131,737)
Total Governmental Activities Net Position	$ 57,193,789

Business-Type Activities

Net Investment in Capital Assets:	
Land	$ 81,405
Construction in Progress	1,555,437
Other Capital Assets, Net of Accumulated Depreciation	140,128,641
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	(54,699,978)
Total Net Investment in Capital Assets	87,065,505
Restricted for Debt Service	2,242,818
Unrestricted	11,193,033
Total Business-Type Activities Net Position	$ 100,501,356

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, 2016 include the following:

Nonspendable:	
Major Funds:	
General Fund:	
Prepayments and Inventories	$ 809
Noncurrent Receivables	2,520,499
	2,521,308
Capital Projects Fund - General Obligation Debt Issue Fund - Prepayments	499,985
Total Nonspendable Fund Balance	3,021,293
Restricted:	
Major Funds:	
Special Revenue Fund - Tax Incremental District - Debt Service	2,188,920
Debt Service Fund	2,138,787
Capital Projects Fund - General Obligation Debt Issue Fund	625,954
Nonmajor Funds:	
Community Development Block Grant Fund	73
Community Development Fund	642,088
Total Restricted Fund Balance	5,595,822
Assigned:	
Major Funds:	
General Fund:	
Subsequent Year's Expenditures	1,140,527
Capital Improvements	1,202,572
Parks	3,442
	2,346,541
Capital Projects Fund - General Obligation Debt Issue Fund	3,840,965
Nonmajor Funds:	
Special Revenue Fund - Parks Fund	994,329
Special Revenue Fund - Library Fund	174,504
Special Revenue Fund - Redevelopment Authority Reserve Fund	1,447,430
Special Revenue Fund - Community Development Fund	713,385
Capital Projects Fund - Information Systems Equipment	368,022
Capital Projects Fund - Information Fleet Equipment	1,192,527
Capital Projects Fund - Public Works Building Improvement Reserve Fund	56,165
Total Assigned Fund Balance	11,133,868
Unassigned:	
Major Funds - General Fund	17,567,603
Total Governmental Fund Balance	$ 37,318,586

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Net Position / Fund Balances (Continued)

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

NOTE 5 OTHER INFORMATION

A. Defined Benefit Pension Plan

General Information About the Plan

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

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

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

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

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information About the Plan (Continued)

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3.0%
2007	3.0%	10.0%
2008	6.6%	0.0%
2009	-2.1%	-42.0%
2010	-1.3%	-22.0%
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%

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 $2,708,618 in contributions from the employer.

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information About the Plan (Continued)

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General (Including Teachers)	6.6%	6.6%
Executives and Elected Officials	6.6%	6.6%
Protective With Social Security	6.6%	9.4%
Protective Without Social Security	6.6%	13.2%

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

At December 31, 2016, the City reported a liability of $4,556,496 for its proportional share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the Authority's proportion was .28040302%, which was a decrease of .00287281% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of $5,559,083.

At December 31, 2016, 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	$ 770,830	$ 9,589,066
Changes in Assumptions	3,187,921	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	18,655,594	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	238,020	-
Employer Contributions Subsequent to the Measurement Date	2,749,892	-
Total	$ 25,602,257	$ 9,589,066

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

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

$2,749,892 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, 2017. 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:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	$ 5,937,136	$ 2,320,571
2018	5,937,136	2,320,571
2019	5,937,136	2,320,571
2020	4,936,134	2,320,571
2021	104,823	306,782

Actuarial assumptions. The total pension liability (asset) in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year smoothed value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation:	3.2%
Seniority\Merit:	0.2% - 5.5%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability (asset) for December 31, 2015 is based upon a roll-forward of the liability (asset) calculated from the December 31, 2014 actuarial valuation.

Long-term expected return on plan assets. *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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	27.0%	23.0%	7.6%	4.7%
International Equities	24.5%	22.0%	8.5%	5.6%
Fixed Income	27.5%	37.0%	4.4%	1.6%
Inflation Sensitive Assets	10.0%	20.0%	4.2%	1.4%
Real Estate	7.0%	7.0%	6.5%	3.6%
Private Equity/Debt	7.0%	7.0%	9.4%	6.5%
Multi-Asset	4.0%	4.0%	6.7%	3.8%
Total Core Fund	107.0%	120.0%	7.4%	4.5%
Variable Fund Asset Class				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0%	30.0%	8.5%	5.6%
Total Variable Fund	100.0%	100.0%	7.9%	5.0%

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

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

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend will always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
The City's Proportionate Share of the Net Pension Liability (Asset)	$ 31,959,341	$ 4,556,496	$ (16,845,617)

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

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, 2016. 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 1987, the City issued $1,990,827 taxable General Obligation Refunding Bonds to provide financing of the City's 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, 2016. CVMIC continues to pay dividends that are used to pay the City's insurance premiums.

Complete financial statements for the year ended December 31, 2015 for the CVMIC can be obtained from the CVMIC administrative office at 9898 W. Bluemound Road, Wauwatosa, WI 53226-4319.

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

Self-Insured General and Auto Liability (Continued)

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.

In 1988 the Village 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). CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

The CVMIC provides the City with $5,000,000 of liability coverage for losses over its self-insured retention level of $125,000 per occurrence with a $500,000 aggregate stop loss. The City's annual cost is the sum of its annual premium, claims incurred and applicable to the self-insured retention and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

At December 31, 2016, the Risk Management General Liability Fund had net position of $2,733,064 which includes the City's deposit in CVMIC of $1,184,453.

Changes in the claim liability amounts for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
Unpaid Claims - Beginning of Year	$ 309,561	$ 56,130
Current Year Claims and Changes in Estimates	(116,132)	254,972
Claim Payments Net of Recoveries	(78,170)	1,541
Unpaid Claims - End of Year	$ 271,599	$ 309,561

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

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 is 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 post employment 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 $915,688 reported in the employee insurance internal service funds at December 31, 2016, 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, 2016 and 2015 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2015	$ 850,223	$ 6,518,332	$ 6,553,801	$ 814,754
2016	814,754	7,048,039	6,947,105	915,688

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

Employee Health Insurance	$ 4,991,131
Other Post Employment Obligation	(23,541,555)
Total	$(18,550,424)

NOTE 5 OTHER INFORMATION (CONTINUED)

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 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.

Funding Policy

The contribution of plan members and the employer are established and may be amended by the City Common Council. The required contribution is based on pay-as-you-go financing. For 2016, City and plan members receiving benefits paid approximately $2,930,199 toward medical claims and administrative expenses for retirees. This represents 10.84% of total covered payroll for the year.

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan (pay-as-you-go basis), and the changes in the District's net OPEB obligation:

Annual Required Contribution (ARC)	$ 4,098,648
Interest on Net OPEB Obligation	684,565
Adjustment to ARC	(1,130,288)
Annual OPEB Cost	3,652,925
Contribution Made	(2,930,199)
Increase in Net OPEB Obligation	722,726
Net OPEB Obligation - Beginning of Year	22,818,829
Net OPEB Obligation - End of Year	$ 23,541,555

The City's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, 2015, and 2014 are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	$ 3,821,514	77.90%	$ 21,533,139
12/31/15	3,871,258	66.97%	22,818,829
12/31/16	3,652,925	80.22%	23,541,555

The multi-year trend information is located in the required supplementary information immediately following the notes to the financial statements.

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Funded Status and Funding Progress

The most recent actuarial valuation conducted by the City of Wauwatosa was as of December 31, 2016.

The actuarial accrued liability for benefits was $46,237,093 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $46,237,093. The covered payroll (annual payroll of active employees covered by the plan) was $27,035,769 and the ratio of the UAAL to the covered payroll was 171.02%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend amounts determined regarding the funded status of the plan and the annual required contributions of the Employer, and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The retiree healthcare valuation was based on the projected unit credit actuarial cost method. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The OPEB valuation uses an interest discount rate assumption of 3.00% based on the City's projected short-term investment rate of return. The healthcare cost trends rate is 5.4% initially, and reduced by decrements to the ultimate rate of 4.4% after 65 years.

The actuarial accrued liability for the benefits is amortized over an open period of 30 years using the level dollar method.

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Antenna Lease Agreements

The City has lease agreements with cellular phone companies to lease water towers as sites for cellular antennas. The initial term of the leases was five years with the right to extend the leases for four additional five-year terms. All agreements have been extended for five additional years. The City also has lease agreements with cellular phone companies to lease space from the parks building. Rental amounts are determined annually, and were approximately $64,868 in 2016. Rental income from rental of the water towers reported in other water revenues amounted to $245,502.

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

2017	$ 245,014
2018	255,958
2019	267,395
2020	279,347
2021	291,837
Thereafter	12,975,243
	$ 14,314,794

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, 2016 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.

The City is currently involved in property tax litigation with General Growth Properties, the owner of Mayfair Mall. The matter is titled as Mayfair Mall LLC v. City of Wauwatosa. The case involves a dispute in the taxable value of the City's largest taxpayer, Mayfair Mall, and involves a difference of opinion approximating $100,000,000. The matter is in its early stages, so no final decision is expected in the next twelve months. Management is comfortable that its position in this matter is well-supported and expects to defend the matter vigorously, however, the outcome of the matter cannot be predicted.

NOTE 5 OTHER INFORMATION (CONTINUED)

F. Tax Abatements

The City enters into property tax abatement agreements with developers under the provisions of Wisconsin Statutes 66.1105(3)(e) "Tax Increment Act." Under the provision, localities may grant property tax abatements of up to 50 percent 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.

For the fiscal year ended December 31, 2016, the City abated property taxes totaling $1,394,625 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- Tax Increment District #7 Developer Agreement – A property tax abatement to encourage and support the development of designated location from warehouse/industrial to regional specialty retail center. This development includes reusing some existing structures, constructing new retail space, and improving infrastructure to improve the economic impact of the area.

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

A. Plan Summaries

The City has seven Tax Incremental Districts. Tax Incremental District No. 5 was created on April 3, 2007 and has a dissolution date of January 1, 2034. 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.

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

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, 2016 was $1,905,000.

D. Long-term Debt

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

Calendar Year	Principal	Interest	Total
2017	$ 539,766	$ 355,785	$ 895,551
2018	568,458	342,739	911,197
2019	599,610	329,245	928,856
2020	624,610	315,005	939,615
2021	650,841	298,627	949,468
2022-2026	3,375,001	1,172,319	4,547,320
2027-2031	3,275,000	564,194	3,839,194
2032-2035	1,900,000	119,922	2,019,922
	$ 11,533,287	$ 3,497,836	$ 15,031,123

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

Calendar Year	Principal	Interest	Total
2017	$ 950,000	$ 355,888	$ 1,305,888
2018	1,025,000	336,075	1,361,075
2019	1,200,000	314,638	1,514,638
2020	1,250,000	289,575	1,539,575
2021	1,300,000	263,175	1,563,175
2022-2026	6,065,000	770,700	6,835,700
2027-2030	2,050,000	157,750	2,207,750
	$ 13,840,000	$ 2,487,800	$ 16,327,800

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

D. Long-term Debt (Continued)

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

Calendar Year	Principal	Interest	Total
2017	$ -	$ 10,563	$ 10,563
2018	25,000	10,563	35,563
2019	50,000	10,063	60,063
2020	50,000	9,063	59,063
2021	50,000	8,063	58,063
2022-2025	250,000	18,125	268,125
	$ 425,000	$ 66,438	$ 491,438

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

Calendar Year	Principal	Interest	Total
2017	$ -	$ 77,400	$ 77,400
2018	-	81,713	81,713
2019	-	81,713	81,713
2020	50,000	81,713	131,713
2021	50,000	79,713	129,713
2022-2026	275,000	371,515	646,515
2027 - 2031	310,000	326,102	636,102
2032-2036	1,610,000	193,501	1,803,501
	$ 2,295,000	$ 1,293,370	$ 3,588,370

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

E. Supplemental Information

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUWATOSA, WISCONSIN
SCHEDULES OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
RETIREE HEALTH AND LIFE INSURANCE
YEAR ENDED DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Unit Credit Actuary Method	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	-	$ 62,372,743	$ 62,372,743	0.00%	$ 26,256,123	237.56%
12/31/2014	-	47,952,213	47,952,213	0.00%	25,310,901	189.45%
12/31/2016	-	46,237,093	46,237,093	0.00%	27,035,769	171.02%

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, 2015	2014
City's proportion of the net pension liability (asset)	0.28040302%	0.28327583%
City's proportionate share of the net pension liability (asset)	$ 4,556,496	$ (6,958,029)
City's covered employee payroll	$ 29,108,607	$ 28,350,192
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	102.74%

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

	2016	2015
Contractually required contributions	$ 2,708,618	$ 2,718,895
Contributions in relation to the contractually required contributions	$ 2,708,618	$ 2,718,895
Contribution deficiency (excess)	$ -	$ -
City's covered - employee payroll	$ 29,711,934	$ 29,108,607
Contributions as a percentage of covered - employee payroll	9.12%	9.34%

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

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
TAXES				
General Property Taxes	$ 33,371,246	$ 33,371,246	$ 33,787,876	$ 416,630
Prior Year's Omitted Taxes	-	-	25,824	25,824
Hotel/Motel Room Tax	984,000	1,030,000.00	988,466	(41,534)
Payments in Lieu of Taxes	422,805	412,581.00	431,029	18,448
Interest on Taxes	100,000	100,000.00	69,634	(30,366)
Property Tax Chargebacks	-	-	94,449	94,449
Total Taxes	34,878,051	34,913,827	35,397,278	483,451
INTERGOVERNMENTAL				
State Shared Taxes	4,840,790	4,842,449	4,837,148	(5,301)
Federal Grants	210,988	212,749	229,678	16,929
State Grants	158,081	278,984	433,949	154,965
Total Intergovernmental	5,209,859	5,334,182	5,500,775	166,593
LICENSES AND PERMITS				
Licenses	274,885	281,540	289,160	7,620
Permits	1,088,070	1,856,617	1,896,199	39,582
Total Licenses and Permits	1,362,955	2,138,157	2,185,359	47,202
FINES, PENALTIES, AND FORFEITURES				
Court Penalties and Costs	600,000	550,000	515,039	(34,961)
Parking Violations	540,000	540,000	482,733	(57,267)
Other Penalties and Fees	75,000	75,000	88,349	13,349
Total Fines, Penalties, and Forfeitures	1,215,000	1,165,000	1,086,121	(78,879)
PUBLIC IMPROVEMENT REVENUES				
Special Assessments	21,100	19,600	10,827	(8,773)
Total Public Improvement Revenues				
PUBLIC CHARGES FOR SERVICES				
General Government	712,675	771,375	754,684	(16,691)
Public Safety	1,840,135	1,879,713	2,158,612	278,899
Health and Social Services	27,530	28,430	18,985	(9,445)
Streets and Related Facilities	54,650	59,650	129,510	69,860
Sanitation	83,900	104,900	119,038	14,138
Total Public Charges for Services	2,718,890	2,844,068	3,180,829	336,761
INTERGOVERNMENTAL CHARGES FOR SERVICES				
County:				
Paramedics	100,000	100,000	60,544	(39,456)
Fire Protection Service	1,335,043	1,335,043	1,327,754	(7,289)
Local Departments	180,508	166,682	165,182	(1,500)
Total Intergovernmental Charges for Services	1,615,551	1,601,725	1,553,480	(48,245)
COMMERCIAL REVENUES				
Interest	530,000	530,000	479,035	(50,965)
Rentals	10,000	10,000	24,116	14,116
Other Miscellaneous Revenue	126,890	126,060	206,993	80,933
Total Commercial Revenues	666,890	666,060	710,144	44,084
Total Revenues	$ 47,688,296	$ 48,682,619	$ 49,624,813	$ 942,194

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Common Council	$ 125,933	$ 126,796	$ 126,508	$ 288
Youth Commission	2,813	3,343	2,682	661
Historic Preservation Commission	1,020	10,920	22,858	(11,938)
Municipal Court	306,877	306,877	284,176	22,701
Mayor	142,265	143,151	146,909	(3,758)
Administrator	461,742	570,074	430,762	139,312
Clerk	437,363	442,683	444,999	(2,316)
Elections	319,359	350,520	243,813	106,707
Human Resources	641,974	691,056	719,300	(28,244)
Assessor	687,664	713,969	714,318	(349)
Finance	1,042,990	1,037,243	1,009,254	27,989
Attorney	1,066,734	1,174,410	1,293,006	(118,596)
City Planning	408,356	492,539	516,666	(24,127)
Senior Commission	3,167	3,167	1,493	1,674
Return of Property Taxes	-	-	129,804	(129,804)
Total General Government	5,648,257	6,066,748	6,086,548	(19,800)
PROTECTION OF PERSONS AND PROPERTY				
Police Department	15,125,988	15,036,137	14,986,455	49,682
Police Station	431,883	444,279	229,982	214,297
Police Reserves	13,100	13,100	10,942	2,158
Crossing Guards	245,640	254,942	262,391	(7,449)
Fire Department	12,875,599	13,219,312	13,326,070	(106,758)
Fire Equipment Reserve	29,500	29,500	60,037	(30,537)
Safety and Building	823,677	855,005	839,224	15,781
Sealer of Weights and Measures	12,000	12,000	12,000	-
Traffic Control and Regulation	470,230	470,230	423,642	46,588
Property Maintenance Program	109,463	122,236	124,498	(2,262)
Total Protection of Persons and Property	30,137,080	30,456,741	30,275,241	181,500
HEALTH AND SANITATION				
Solid Waste Management	2,097,698	2,095,314	2,069,186	26,128
Health Care Services	1,499,869	1,499,869	1,283,064	216,805
Total Health and Sanitation	3,597,567	3,595,183	3,352,250	242,933

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
HIGHWAY AND TRANSPORTATION				
Engineering	$ 1,041,371	$ 1,113,003	$ 789,832	$ 323,171
Public Works Operations Management	325,660	329,283	316,089	13,194
Roadway Maintenance	2,471,110	2,470,330	2,299,006	171,324
Electrical Services	979,681	984,681	917,535	67,146
Public Works Facilities Outside	87,067	96,864	183,204	(86,340)
Total Highway and Transportation	4,904,889	4,994,161	4,505,666	488,495
EDUCATION AND RECREATION				
Civic Celebration	47,866	47,866	56,044	(8,178)
Parks	-	30,000	22,773	7,227
Total Education and Recreation	47,866	77,866	78,817	(951)
CONSERVATION AND DEVELOPMENT				
Forestry	1,312,840	1,324,278	1,342,722	(18,444)
Economic Development	196,336	239,496	198,405	41,091
Total Conservation and Development	1,509,176	1,563,774	1,541,127	22,647
UNCLASSIFIED				
Visit Milwaukee	343,991	343,991	343,990	1
Write-Off of Uncollectible Receivables	20,000	20,000	19,512	488
Milwaukee Area Domestic Animal Control Commission	56,500	56,500	56,454	46
Unclassified Payroll	62,079	-	-	-
Other	87,373	21,470	-	21,470
Total Unclassified	569,943	441,961	419,956	22,005
CAPITAL OUTLAY				
Intergovernmental Expenditures	100,000	127,500	235,643	(108,143)
Total Expenditures	$ 46,514,778	$ 47,293,934	$ 46,495,248	$ 148,970

CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Special Revenue Funds						Capital Projects			
ASSETS	Special Assessments	Community Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	Total
Cash and Cash Equivalents	$ -	$ -	$ 994,329	$ 174,504	$ 1,447,430	$ 1,355,399	$ 368,022	$ 1,192,527	$ 56,165	$ 5,588,376
Taxes Receivable	133,225	-	-	-	-	-	-	-	-	133,225
Special Assessments Receivable:										
Due in Installments	673,666	-	-	-	-	-	-	-	-	673,666
Deferred	1,934	-	-	-	-	-	-	-	-	1,934
Other Accrued Receivables	-	43,580	-	-	-	86,024	-	-	-	129,604
Total Assets	$ 808,825	$ 43,580	$ 994,329	$ 174,504	$ 1,447,430	$ 1,441,423	$ 368,022	$ 1,192,527	$ 56,165	$ 6,526,805
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	$ 31,245	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,245
Due to Other Funds	102,214	24,014	-	-	-	-	-	-	-	126,228
Unearned Revenue	-	19,493	-	-	-	85,950	-	-	-	105,443
Total Liabilities	133,459	43,507	-	-	-	85,950	-	-	-	262,916
DEFERRED INFLOWS OF RESOURCES										
Subsequent Year Tax Levy	-	-	-	-	-	-	-	-	-	-
Special Assessments	675,366	-	-	-	-	-	-	-	-	675,366
Total Deferred Inflows	675,366	-	-	-	-	-	-	-	-	675,366
FUND BALANCES										
Restricted	-	73	-	-	-	642,088	-	-	-	642,161
Assigned	-	-	994,329	174,504	1,447,430	713,385	368,022	1,192,527	56,165	4,946,362
Total Fund Balances	-	73	994,329	174,504	1,447,430	1,355,473	368,022	1,192,527	56,165	5,588,523
Total Liabilities, Deferred Inflows, and Fund Balances	$ 808,825	$ 43,580	$ 994,329	$ 174,504	$ 1,447,430	$ 1,441,423	$ 368,022	$ 1,192,527	$ 56,165	$ 6,526,805

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds						Capital Projects			
	Special Assessments	Community Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	Totals
REVENUES										
Taxes	$ -	$ -	$ -	$ 2,402,693	$ -	$ -	$ 5,501	$ -	$ -	$ 2,408,194
Intergovernmental Revenues	-	1,031,942	-	-	-	692,422	-	-	-	1,724,364
Public Improvement Revenues	1,138,212	-	-	-	-	-	-	-	-	1,138,212
Public Charges for Services	-	-	366,433	376,569	-	-	-	-	-	743,002
Commercial Revenues	-	-	6,773	5,098	44,334	4,794	-	-	-	60,999
Total Revenues	1,138,212	1,031,942	373,206	2,784,360	44,334	697,216	5,501	-	-	6,074,771
EXPENDITURES										
Current:										
Education and Recreation	-	-	1,107,017	2,800,880	-	-	-	-	-	3,907,897
Conservation and Development	-	1,031,942	-	-	139,753	129,860	-	-	-	1,301,555
Operation and Maintenance	-	-	-	-	-	-	-	-	-	-
Debt Service:										-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	1,107,858	-	1,107,858
Total Expenditures	-	1,031,942	1,107,017	2,800,880	139,753	129,860	-	1,107,858	-	6,317,310
Excess of Revenues Over (Under) Expenditures	1,138,212	-	(733,811)	(16,520)	(95,419)	567,356	5,501	(1,107,858)	-	(242,539)
OTHER FINANCING SOURCES (USES)										
Premium on Debt	-	-	-	-	-	-	-	-	-	-
Debt Issuance	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	1,134,875	-	-	788,117	107,825	921,956	22,073	2,974,846
Transfers Out	(1,138,212)	-	(337,285)	-	(788,117)	-	-	(57,938)	-	(2,321,552)
NET CHANGE IN FUND BALANCES	-	-	63,779	(16,520)	(883,536)	1,355,473	113,326	(243,840)	22,073	410,755
Fund Balances - Beginning of Year	-	73	930,550	191,024	2,330,966	-	254,696	1,436,367	34,092	5,177,768
FUND BALANCES - END OF YEAR	$ -	$ 73	$ 994,329	$ 174,504	$ 1,447,430	$ 1,355,473	$ 368,022	$ 1,192,527	$ 56,165	$ 5,588,523

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND SPECIAL ASSESSMENTS FUND
YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public Improvement Revenues	$ -	$ -	$ 1,138,212	$ 1,138,212
Total Revenues	-	-	1,138,212	1,138,212
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(1,138,212)	(1,138,212)
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			$ -	

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental Revenues	$ 900,000	$ 900,000	$ 1,031,942	$ 131,942
Total Revenues	900,000	900,000	1,031,942	131,942
EXPENDITURES				
Conservation and Development	899,721	899,721	1,031,942	(132,221)
Total Expenditures	899,721	899,721	1,031,942	(132,221)
NET CHANGE IN FUND BALANCE	$ 279	$ 279	-	$ (279)
Fund Balance - Beginning of Year			73	
FUND BALANCE - END OF YEAR			$ 73	

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public Charges for Services	$ 235,000	$ 235,000	$ 366,433	$ 131,433
Commercial Revenues	85,750	85,750	6,773	(78,977)
Total Revenues	320,750	320,750	373,206	52,456
EXPENDITURES				
Education and Recreation	1,074,674	1,074,674	1,107,017	(32,343)
Capital Outlay	15,588	15,588	-	15,588
Total Expenditures	1,090,262	1,090,262	1,107,017	(16,755)
Excess of Revenues Over (Under) Expenditures	(769,512)	(769,512)	(733,811)	35,701
OTHER FINANCING SOURCES (USES)				
Transfers In	1,108,093	1,108,093	1,134,875	26,782
Transfers Out	(336,847)	(336,847)	(337,285)	(438)
NET CHANGE IN FUND BALANCE	$ 1,734	$ 1,734	63,779	$ 62,045
Fund Balance - Beginning of Year			930,550	
FUND BALANCE - END OF YEAR			$ 994,329	

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,481,432	$ 2,481,432	$ 2,402,693	$ (78,739)
Public Charges for Services	131,930	131,930	376,569	244,639
Commercial Revenues	241,457	241,457	5,098	(236,359)
Total Revenues	2,854,819	2,854,819	2,784,360	(70,459)
EXPENDITURES				
Education and Recreation	2,854,819	2,854,819	2,800,880	53,939
Total Expenditures	2,854,819	2,854,819	2,800,880	53,939
NET CHANGE IN FUND BALANCE	$ -	$ -	(16,520)	$ (16,520)
Fund Balance - Beginning of Year			191,024	
FUND BALANCE - END OF YEAR			$ 174,504	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 4,205,767	$ 4,205,767	$ 3,867,876	$ (337,891)
Commercial Revenues	96,924	96,924	50,579	(46,345)
Total Revenues	4,302,691	4,302,691	3,918,455	(384,236)
EXPENDITURES				
Debt Service				
Principal	3,883,542	3,883,542	5,217,085	(1,333,543)
Interest and Other Fiscal Charges	1,444,184	1,444,184	1,948,450	(504,266)
Total Expenditures	5,327,726	5,327,726	7,165,535	(1,837,809)
Excess of Revenues over Expenditures	(1,025,035)	(1,025,035)	(3,247,080)	(2,222,045)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,925,000	1,925,000
Premium on Long-Term Debt	-	-	294,002	294,002
Transfers In	1,025,035	1,025,035	2,812,617	1,787,582
NET CHANGE IN FUND BALANCE	$ -	$ -	1,784,539	$ 1,784,539
Fund Balance - Beginning of Year			354,248	
FUND BALANCE - END OF YEAR			$ 2,138,787	

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS
SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TOTAL
PROJECT COSTS								
Capital Expenditures	$ -	$ 1,852,002	$ 3,883,331	$ 109,307	$ (5,506)	$ 26,489	$ 1,330,825	$ 7,196,448
Administration	2,369	119,122	2,806	9,892	2,716	8,010	21,566	166,481
Interest and Fiscal Charges	-	470,283	473,013	-	10,562	-	-	953,858
Professional Services	-	-	-	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-
Developers Grants/Incentive	-	-	-	-	-	-	2,362,596	2,362,596
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-
Total Costs	2,369	2,441,407	4,359,150	119,199	7,772	34,499	3,714,987	10,679,383
PROJECT REVENUES								
Tax Increments	313,524	814,118	1,395,213	40,818	-	-	-	2,563,673
Investment Income	811	7,005	15,850	8,258	87	-	470	32,481
Premium on Long-Term Debt	-	-	-	-	-	-	68,532	68,532
Grants	-	-	-	-	-	-	-	-
Exempt Computer Aid	8,294	5,356	10,825	1,469	-	-	-	25,944
Developer Fees	-	-	10,000	-	-	-	-	10,000
Sale of Land	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Total Revenues	322,629	826,479	1,431,888	50,545	87	-	69,002	2,700,630
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2016	$ 320,260	$ (1,614,928)	$ (2,927,262)	$ (68,654)	$ (7,685)	$ (34,499)	$ (3,645,985)	$ (7,978,753)

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, 2016

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TOTAL
PROJECT COSTS								
Capital Expenditures	$ 13,135	$ 17,858,504	$ 14,790,096	$ 822,010	$ 414,249	$ 50,458	$ 1,440,563	$ 35,389,015
Administration	2,369	128,505	9,209	18,843	5,153	10,240	38,013	212,332
Interest and Fiscal Charges	-	989,444	642,960	-	10,562	-	-	1,642,966
Professional Services	-	-	-	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-
Developers Grants/Incentive	1,800,000	4,500,000	2,000,000	1,500,000	1,994,000	4,500,000	6,289,096	22,583,096
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-
Total Costs	1,815,504	23,476,453	17,442,265	2,340,853	2,423,964	4,560,698	7,767,672	59,827,409
PROJECT REVENUES								
Tax Increments	1,576,784	2,044,617	1,974,633	40,818	-	-	-	5,636,852
Investment Income	1,650	10,578	20,286	11,462	90	-	470	44,536
Premium on Long-Term Debt	-	263,126	173,736	-	10,147	-	68,532	
Grants	-	5,408,646	395,169	-	-	-	-	
Exempt Computer Aid	78,648	5,356	10,825	1,469	-	-	-	96,298
Developer Fees	5,000	33,803	25,000	-	10,000	10,000	20,000	103,803
Sale of Land	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	2,725,777	-	-	-	2,725,777
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Total Revenues	1,662,082	7,766,126	2,599,649	2,779,526	20,237	10,000	89,002	14,926,622
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2016	$ (153,422)	$ (15,710,327)	$ (14,842,616)	$ 438,673	$ (2,403,727)	$ (4,550,698)	$ (7,678,670)	$ (44,900,787)

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

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

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

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS
SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	Total
SOURCES OF FUNDS								
Tax Increments	$ 313,524	$ 814,118	$ 1,395,213	$ 40,818	$ -	$ -	$ -	$ 2,563,673
Investment Income	811	7,005	15,850	8,258	87	-	470	32,481
Long-Term Debt Issued	-	-	-	-	-	-	2,295,000	2,295,000
Premium on Long-Term Debt	-	-	-	-	-	-	68,532	68,532
Municipal Revenue Obligations	-	-	-	-	-	-	2,362,596	2,362,596
Grants	-	-	-	-	-	-	-	-
Exempt Computer Aid	8,294	5,356	10,825	1,469	-	-	-	25,944
Developer Fees	-	-	10,000	-	-	-	-	10,000
Sale of Land	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Sources	322,629	826,479	1,431,888	50,545	87	-	4,726,598	7,358,226
USES OF FUNDS								
Capital Expenditures	-	1,852,002	3,883,331	109,307	(5,506)	26,489	1,330,825	7,196,448
Administration	2,369	119,122	2,806	9,892	2,716	8,010	21,566	166,481
Interest on Long-Term Debt	-	470,283	473,013	-	10,562	-	-	953,858
Principal on Long-Term Debt	-	263,536	675,000	-	-	-	-	938,536
Principal on Municipal Revenue Obligation	313,524	-	-	14,288	-	-	-	327,812
Developers Grants/Incentive	-	-	-	-	-	-	2,362,596	2,362,596
Professional Services	-	-	-	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-
Total Uses	315,893	2,704,943	5,034,150	133,487	7,772	34,499	3,714,987	11,945,731
NET CHANGE IN FUND BALANCE	6,736	(1,878,464)	(3,602,262)	(82,942)	(7,685)	(34,499)	1,011,611	(4,587,505)
BEGINNING FUND BALANCE	67,455	2,201,423	2,599,646	2,007,327	22,958	(16,199)	(106,185)	6,776,425
ENDING FUND BALANCE	$ 74,191	$ 322,959	$ (1,002,616)	$ 1,924,385	$ 15,273	$ (50,698)	$ 905,426	$ 2,188,920

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, 2016

	TID NO. 5	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TOTAL
SOURCES OF FUNDS								
Tax Increments	$ 1,576,784	$ 2,044,617	$ 1,974,633	$ 40,818	$ -	$ -	$ -	$ 5,636,852
Investment Income	1,650	10,578	20,286	11,462	90	-	470	44,536
Long-Term Debt Issued	-	12,003,815	14,680,000	-	425,000	-	2,295,000	29,403,815
Municipal Revenue Obligations Issued	1,800,000	4,500,000	-	1,500,000	1,994,000	4,500,000	6,289,096	20,583,096
Premium on Long-Term Debt	-	263,126	173,736	-	10,147	-	68,532	515,541
Grants	-	5,408,646	395,169	-	-	-	-	5,803,815
Exempt Computer Aid	78,648	5,356	10,825	1,469	-	-	-	96,298
Developer Fees	5,000	33,803	25,000	-	10,000	10,000	20,000	103,803
Sale of Land	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	2,725,777	-	-	-	2,725,777
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Sources	3,462,082	24,269,941	17,279,649	4,279,526	2,439,237	4,510,000	8,673,098	64,913,533
USES OF FUNDS								
Capital Expenditures	13,135	17,858,504	14,790,096	822,010	414,249	50,458	1,440,563	35,389,015
Administration	2,369	128,505	9,209	18,843	5,153	10,240	38,013	212,332
Interest on Long-Term Debt	-	989,444	642,960	-	10,562	-	-	1,642,966
Principal on Long-Term Debt	-	470,529	840,000	-	-	-	-	1,310,529
Principal on Municipal Revenue Obligation	1,572,387	-	-	14,288	-	-	-	1,586,675
Developers Grants/Incentive	1,800,000	4,500,000	2,000,000	1,500,000	1,994,000	4,500,000	6,289,096	22,583,096
Professional Services	-	-	-	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-
Total Uses	3,387,891	23,946,982	18,282,265	2,355,141	2,423,964	4,560,698	7,767,672	62,724,613
NET CHANGE IN FUND BALANCE	74,191	322,959	(1,002,616)	1,924,385	15,273	(50,698)	905,426	2,188,920
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	$ 74,191	$ 322,959	$ (1,002,616)	$ 1,924,385	$ 15,273	$ (50,698)	$ 905,426	$ 2,188,920
RECONCILIATION OF RECOVERABLE COSTS								
Fund Balance	$ 74,191	$ 322,959	$ (1,002,616)	$ 1,924,385	$ 15,273	$ (50,698)	$ 905,426	$ 2,188,920
Principal Balance of Outstanding Long-Term Debt	-	(11,533,286)	(13,840,000)	-	(425,000)	-	(2,295,000)	(28,093,286)
Principal Balance of Municipal Revenue Obligation	(227,613)	(4,500,000)	-	(1,485,712)	(1,994,000)	(4,500,000)	(6,289,096)	(18,996,421)
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2016	$ (153,422)	$ (15,710,327)	$ (14,842,616)	$ 438,673	$ (2,403,727)	$ (4,550,698)	$ (7,678,670)	$ (44,900,787)

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 FUNDS – INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	Fleet Maintenance	Public Works Building	Risk Management: General Liability	Risk Management: Workers Compensation Insurance	Risk Management: Employee Dental Insurance	Risk Management: Employee Health Insurance	Information Systems	Municipal Building Complex	Total Internal Service Funds
CURRENT ASSETS									
Cash and Cash Equivalents	$ 393,029	$ 216,132	$ 1,820,210	$ 1,324,102	$ 149,943	$ 5,444,561	$ 983,291	$ 603,676	$ 10,934,944
Receivables, Net	8,806	12,822	-	40,000	272	50,452	-	-	112,352
Inventories	169,768	-	-	-	-	-	-	-	169,768
Total Current Assets	571,603	228,954	1,820,210	1,364,102	150,215	5,495,013	983,291	603,676	11,217,064
NONCURRENT ASSETS									
Deposit in Cities and Villages Mutual Insurance Company	-	-	1,184,453	-	-	-	-	-	1,184,453
Capital Assets:									
Land	-	22,617	-	-	-	-	-	-	22,617
Buildings	-	1,481,912	-	-	-	-	-	-	1,481,912
Machinery and Equipment	12,025,772	20,371	-	-	-	-	919,186	-	12,965,329
Construction in Progress	-	-	-	-	-	-	-	-	-
Less: Accumulated Depreciation	(8,585,680)	(1,290,967)	-	-	-	-	(554,054)	-	(10,430,701)
Total Capital Assets, Net	3,440,092	233,933	-	-	-	-	365,132	-	4,039,157
Total Assets	4,011,695	462,887	3,004,663	1,364,102	150,215	5,495,013	1,348,423	603,676	16,440,674
CURRENT LIABILITIES									
Accounts Payable	-	-	271,599	411,806	-	503,882	-	-	1,187,287
Accrued Liabilities	35,650	14,634	-	-	-	-	34,510	9,311	94,105
Total Current Liabilities	35,650	14,634	271,599	411,806	-	503,882	34,510	9,311	1,281,392
NONCURRENT LIABILITIES									
Accrued Net Other Postemployment Benefits Obligation	-	-	-	-	-	23,541,555	-	-	23,541,555
Total Liabilities	35,650	14,634	271,599	411,806	-	24,045,437	34,510	9,311	24,822,947
NET POSITION									
Net Investment in Capital Assets	3,440,092	233,933	-	-	-	-	365,132	-	4,039,157
Unrestricted	535,953	214,320	2,733,064	952,296	150,215	(18,550,424)	948,781	594,365	(12,421,430)
Total Net Position	$ 3,976,045	$ 448,253	$ 2,733,064	$ 952,296	$ 150,215	$ (18,550,424)	$ 1,313,913	$ 594,365	$ (8,382,273)

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016

			Risk Management						
	Fleet Maintenance	Public Works Building	General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance	Information Systems	Municipal Building Complex	Total Internal Service Funds
OPERATING REVENUES									
Charges for Services and Sales	$ 2,868,358	$ 531,253	$ 510,914	$ 744,818	$ 260,553	$ 8,261,968	$ 1,536,400	$ 961,109	$ 15,675,373
Other Operating Revenues	-	-	-	-	116,316	1,336,884	-	-	1,453,200
Total Operating Revenues	2,868,358	531,253	510,914	744,818	376,869	9,598,852	1,536,400	961,109	17,128,573
OPERATING EXPENSES									
Operation and Maintenance	2,064,256	486,884	248,798	554,170	366,337	9,219,410	1,233,817	747,149	14,920,821
Depreciation	868,757	13,481	-	-	-	-	96,685	-	978,923
Total Operating Expenses	2,933,013	500,365	248,798	554,170	366,337	9,219,410	1,330,502	747,149	15,899,744
Operating Income (Loss)	(64,655)	30,888	262,116	190,648	10,532	379,442	205,898	213,960	1,228,829
NONOPERATING REVENUES (EXPENSES)									
Dividend Income	-	-	54,361	-	-	-	-	-	54,361
Investment Income	-	-	299,238	4,783	536	20,365	-	-	324,922
Gain on Sale or Trade of Assets	85,333	-	-	-	-	-	-	-	85,333
Total Nonoperating Revenues (Expenses)	85,333	-	353,599	4,783	536	20,365	-	-	464,616
INCOME (LOSS) BEFORE TRANSFERS	20,678	30,888	615,715	195,431	11,068	399,807	205,898	213,960	1,693,445
CAPITAL CONTRIBUTIONS	1,118,585	16,575	-	-	-	-	11,682	-	1,146,842
TRANSFERS IN	-	-	88,735	-	-	-	-	-	88,735
TRANSFERS OUT	(921,956)	(22,073)	-	-	-	(54,251)	(107,825)	-	(1,106,105)
CHANGES IN NET POSITION	217,307	25,390	704,450	195,431	11,068	345,556	109,755	213,960	1,822,917
Net Position - Beginning of Year	3,758,738	422,863	2,028,614	756,865	139,147	(18,895,980)	1,204,158	380,405	(10,205,190)
NET POSITION - END OF YEAR	$ 3,976,045	$ 448,253	$ 2,733,064	$ 952,296	$ 150,215	$ (18,550,424)	$ 1,313,913	$ 594,365	$ (8,382,273)

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016

			Risk Management						
	Fleet Maintenance	Public Works Building	General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance	Information Systems	Municipal Building Complex	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers and Users	$ -	$ 531,253	$ -	$ -	$ 116,316	$ 1,336,884	$ -	$ -	$ 1,984,453
Receipts from Other Funds	2,871,743	(2,714)	510,914	704,818	260,281	8,211,516	1,536,400	961,109	15,054,067
Payments to Suppliers	(1,383,854)	(245,707)	(273,435)	(424,674)	(366,337)	(8,344,704)	(752,902)	(540,425)	(12,332,038)
Payments to Employees	(723,930)	(242,153)	(13,325)	(22,323)	-	(158,219)	(483,126)	(231,587)	(1,874,663)
Payments to Other Funds	-	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	763,959	40,679	224,154	257,821	10,260	1,045,477	300,372	189,097	2,831,819
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from Other Funds	-	-	88,735	-	-	-	-	-	88,735
Transfers to Other Funds	(921,956)	(22,073)	-	-	-	(54,251)	(107,825)	-	(1,106,105)
Net Cash Provided (Used) by Noncapital financing Activities	(921,956)	(22,073)	88,735	-	-	(54,251)	(107,825)	-	(1,017,370)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Proceeds from Sale of Property, Plant, and Equipment	146,293	-	-	-	-	-	-	-	146,293
Acquisition and Construction of Capital Assets	(32,352)	-	-	-	-	-	-	-	(32,352)
Disposal of Capital Assets	-	-	-	-	-	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	113,941	-	-	-	-	-	-	-	113,941
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends Received	-	-	62,185	4,783	536	20,365	-	-	87,869
Net Increase (Decrease) in Cash and Cash Equivalents	(44,056)	18,606	375,074	262,604	10,796	1,011,591	192,547	189,097	2,016,259
Cash and Cash Equivalents - Beginning of Year	437,085	197,526	1,445,136	1,061,498	139,147	4,432,970	790,744	414,579	8,918,685
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 393,029	$ 216,132	$ 1,820,210	$ 1,324,102	$ 149,943	$ 5,444,561	$ 983,291	$ 603,676	$ 10,934,944

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016

			Risk Management						
	Fleet Maintenance	Public Works Building	General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance	Information Systems	Municipal Building Complex	Total Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:									
Operating Income (Loss)	$ (64,655)	$ 30,888	$ 262,116	$ 190,648	$ 10,532	$ 379,442	$ 205,898	$ 213,960	$ 1,228,829
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:									
Depreciation Expense	868,757	13,481	-	-	-	-	96,685	-	978,923
(Increase) Decrease:									
Accounts Receivable - Other	3,385	(2,714)	-	(40,000)	(272)	(50,452)	-	-	(90,053)
Inventories	(42,167)	-	-	-	-	-	-	-	(42,167)
Accounts Payable	(1,292)	-	(37,962)	107,173	-	(6,239)	-	(20,620)	41,060
Accrued Liabilities	(69)	(976)	-	-	-	722,726	(2,211)	(4,243)	715,227
Total Adjustments	828,614	9,791	(37,962)	67,173	(272)	666,035	94,474	(24,863)	1,602,990
Net Cash Provided (Used) by Operating Activities	$ 763,959	$ 40,679	$ 224,154	$ 257,821	$ 10,260	$ 1,045,477	$ 300,372	$ 189,097	$ 2,831,819
Noncash Capital and Related Financing Activities:									
Capital Assets contributed by City of Wauwatosa	$ 1,118,585	$ 16,575	$ 16,575	$ -	$ -	$ -	$ -	$ -	$ 1,151,735

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Private Purpose Trust Funds					Agency Funds		
	Firemen's Special Endowment Fund	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Total	Special Deposits	Subsequent Year's Tax Roll Collections	Total
ASSETS								
Cash and Investments	$ 10,514	$ 6,943	$ 187,796	$ 3,534	$ 208,787	$ 181,170	$ 58,658,866	$ 58,840,036
Interest Receivable	-	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	34,706,070	34,706,070
Total Assets	10,514	6,943	187,796	3,534	208,787	$ 181,170	$ 93,364,936	$ 93,546,106
LIABILITIES								
Special Deposits	-	-	-	-	-	$ 181,170	$ -	$ 181,170
Due to Other Taxing Units	-	-	-	-	-	-	93,364,936	93,364,936
Total Liabilities	-	-	-	-	-	$ 181,170	$ 93,364,936	$ 93,546,106
NET POSITION - RESTRICTED	$ 10,514	$ 6,943	$ 187,796	$ 3,534	$ 208,787			

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Private Purpose Trust Funds				
	Firemen's Special Endowment Fund	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Total
ADDITIONS					
Contributions	$ -	$ 125	$ -	$ 3,399	$ 3,524
Investment Income	115	-	-	-	115
Total Additions	115	125	-	3,399	3,639
DEDUCTIONS	-	1,430	-	1,774	3,204
CHANGES IN NET ASSETS	115	(1,305)	-	1,625	435
Net Position - Beginning of Year	10,399	8,248	187,796	1,909	208,352
NET POSITION - END OF YEAR	$ 10,514	$ 6,943	$ 187,796	$ 3,534	$ 208,787

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2016

	12/31/2015	Additions	Deductions	12/31/2016
PROPERTY TAX AGENCY FUND				
ASSETS				
Cash and Investments	$ 61,426,158	$ 58,840,036	$ 61,426,158	$ 58,840,036
Taxes Receivable	29,078,338	34,706,070	29,078,338	34,706,070
Total Assets	$ 90,504,496	$ 93,546,106	$ 90,504,496	$ 93,546,106
LIABILITIES				
Special Deposits	$ 103,900	$ 181,170	$ 103,900	$ 181,170
Due to Other Taxing Jurisdictions	90,400,596	$ 93,364,936	90,400,596	93,364,936
Total Liabilities	$ 90,504,496	$ 93,546,106	$ 90,504,496	$ 93,546,106

STATISTICAL SECTION

STATISTICAL SECTION

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

FINANCIAL TRENDS – TABLES 1-4

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

REVENUE CAPACITY – TABLES 5-8

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

DEBT CAPACITY – TABLES 9-13

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

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 14-15

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

OPERATING INFORMATION – TABLES 16-18

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

City of Wauwatosa

Net Position By Component

For the fiscal years ended December 31, 2007 through 2016

		Fiscal Year			
		2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets (1)	$	63,495,055	66,023,354	57,512,246	64,419,399
Restricted		1,830,471	9,579,876	27,481,090	17,395,491
Unrestricted		(8,131,737)	(18,138,426)	(19,136,845)	(23,244,368)
Total governmental activities net position		57,193,789	57,464,804	65,856,491	58,570,522
Business-type activities:					
Net investment in capital assets	$	87,065,505	87,876,117	79,309,166	71,559,243
Restricted		2,242,818	2,007,667	621,020	440,543
Unrestricted		11,193,033	3,149,870	7,680,686	12,854,297
Total business-type activities net position		100,501,356	93,033,654	87,610,872	84,854,083
Primary government:					
Net investment in capital assets (2)	$	150,560,560	153,899,471	136,821,412	135,978,642
Restricted		4,073,289	11,587,543	28,102,110	17,836,034
Unrestricted (2)		3,061,296	(14,988,556)	(11,456,159)	(10,390,071)
Total primary government net position		157,695,145	150,498,458	153,467,363	143,424,605

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

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

Table 1

2012 (2)	2011	2010	2009	2008	2007
58,712,117	56,698,267	55,833,774	54,994,906	52,707,214	49,291,155
24,825,826	27,398,789	22,180,773	18,796,636	14,790,723	13,687,516
(18,849,361)	(20,138,732)	(11,643,367)	(10,865,485)	(7,168,151)	(5,214,359)
64,688,582	63,958,324	66,371,180	62,926,057	60,329,786	57,764,312
72,641,361	68,606,064	67,042,774	61,123,517	59,015,709	56,744,295
425,000	415,318	499,147	1,061,941	1,849,354	1,809,234
4,938,581	7,514,749	5,521,858	9,059,578	8,186,638	6,029,981
78,004,942	76,536,131	73,063,779	71,245,036	69,051,701	64,583,510
129,296,985	123,247,838	120,820,055	114,061,930	109,666,430	106,035,450
25,250,826	27,814,107	22,679,920	19,858,577	16,640,077	15,496,750
(11,854,287)	(10,567,490)	(4,065,016)	250,586	3,074,980	815,622
142,693,524	140,494,455	139,434,959	134,171,093	129,381,487	122,347,822

City of Wauwatosa

Changes In Net Position

For the fiscal years ended December 31, 2007 through 2016

(accrual basis of accounting)

		Fiscal Year			
		2016	2015	2014	2013
Expenses:					
Governmental activities:					
General government	$	6,197,443	5,598,808	6,859,099	5,232,823
Protection of persons and property		32,359,435	30,656,837	29,206,942	32,035,870
Health and sanitation		3,342,039	3,410,386	3,631,064	3,919,856
Highway and transportation		7,864,442	8,265,216	7,504,667	8,679,402
Education and recreation		4,577,202	4,213,631	4,237,835	4,816,367
Conservation and development		12,192,824	34,709,930	6,641,624	8,915,617
Unclassified		-	-	-	392,257
Interest and Fiscal Charges		1,971,394	1,614,875	1,979,079	1,891,502
Total gov't activities expenses		68,504,779	88,469,683	60,060,310	65,883,694
Business-type activities:					
Water utility	$	7,134,052	6,731,221	7,075,139	6,262,927
Redevelopment Authority		-	-	-	-
Sanitary Sewer		6,245,363	6,899,271	6,040,772	5,412,934
Storm Water Management		2,223,770	2,234,739	2,121,690	2,111,893
		15,603,185	15,865,231	15,237,601	13,787,754
Total primary government expenses	$	84,107,964	104,334,914	75,297,911	79,671,448
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	$	1,269,331	1,242,819	1,220,034	1,216,109
Protection of persons and property		4,997,841	4,809,301	4,150,664	4,261,916
Health and sanitation		153,304	144,120	191,998	191,010
Highway and transportation		435,494	213,159	249,716	256,095
Education and recreation		523,777	468,652	520,639	500,162
Conservation and development		86,305	84,084	47,144	40,593
Operating grants and contributions		4,275,608	3,521,416	3,503,698	4,122,070
Capital grants and contributions		9,056,914	4,802,639	4,528,057	4,552,526
Total governmental activities		20,798,574	15,286,190	14,411,950	15,140,481

Table 2

2012	2011	2010	2009	2008	2007
4,944,296	13,209,633	4,683,203	4,786,054	4,820,311	5,605,673
31,971,250	32,870,560	32,247,555	31,173,278	30,340,469	27,324,781
4,894,825	4,223,730	4,237,761	4,104,118	4,708,113	5,360,682
7,436,831	7,977,042	8,468,588	7,700,286	7,602,439	6,912,646
4,211,093	4,145,124	4,012,813	3,898,894	3,831,659	3,256,975
3,100,189	3,179,740	2,285,173	3,857,241	1,913,106	2,266,060
390,931	360,293	420,455	648,106	435,769	427,633
2,071,819	2,312,246	2,509,908	2,537,079	2,455,668	2,647,209
59,021,234	68,278,368	58,865,456	58,705,056	56,107,534	53,801,659
6,100,282	5,887,434	5,828,672	5,625,115	5,546,938	5,542,699
-	-	3,317	-	12,344	4,186
6,431,091	5,870,586	6,029,407	5,934,834	5,021,754	3,714,836
1,856,232	1,655,386	1,810,140	1,728,061	1,727,242	1,707,081
14,387,605	13,413,406	13,671,536	13,288,010	12,308,278	10,968,802
73,408,839	81,691,774	72,536,992	71,993,066	68,415,812	64,770,461
1,058,006	1,010,335	982,315	914,713	1,052,309	824,262
3,714,073	4,105,038	3,714,901	3,837,375	3,497,907	3,607,072
196,401	198,065	216,741	201,988	185,781	214,303
183,568	169,087	154,650	118,582	180,722	130,636
567,066	512,083	472,861	417,328	405,655	633,397
	24,916	25,751	33,605	14,382	35,592
	5,564,088	4,338,426	3,284,733	3,928,199	3,126,145
	2,669,078	2,687,568	3,827,135	4,359,808	4,684,465
5,719,114	14,252,690	12,593,213	12,635,459	13,624,763	13,255,872

City of Wauwatosa

Changes In Net Assets

For the fiscal years ended December 31, 2007 through 2016

(accrual basis of accounting)

		Fiscal Year			
		2016	2015	2014	2013
Business-type activities:					
Charges for services:					
Water utility	$	7,913,767	7,629,639	7,232,570	7,078,366
Redevelopment Authority		-	-	-	-
Sanitary Sewer		9,305,133	8,039,368	8,001,660	7,146,181
Storm Water Management		4,367,646	3,911,945	3,372,699	2,879,393
Operating Grants and Contributions		-	-	-	-
Capital grants and contributions		1,115,691	1,151,631	216,219	225,813
Total business-type activities		22,702,237	20,732,583	18,823,148	17,329,753
Total primary government	$	43,500,811	36,018,773	33,235,098	32,470,234
Net (Expense)/Revenue					
Governmental activities	$	(47,706,205)	(73,183,493)	(45,648,360)	(50,743,213)
Business-type activities		7,099,052	4,867,352	3,585,547	3,541,999
Total primary Government net (expense)/revenue	$	(40,607,153)	(68,316,141)	(42,062,813)	(47,201,214)
General Revenues and Other Changes in Net Assets:					
Governmental activities					
Taxes:					
Property taxes, levied for general purposes	$	36,285,018	35,328,571	34,522,989	34,255,378
Property taxes, levied for debt service		3,867,876	3,882,321	3,493,931	2,776,684
Property taxes, levied for TIF		2,563,673	6,269,468	7,736,036	6,678,903
Other taxes		1,514,953	1,552,948	1,875,735	1,474,509
Intergovernmental revenues not restricted to specific programs		2,925,602	3,569,706	3,392,712	2,617,256
Investment Income		603,777	558,497	1,047,731	104,428
Miscellaneous		-	-	-	-
Gain on sale of capital assets		-	-	26,572	-
Transfers		(325,709)	(7,593)	838,623	(3,282,005)
Total governmental activities		47,435,190	51,153,918	52,934,329	44,625,153

(continued)

2012	2011	2010	2009	2008	2007
6,688,096	6,646,997	6,268,519	6,334,242	6,387,918	6,513,857
-	-	-	3,328	-	40,320
6,564,362	6,407,642	6,373,824	5,663,700	5,653,414	4,658,173
2,366,304	2,364,806	2,384,661	2,410,239	1,810,003	2,000,205
-	-	-	-	-	-
581,927	511,431	49,669	378,068	2,022,978	64,315
16,200,689	15,930,876	15,076,673	14,789,577	15,874,313	13,276,870
21,919,803	30,183,566	27,669,886	27,425,036	29,499,076	26,532,742
(53,302,120)	(54,025,678)	(46,272,243)	(46,069,597)	(42,482,771)	(40,545,787)
1,813,084	2,517,470	1,405,137	1,501,567	3,566,035	2,308,068
(51,489,036)	(51,508,208)	(44,867,106)	(44,568,030)	(38,916,736)	(38,237,719)
34,395,125	34,155,124	33,577,938	33,607,934	32,731,385	31,941,799
2,160,000	2,400,000	2,250,000	1,920,000	1,775,000	2,125,000
5,725,282	5,958,764	6,287,764	5,766,889	4,510,048	3,978,988
1,494,813	5,693,842	1,457,467	1,254,858	1,399,482	1,187,410
2,631,507	3,049,643	4,314,271	4,831,001	2,620,623	2,422,741
1,073,904	1,266,017	1,786,277	1,887,512	2,829,099	3,651,881
-	-	-	-	-	-
74,449	-	410,965	42,771	84,934	22,637
	(910,568)	(367,316)	(645,097)	(731,608)	(91,742)
47,555,080	51,612,822	49,717,366	48,665,868	45,218,963	45,238,714

City of Wauwatosa

Changes In Net Assets

For the fiscal years ended December 31, 2007 through 2016

(accrual basis of accounting)

		Fiscal Year			
		2016	2015	2014	2013
General Revenues and Other Changes in Net Assets:					
Business-type activities					
Investment Income	$	42,941	12,068	9,865	25,137
Miscellaneous		-	-	-	-
Transfers		325,709	7,593	(838,623)	3,282,005
Total business-type activities		368,650	19,661	(828,758)	3,307,142
Total primary government	$	47,803,840	51,173,579	52,105,571	47,932,295
Change in Net Position					
Governmental activities	$	(271,015)	(22,029,575)	7,285,969	(6,118,060)
Business-type activities		7,467,702	4,887,013	2,756,789	6,849,141
Total primary government	$	7,196,687	(17,142,562)	10,042,758	731,081

(concluded)

2012	2011	2010	2009	2008	2007
41,857	44,314	46,290	46,671	170,548	277,583
-	-	-	-	-	-
(326,467)	910,568	367,316	645,097	731,608	91,742
(284,610)	954,882	413,606	691,768	902,156	369,325
47,270,470	52,567,704	50,130,972	49,357,636	46,121,119	45,608,039
(5,747,040)	(2,412,856)	3,445,123	2,596,271	2,736,192	4,692,927
1,528,474	3,472,352	1,818,743	2,193,335	4,468,191	2,677,393
(4,218,566)	1,059,496	5,263,866	4,789,606	7,204,383	7,370,320

City of Wauwatosa

Fund Balances, Governmental Funds

For the fiscal years ended December 31, 2007 through 2016

(modified accrual basis of accounting)

		Fiscal Year		
		2016	**2015**	**2014**
General Fund:				
Reserved	$	-	-	-
Unreserved			-	-
Nonspendable		2,521,308	2,071,864	5,608,760
Restricted		-	-	-
Committed		-	-	-
Assigned		2,346,541	1,978,281	2,284,846
Unassigned		17,567,603	16,571,597	12,032,385
Total general fund		22,435,452	20,621,742	19,925,991
All Other Governmental Funds:				
Reserved	$	-	-	-
Unreserved		-	-	-
Nonspendable		499,985	1,053,294	1,800
Restricted		5,595,822	12,617,348	27,811,038
Committed		-	-	-
Assigned		8,787,327	5,177,695	1,140,435
Unassigned		-	-	-
Total all other governmental funds		14,883,134	18,848,337	28,953,273
Total all governmental funds	$	37,318,586	39,470,079	48,879,264

Notes (1) GASB accounting standard changed so that after 2010, Fund Balance was no longer reported as Reserved or Unreserved.

Table 3

2013	2012	2011 (1)	2010	2009	2008	2007
-	-	-	1,814,809	1,546,856	1,581,084	8,679,723
-	-	-	16,624,027	16,589,302	16,390,848	8,150,675
5,621,848	334,387	348,886	-	-	-	-
-	-	-	-	-	-	-
242,849	500,000	982,506	-	-	-	-
2,302,959	2,351,424	1,400,393	-	-	-	-
10,898,577	15,839,656	16,928,646	-	-	-	-
19,066,233	19,025,467	19,660,431	18,438,836	18,136,158	17,971,932	16,830,398
-	-	-	975,000	975,000	975,000	975,000
-	-	-	26,089,860	29,976,196	22,239,754	20,376,722
59,629	2,059,629	13,139	-	-	-	-
17,596,944	24,885,738	30,401,900	-	-	-	-
-	-	-	-	-	-	-
997,713	1,470,697	1,255,163	-	-	-	-
-	-	-	-	-	-	-
18,654,286	28,416,064	31,670,202	27,064,860	30,951,196	23,214,754	21,351,722
37,720,519	47,441,531	51,330,633	45,503,696	49,087,354	41,186,686	38,182,120

City of Wauwatosa

Change in Fund Balances, Governmental Funds

For the fiscal years ended December 31, 2007 through 2016

		Fiscal Year		
		2016	2015	2014
Revenues:				
Taxes	$	44,237,021	47,003,285	47,232,813
Intergovernmental revenues		7,971,623	8,326,309	8,879,865
Licenses & permits		2,185,359	2,178,435	2,068,477
Penalties and forfeitures		1,086,121	1,031,435	994,421
Public improvement revenues		1,149,039	505,954	687,535
Public charges for services		3,923,831	3,715,345	3,263,154
Intergovernmental charges for services		1,553,480	1,581,449	1,596,756
Commercial revenues		1,608,196	2,058,879	1,362,185
Total revenues		63,714,670	66,401,091	66,085,206
Expenditures:				
Current				
General government	$	6,086,548	5,624,297	5,823,484
Protection of persons and property		30,275,241	28,998,448	28,361,225
Health and sanitation		3,352,250	3,413,231	3,627,241
Highway and transportation		4,505,666	4,562,105	4,920,058
Education and recreation		3,986,714	3,748,216	3,746,824
Conservation and development		11,446,539	34,275,579	6,322,366
Unclassified		419,956	407,231	383,261
Debt service				
Principal		5,544,897	26,504,637	8,137,991
Interest		2,053,450	1,852,409	2,014,970
Debt issuance expense			-	-
Capital Outlay		12,345,157	19,150,370	7,896,609
Total Governmental Fund Expenditures		80,016,418	128,536,523	71,234,029

Table 4

2013	2012	2011	2010	2009	2008	2007
45,185,474	43,775,220	48,207,730	43,675,616	42,656,274	40,524,683	39,377,016
9,137,594	6,764,477	8,382,093	8,593,458	8,346,790	8,567,342	7,160,003
1,719,500	1,371,438	1,482,632	1,135,721	1,104,681	1,140,206	1,351,915
1,080,323	1,024,231	1,015,512	1,120,205	1,093,594	977,022	925,052
405,240	466,471	526,828	684,410	1,088,206	769,365	724,677
3,790,087	3,483,608	3,688,378	3,473,280	3,055,245	2,962,299	2,888,172
1,568,660	1,475,747	1,610,098	1,595,644	1,763,668	1,562,790	1,699,302
527,909	1,487,329	1,680,596	1,914,743	2,132,804	3,191,646	4,711,875
63,414,787	59,848,521	66,593,867	62,193,077	61,241,262	59,695,353	58,838,012
4,785,158	4,607,161	13,103,386	4,401,405	4,542,169	4,555,979	5,590,029
29,143,209	29,282,911	30,104,871	28,766,507	28,876,223	28,419,544	27,297,865
3,741,837	3,950,891	4,103,163	4,058,902	3,989,204	4,598,362	5,398,979
5,383,042	4,809,421	5,449,165	5,402,913	5,167,097	5,219,087	4,770,220
4,166,067	3,689,289	3,629,583	3,584,513	3,591,437	3,555,635	3,143,836
7,556,660	2,993,522	3,389,417	2,980,363	3,981,671	2,936,635	2,272,273
392,257	390,931	360,293	420,455	648,106	435,769	427,633
8,054,402	11,518,306	5,359,445	4,634,380	3,939,768	3,476,076	10,861,201
2,230,080	2,086,725	2,379,499	2,870,692	2,452,794	2,445,805	2,643,916
-	-	-	-	-	-	-
17,318,171	9,357,602	4,089,973	9,472,649	11,281,959	6,437,889	3,146,717
82,770,883	72,686,759	71,968,795	66,592,779	68,470,428	62,080,781	65,552,669

City of Wauwatosa

Change in Fund Balances, Governmental Funds

For the fiscal years ended December 31, 2007 through 2016

		Fiscal Year			
		2016	2015	2014	2013
Excess of Revenues over (under) Expenditures	$	(16,301,748)	(62,135,432)	(5,148,823)	(19,356,096)
Other financing sources (uses)					
Long-term debt issued	$	11,782,596	49,045,500	14,170,000	7,446,280
Premium on long-term debt		362,534	960,273	149,888	308,530
Current refunding of long term debt		-	-	-	(2,707,520)
Proceeds from sale of capital assets		-	-	26,572	-
Transfers in		15,665,368	35,159,856	9,536,964	20,182,405
Transfers out		(13,660,243)	(32,439,382)	(7,575,856)	(18,302,131)
Total other financing sources (uses)		14,150,255	52,726,247	16,307,568	6,927,564
Net change in fund balance	$	(2,151,493)	(9,409,185)	11,158,745	(12,428,532)
Capitalized expenditures	$	10,526,555	15,855,043	6,775,678	9,753,817
Debt service as a percentage of non-capital expenditures		10.93%	25.17%	15.75%	14.09%

(concluded)

2012	2011	2010	2009	2008	2007
(12,838,238)	(5,374,928)	(4,399,702)	(7,229,166)	(2,385,428)	(6,714,657)
6,675,000	6,372,190	18,133,387	14,700,000	4,306,000	7,342,382
248,000	234,038				
-	-	(19,175,689)	-	-	-
74,449	-	425,482	42,771	79,787	2,637,347
15,023,200	12,483,444	11,890,805	7,912,142	7,827,888	15,401,771
(13,071,513)	(7,887,807)	(10,457,941)	(7,525,079)	(7,315,472)	(14,729,238)
8,949,136	11,201,865	816,044	15,129,834	4,898,203	10,652,262
(3,889,102)	5,826,937	(3,583,658)	7,900,668	2,512,775	3,937,605
5,854,961	2,339,212	7,549,893	10,976,034	6,073,284	2,498,031
20.36%	11.11%	12.71%	11.12%	10.57%	21.42%

City of Wauwatosa

Table 5

Assessed Value and Actual Value of Taxable Property

For the fiscal years ended December 31, 2007 through 2016

Tax Year	Budget Year	Residential	Commercial	Manufacturing	Personal Property	Total Taxable Assessed Value	Assessed Tax Rate
2016	2017	$ 3,257,800,100	$ 1,912,473,300	$ 127,268,600	$ 230,857,100	$ 5,528,399,100	$7.68
2015	2016	3,244,068,000	1,782,642,900	129,851,900	202,611,400	5,359,174,200	$7.62
2014	2015	3,231,530,000	1,700,414,000	132,990,100	203,486,800	5,268,420,900	$7.79
2013	2014	3,225,257,800	1,660,469,500	142,537,700	219,465,500	5,247,730,500	$7.69
2012	2013	3,557,809,100	1,532,562,600	150,624,700	236,029,380	5,477,025,780	$7.13
2011	2012	3,575,341,500	1,521,180,400	143,264,800	229,286,590	5,469,073,290	$7.00
2010	2011	3,583,232,400	1,570,482,500	147,382,000	239,912,490	5,541,009,390	$6.92
2009	2010	3,594,851,900	1,660,614,300	85,771,400	218,861,610	5,560,099,210	$6.79
2008	2009	3,598,965,200	1,659,249,900	92,603,100	226,997,540	5,577,815,740	$6.69
2007	2008	3,594,385,500	1,610,133,900	89,371,500	213,868,460	5,507,759,360	$6.52

Tax Year	Budget Year	Total Taxable Equalized Value Including TID	TID Equalized Value	Total Taxable Equalized Value Excluding TID	Ratio of Assessed To Equalized Value	Equalized Tax Rate
2016	2017	$ 5,699,272,300	$ 179,572,900	$ 5,519,699,400	96.97%	$7.45
2015	2016	5,543,348,500	107,658,000	5,435,690,500	96.69%	$7.37
2014	2015	5,350,627,100	259,371,200	5,091,255,900	98.62%	$7.67
2013	2014	4,932,992,500	291,872,700	4,641,119,800	106.40%	$8.18
2012	2013	4,963,918,700	254,193,700	4,709,725,000	110.27%	$7.86
2011	2012	5,243,279,500	238,446,400	5,004,833,100	104.23%	$7.30
2010	2011	5,462,436,300	256,166,500	5,206,269,800	101.57%	$7.02
2009	2010	5,610,122,800	285,385,200	5,324,737,600	99.02%	$6.73
2008	2009	5,645,219,200	272,675,300	5,372,543,900	97.91%	$6.61
2007	2008	5,772,851,800	225,101,600	5,547,750,200	96.42%	$6.22

City of Wauwatosa

Table 6

Direct and Overlapping Property Tax Rates

For the fiscal years ended December 31, 2007 through 2016

(Per $1,000 of Assessed Valuation)

	City Direct Rates					Overlapping Rates				
Fiscal Year	Base Rate	Debt Service	Library	Parks (1)	Total	Sewer District	County	School District	Technical College District	State of Wisconsin
2016	6.12	0.87	0.48	0.21	7.68	1.81	5.25	7.48	1.30	0.17
2015	6.14	0.80	0.47	0.21	7.62	1.80	5.31	7.11	1.30	0.18
2014	6.32	0.79	0.47	0.21	7.79	1.74	5.18	7.22	1.29	0.17
2013	6.31	0.71	0.48	0.19	7.69	1.60	4.82	7.47	2.00	0.16
2012	5.97	0.53	0.45	0.18	7.13	1.47	4.57	7.46	1.92	0.15
2011	6.00	0.41	0.42	0.17	7.00	1.45	4.52	6.91	1.87	0.16
2010	5.89	0.45	0.42	0.16	6.92	1.42	4.39	7.05	1.89	0.17
2009	5.78	0.43	0.41	0.17	6.79	1.33	4.19	6.74	1.93	0.17
2008	5.94	0.34	0.41	-	6.69	1.31	4.01	6.28	1.86	0.17
2007	5.80	0.33	0.39	-	6.52	1.34	4.08	6.05	1.86	0.18

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

City of Wauwatosa

Table 7

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value	2007 Taxable Assessed Value	2007 Rank	2007 Percentage of Total City Taxable Assessed Value
Mayfair Property Inc. (Mayfair Mall)	$ 446,271,200.00	1	8.07%	$ 287,340,510.00	1	5.22%
Burleigh Mayfair LLC (Mayfair Collection Retail Stores)	66,964,000.00	2	1.21%			
Bell Marquette I LLC (formerly, GE Healthcare)	57,867,200.00	3	1.05%	78,538,430.00	4	1.43%
Nordstrom Inc	42,109,600.00	4	0.76%			
H-D Capitol Drive LLC (formerly Harley Davidson Inc)	36,833,700.00	5	0.67%	78,984,600.00	3	1.43%
Briggs & Stratton Corp.	28,895,500.00	6	0.52%	25,783,600.00	5	0.47%
Meijer Stores Limited Partnership	27,645,500.00	7	0.50%			
J.C. Penney Properties Inc. (formerly J.C. Penney Company)	27,401,300.00	8	0.50%	23,227,370.00	8	0.42%
Innovation Partners LLC	25,899,100.00	9	0.47%	19,605,900.00	10	0.36%
North Mayfair 8	24,357,500.00	10	0.44%	25,740,000.00	6	0.47%
Wheaton Franciscan Services (formerly Covenant Healthcare)				84,992,020.00	2	1.54%
Bonstores Realty One LLC				25,660,600.00	7	0.47%
Chestnut Street Properties I LLC				20,483,100.00	9	0.37%
Total	$ 784,244,600		14.19%	670,356,130		12.17%

CHECK -

City of Wauwatosa

Table 8

Property Tax Levies and Collections

Current Year and Nine Years Ago

Tax Levy Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy: Amount	Collected Within the Fiscal Year of the Levy: Percentage of Levy	Collections In Subsequent Years	Total Collection to Date: Amount	Total Collection to Date: Percentage of Levy (1)
2016	41,106,546	17,392,872	42.31%	23,642,734	41,035,607	99.83%
2015	40,058,445	18,477,349	46.13%	21,550,248	40,027,597	99.92%
2014	39,050,136	17,838,102	45.68%	21,197,536	39,035,638	99.96%
2013	37,949,568	16,887,558	44.50%	21,035,815	37,923,373	99.93%
2012	37,030,421	17,519,851	47.31%	19,510,570	37,030,421	100.00%
2011	36,555,123	17,050,906	46.64%	19,504,217	36,555,123	100.00%
2010	36,555,123	15,773,225	43.15%	20,768,751	36,541,976	99.96%
2009	35,827,935	17,390,008	48.54%	18,416,546	35,806,554	99.94%
2008	35,527,935	14,048,332	39.54%	21,448,760	35,497,092	99.91%
2007	34,506,385	13,349,557	38.69%	21,137,517	34,487,073	99.94%

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

City of Wauwatosa

Table 9

Ratios of Net General Bonded Debt Outstanding

For the fiscal years ended December 31, 2007 through 2016

Fiscal Year	Total General Bonded Debt (1)		Ratio of Net General Bonded Debt to Equalized Value	Net General Bonded Debt Per Capita
2016	$ 111,464,660		1.96%	$ 2,363.54
2015	105,533,579		1.90%	2,247.93
2014	85,407,506		1.60%	1,826.27
2013	70,392,918		1.43%	1,507.02
2012	60,646,553		1.22%	1,309.30
2011	53,190,473		1.01%	1,146.84
2010	40,935,977		0.75%	882.32
2009	46,385,746	**(2)**	0.83%	1,012.79
2008	57,375,022		1.02%	1,250.55
2007	31,406,550		0.54%	683.79

Notes **(1)** Includes General Obligation Sewer and Storm Debt

(2) Includes Bond Anticipation Notes

City of Wauwatosa

Table 10

Ratios of Outstanding Debt by Type

For the fiscal years ended December 31, 2007 through 2016

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Debt (4)	Bond Premium	Redevelopment Lease Revenue Bond Debt	Municipal Revenue Obligations	Water Debt	Sanitary Sewer Debt	Storm Water Maintenance Debt	Total Primary Government	Percentage of Personal Income (1)	Per Capita
2016	$ 66,432,581	$ 1,754,675	$ -	$ 18,996,421	$ 16,630,502	$ 21,260,828	$ 21,786,074	$ 146,861,081	(2)	$ 3,114
2015	62,229,659	1,563,555	-	16,961,637	13,078,957	21,297,629	20,188,779	135,320,216	3.81%	2,882.40
2014	44,772,476	722,485	9,550,000	2,327,957	13,726,559	18,911,959	20,724,027	110,735,463	3.25%	2,367.86
2013	35,583,870	677,939	12,050,000	2,984,556	14,173,522	17,503,268	16,329,319	99,302,474	2.99%	2,126.16
2012	35,362,686	441,563	14,425,000	1,438,862	10,045,058	8,838,662	15,683,584	86,235,415	2.70%	1,861.73
2011	31,552,382	232,549	22,900,000	1,617,472	12,891,168	8,001,108	13,063,266	90,257,945	2.95%	1,946.05
2010	28,274,115	-	25,075,000	1,707,994	11,960,359	5,334,385	6,967,118	79,318,971	2.66%	1,709.61
2009	31,803,149 (3)	-	27,150,000	1,780,642	4,494,613	6,261,898	7,951,086	79,441,388	2.81%	1,734.53
2008	21,448,559	-	28,525,000	-	5,340,591	6,148,124	7,944,189	69,406,463	2.37%	1,512.78
2007	19,443,638	-	29,700,000	-	6,135,719	6,026,920	5,535,273	66,841,550	2.29%	1,455.29

Notes
(1) Calculated from per capita income times the estimated population for each relative date
(2) 2016 estimated per capita income not yet available from Wisconsin Department of Revenue
(3) Includes Bond Anticipation Notes
(4) Includes State Trust Fund debt where applicable

City of Wauwatosa

Table 11

Legal Debt Margin Information

For the fiscal years ended December 31, 2007 through 2016

Legalized Debt Margin Calculation for Fiscal Year 2016

Equalized valuation	$	5,699,272,300
Legal debt limit (5% of equalized valuation)		284,963,615
Less: Long-term debt		111,464,660
Legal debt margin	$	173,498,955

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	$ 284,963,615	277,167,425	267,531,355	$ 246,649,625	248,195,935	262,163,975	273,121,815	280,506,140	282,260,960	288,642,590
Total net debt applicable to limit	111,464,660	105,533,579	85,407,506	70,392,918	60,646,553	53,190,473	40,935,977	46,385,746	57,375,022	31,406,550
Legal Debt Margin	173,498,955	171,633,846	182,123,849	176,256,707	187,549,382	208,973,502	232,185,838	234,120,394	224,885,938	257,236,040
Total net debt applicable to limit as a percentage of debt limit	39.12%	38.08%	31.92%	28.54%	24.43%	20.29%	14.99%	16.54%	20.33%	10.88%

City of Wauwatosa

Table 12

Direct and Overlapping Governmental Activities Debt

As of December 31, 2016

Governmental Unit		Governmental Debt Outstanding		Percentage Applicable to City		Amount Applicable to City
City of Wauwatosa	$	87,183,677	1	100.00%	$	87,183,677
Milwaukee County		648,079,858		9.45%		61,243,547
Wauwatosa School District		-		100.00%		-
Milwaukee Metro Sewerage District		875,401,480		9.64%		84,388,703
Milwaukee Area Technical College District		105,945,000		7.61%		8,062,415
Total Overlapping		1,629,426,338				153,694,664
Total Direct and Overlapping Debt	$	1,716,610,015			$	240,878,341

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

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

City of Wauwatosa

Table 13

Revenue Bond Coverage - Water Utility

For the fiscal years ended December 31, 2007 through 2016

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	$ 7,923,520	$ 5,531,971	$ 2,391,549	$ 900,000	$ 438,068	$ 1,338,068	1.7873
2015	7,633,949	5,467,058	2,166,891	625,000	451,629	1,076,629	2.0127
2014	7,239,382	5,832,749	1,406,633	425,000	468,826	893,826	1.5737
2013	7,084,066	5,033,490	2,050,576	425,000	339,620	764,620	2.6818
2012	6,700,078	5,068,291	1,631,787	400,000	332,215	732,215	2.2286
2011	6,661,612	4,800,326	1,861,286	500,000	421,928	921,928	2.0189
2010	6,282,463	4,876,111	1,406,352	275,000	256,836	531,836	2.6443
2009	6,356,650	4,752,925	1,603,725	830,000	227,230	1,057,230	1.5169
2008	6,490,664	4,641,842	1,848,822	780,000	262,649	1,042,649	1.7732
2007	6,704,849	4,686,027	2,018,822	745,000	295,466	1,040,466	1.9403

City of Wauwatosa

Table 14

Demographic and Economic Statistics

For the fiscal years ended December 31, 2007 through 2016

Fiscal Year	Population	Total Personal Income (in millions)	Per Return Personal Income (1) City of Wauwatosa	Per Return Personal Income (1) Milwaukee County	Per Return Personal Income (1) State of Wisconsin	Unemployment Rates City of Wauwatosa	Unemployment Rates Milwaukee County	Unemployment Rates State of Wisconsin
2016	47,160	$ - (2)	$ - (2)	$ - (2)	$ - (2)	3.3%	4.6%	3.5%
2015	46,947	3,548	75,583	48,533	54,227	3.7%	5.8%	4.6%
2014	46,766	3,410	72,920	45,980	52,050	4.2%	6.9%	5.4%
2013	46,710	3,326	71,210	45,620	50,670	5.2%	8.4%	6.7%
2012	46,320	3,190	68,860	44,460	49,900	5.4%	8.6%	7.0%
2011	46,380	3,062	66,020	42,830	47,640	5.7%	9.3%	7.8%
2010	46,396	2,977	64,160	41,932	46,958	6.6%	9.6%	8.3%
2009	45,800	2,822	61,619	41,704	45,372	6.7%	9.6%	8.7%
2008	45,880	2,923	63,718	43,557	47,046	3.8%	5.7%	4.9%
2007	45,930	2,913	63,414	43,390	48,985	3.7%	5.7%	4.8%

Notes

(1) Per Return Personal Income Data from Wisconsin Department of Revenue, Wisconsin Municipal Income Per Return Report.

(2) 2016 estimated per return income not yet available from Wisconsin Department of Revenue

City of Wauwatosa

Table 15

Principal Employers

Current Year and Nine Years Ago

	2016			2007		
Employer	Number of Employees	Rank	Percentage (1) of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Milwaukee Regional Medical Center	15,000	1		10,600	1	
Briggs & Stratton Corp.	1,500	2		2,700	2	
Wauwatosa Unified School District	830	3		865	3	
Bell Marquette I LLC, (formerly, GE Medical Systems, Inc.)	671	4		700	5	
Harley Davidson Inc.	650	5		700	4	
Lutheran Home of the Aging, Inc.	515	6		450	9	
City of Wauwatosa	439	7		461	8	
UnitedHealth Care (formerly, Prime Care Health Plan)	365	8		549	7	
St. Camillus Health System	363	9				
Bostik Findley	270	10				
J.C. Penney Company				680	6	
Grede Foundries Liberty Div.				200	10	
Total	20,603		N/A	17,905		N/A

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

City of Wauwatosa

City Government Employees by Function/Program (1)

For the fiscal years ended December 31, 2007 through 2016

(full time equivalents)

Function/Program	2016	2015	2014 (2)
General Government			
Courts/City Clerk/Elections	8.18	8.25	8.77
Mayor/Administration	6.50	5.15	5.32
Human Resources	4.50	4.50	4.50
Information Systems	6.00	6.00	6.00
Finance	9.88	9.88	9.88
Assessor	5.80	5.57	5.57
Attorney	3.00	3.00	3.00
Public Safety			
Police Department	119.04	118.54	119.54
Fire Department	103.00	103.00	105.00
Public Works			
Operations	38.41	39.41	41.00
Engineering	19.92	20.42	18.92
Traffic Electrical Maint.	6.28	6.28	6.28
Parks/Forestry	21.22	19.30	19.14
Fleet Maintenance	9.00	9.00	9.00
Municipal Complex	3.00	3.00	3.00 (4)
Development	13.50	12.50	12.60 (3)
Planning			
Building			
Economic Development			
Health	13.36	12.63	12.86
Library	26.55	26.55	26.55
Water	21.38	20.38	20.38
TOTAL	438.52	433.36	437.31

Notes

(1) Elected Officials other than Mayor are not included.

(2) Is the budgeted Full-Time Equivalency Employment amounts for the year 2014.

(3) Planning, Building, and Economic Development were consolidated in 2012

(4) Municipal Complex previously included in Building.

Table 16

2013	2012	2011	2010	2009	2008	2007
8.32	8.15	8.30	8.30	8.80	8.80	8.80
5.32	5.21	5.21	5.21	4.76	4.41	4.28
4.50	4.50	4.50	4.50	4.50	4.50	4.50
5.60	5.60	5.60	5.60	5.60	5.60	5.60
9.56	9.83	10.80	10.80	11.10	11.40	11.40
5.57	5.57	5.57	5.64	5.50	5.50	5.50
3.00	3.00	3.00	3.00	3.00	3.00	3.00
119.39	121.51	121.54	123.43	123.16	122.16	120.16
106.00	106.00	109.00	109.00	112.00	115.00	115.00
42.44	39.94	41.77	41.77	41.77	41.77	43.77
16.92	16.92	16.70	17.70	19.65	17.65	17.65
6.37	6.37	6.98	6.98	6.98	7.01	7.76
19.14	19.14	19.30	19.40	20.40	20.40	20.40
9.44	9.44	9.98	9.98	9.98	9.98	9.78
3.00	3.00					
12.50	13.08					
		3.05	3.05	3.15	3.15	3.15
		12.13	12.13	12.13	12.01	12.01
		2.05	1.55	1.00	N/A	N/A
13.75	12.93	13.53	13.23	13.23	15.70	15.70
26.55	26.55	26.42	26.42	26.14	26.54	26.54
20.38	20.88	20.80	20.80	20.80	20.80	20.80
437.75	437.62	446.23	448.49	453.65	455.38	455.80

City of Wauwatosa

Operating Indicators by Function/Program

For the fiscal years ended December 31, 2007 through 2016

Function/Program	Fiscal Year 2016	2015		2014	2013
Public Safety:					
Police:					
Calls for service	37,715	36,012		35,945	31,807
Arrests	2,307	2,123		2,371	2,164
Index Crimes	1,990	1,768		1,686	1,776
Fire:					
EMS responses	4,290	4,607		4,481	4,470
Fire inspections **(1)**	2,972	2,972		3,846	5,148
Public Works:					
Paving (feet)	6,272	9,860		15,344	19,610
Solid waste	30,463	29,326		28,113	29,762
Recycling - single stream	5,184	4,820		4,625	5,669
Sewers cleaned (feet)	332,001	243,915		307,944	302,524
Asphalt patched (tons)	698	1,104		861	830
Crack filler used (gallons)	N/A	N/A		N/A	4,180
Trees Pruned	2,638	1,812		2,338	1,882
Library					
Circulation	813,169	810,671	**(2)**	799,300	837,105
User Visits	381,932	360,810	**(3)**	385,627	406,315
Water Utility					
Number of customers	15,507	15,514		15,515	15,513
Gallons sold (thousands)	1,372,928	1,372,700		1,325,223	1,390,683
Hydrants flushed	1,545	628		492	1,230
Health:					
Births	608	633		627	599
Health Referrals	1,089	1,391		1,459	1,059

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

(2) Starting in 2015 Library started providing electronic checkouts

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

Table 17

2012	2011	2010	2009	2008	2007
33,788	29,456	30,515	31,401	31,775	32,600
2,431	2,540	2,707	2,665	2,382	2,770
2,090	2,014	2,014	1,982	1,965	2,228
4,359	4,127	3,476	3,475	3,573	3,558
N/A	1,315	1,246	1,414	1,600	1,553
6,785	8,780	6,414	5,692	15,708	12,920
27,601	25,833	27,530	28,056	30,418	30,171
5,453	5,451	5,486	5,312	5,637	2,747
511,020	486,814	367,572	306,407	385,841	336,900
673	656	728	1,245	1,076	945
N/A	N/A	5,637	5,562	4,074	6,083
1,578	1,046	1,396	1,225	1,035	1,974
869,049	890,926	896,659	894,678	845,703	778,534
430,388	449,964	449,617	458,369	413,233	332,358
15,507	15,502	15,505	15,507	15,510	15,519
1,564,276	1,541,665	1,459,089	1,533,466	1,546,078	1,645,244
1,171	1,256	1,278	1,265	904	905
621	573	602	647	595	567
1,169	1,028	1,122	1,397	1,077	1,086

City of Wauwatosa

Capital Asset Statistics by Function/Program

For the fiscal years ended December 31, 2007 through 2016

Function/Program	Fiscal Year 2016	2015	2014	2013
Public Safety				
Fire stations	3	3	3	3
Fire apparatus	6	6	6	6
Ambulances	4	4	4	4
Public Works				
Streets (miles) **(1)**	159.39	159.39	159.46	159.59
Street signs	11800	11800	11800	11800
Street lights	6050	6050	6050	6050
Traffic signals (intersections) **(2)**	41	41	40	39
Parks and Recreation				
Number of parks	2	2	2	2
Acreage of parks	57.69	57.69	57.69	57.69
Water Utility				
Miles of water main	203.53	203.37	202.69	202.51
Number of hydrants	2197	2192	2166.00	2163
Storage capacity (millions of gallons)	10.2	10.2	10.20	10.2

Notes **(1)** Miles do not include: US 45, US 18, 5th 100, 5th 181, 5th 190, or County Parkways and Roadways in Medical Complex

(2) In the period up to 2011, two signalized intersections have been added, and one has been removed. The change shown from 2006 is net, as actual dates of intersection additions and removals are not known.

Table 18

2012	2011	2010	2009	2008	2007
3	3	3	3	3	3
6	7	7	7	7	7
4	6	6	6	6	6
158.61	158.56	158.56	158.56	158.78	158.85
11800	11800	11800	11800	11800	11800
6050	6050	6050	6050	6050	6050
39	39	39	39	39	39
2	2	2	2	2	2
57.69	57.69	57.69	57.69	57.69	57.69
200.67	200.11	198.88	198.38	198.15	198.14
2122	2119	2098	2093	2087	2087
10.2	10.2	10.2	10.2	10.2	10.2