

# **CITY OF WAUKESHA**

Waukesha, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

**CITY OF WAUKESHA, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of Waukesha  
Waukesha, 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 Waukesha, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Waukesha'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 over financial reporting relevant to the City of Waukesha's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Waukesha'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.

To the Common Council  
City of Waukesha

### ***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 Waukesha, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the City of Waukesha adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waukesha's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Common Council  
City of Waukesha

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2016 on our consideration of the City of Waukesha's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waukesha's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brad Kelly Virehow Bruse, CPA". The signature is written in a cursive style.

Milwaukee, Wisconsin  
July 18, 2016

## BASIC FINANCIAL STATEMENTS



**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Position**  
**As of December 31, 2015**

|   | Primary Government         |                                 | Totals                |
|---|----------------------------|---------------------------------|-----------------------|
|   | Governmental<br>Activities | Business-<br>type<br>Activities |                       |
| <b>ASSETS</b>                                     |                            |                                 |                       |
| Cash and investments                              | \$ 108,265,551             | \$ 30,676,727                   | \$ 138,942,278        |
| Receivables (net of allowance for uncollectibles) |                            |                                 |                       |
| Taxes   | 44,126,672                 | 88,661                          | 44,215,333            |
| Accounts  | 3,142,424                  | 7,608,206                       | 10,750,630            |
| Special assessments                               | 102,561                    | -                               | 102,561               |
| Accrued interest                                  | 77,002                     | -                               | 77,002                |
| Long-Term loans                                   | 3,240,926                  | -                               | 3,240,926             |
| Prepaid items and inventories                     | 649,809                    | 1,373,054                       | 2,022,863             |
| Other assets                                      | -                          | 2,473,605                       | 2,473,605             |
| Internal balances                                 | 2,336,947                  | (2,336,947)                     | -                     |
| Due from other governmental units                 | 11,786,160                 | -                               | 11,786,160            |
| Restricted Assets                                 |                            |                                 |                       |
| Cash and investments                              | 543,218                    | 5,855,698                       | 6,398,916             |
| Accrued interest                                  | -                          | 1,135                           | 1,135                 |
| Net pension asset                                 | 7,313,167                  | 806,852                         | 8,120,019             |
| Advances  | (1,639,837)                | 1,639,837                       | -                     |
| Capital Assets                                    |                            |                                 |                       |
| Land  | 31,191,331                 | 3,043,087                       | 34,234,418            |
| Construction in progress                          | 2,770,718                  | 43,477,171                      | 46,247,889            |
| Intangible asset - easements                      | 119,286                    | 184,896                         | 304,182               |
| Buildings   | 55,968,519                 | 250,816,330                     | 306,784,849           |
| Improvements other than buildings                 | 7,230,850                  | -                               | 7,230,850             |
| Machinery and equipment                           | 44,634,638                 | -                               | 44,634,638            |
| Infrastructure                                    | 193,507,390                | -                               | 193,507,390           |
| Less: Accumulated depreciation/amortization       | (171,135,058)              | (95,578,138)                    | (266,713,196)         |
| Total Assets                                      | 344,232,274                | 250,130,174                     | 594,362,448           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                            |                                 |                       |
| Deferred charge on refunding                      | 1,605,323                  | 554,065                         | 2,159,388             |
| Pension related amounts                           | 7,624,335                  | 824,545                         | 8,448,880             |
| Total Deferred Outflows of Resources              | 9,229,658                  | 1,378,610                       | 10,608,268            |
| <b>LIABILITIES</b>                                |                            |                                 |                       |
| Accounts payable and accrued expenses             | 7,066,126                  | 7,639,408                       | 14,705,534            |
| Due to other governmental units                   | 65,467,714                 | -                               | 65,467,714            |
| Deposits  | 470,121                    | 329,339                         | 799,460               |
| Noncurrent Liabilities                            |                            |                                 |                       |
| Due within one year                               | 13,400,472                 | 3,331,792                       | 16,732,264            |
| Due in more than one year                         | 113,138,172                | 81,377,149                      | 194,515,321           |
| Total Liabilities                                 | 199,542,605                | 92,677,688                      | 292,220,293           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                            |                                 |                       |
| Unearned revenues                                 | 67,853,953                 | 523,928                         | 68,377,881            |
| <b>NET POSITION</b>                               |                            |                                 |                       |
| Net Investment in Capital Assets                  | 93,904,645                 | 126,272,194                     | 220,176,839           |
| Restricted  |                            |                                 |                       |
| Debt service                                      | -                          | 565,837                         | 565,837               |
| Impact fees                                       | 96,082                     | -                               | 96,082                |
| TIF Districts                                     | 170,000                    | -                               | 170,000               |
| Confiscated property                              | 33,447                     | -                               | 33,447                |
| Grants  | 224,573                    | -                               | 224,573               |
| Loan programs                                     | 4,175,354                  | -                               | 4,175,354             |
| Trust donations                                   | 389,886                    | -                               | 389,886               |
| Library   | 38,974                     | -                               | 38,974                |
| Cemetery  | 2,069,961                  | -                               | 2,069,961             |
| Pensions  | 7,313,167                  | 806,852                         | 8,120,019             |
| Equipment replacement                             | -                          | 3,020,200                       | 3,020,200             |
| Unrestricted (deficit)                            | (22,350,715)               | 27,642,085                      | 5,291,370             |
| <b>TOTAL NET POSITION</b>                         | <b>\$ 86,065,374</b>       | <b>\$ 158,307,168</b>           | <b>\$ 244,372,542</b> |

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



**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

| <b>Functions/Programs</b>      | Primary Government    |                      |                                    |                                  |
|--------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
|                                | Expenses              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government</b>      |                       |                      |                                    |                                  |
| Governmental Activities        |                       |                      |                                    |                                  |
| General government             | \$ 9,948,278          | \$ 913,855           | \$ -                               | \$ 72,928                        |
| Public safety                  | 30,892,731            | 3,977,238            | 480,994                            | -                                |
| Public works                   | 18,028,962            | 1,522,940            | 3,100,871                          | 4,032,026                        |
| Sanitation                     | 2,785,521             | 9,066                | 411,667                            | -                                |
| Health and human services      | 191,014               | -                    | -                                  | -                                |
| Culture and recreation         | 9,515,399             | 1,916,042            | 1,182,832                          | -                                |
| Conservation and development   | 4,347,246             | 74,654               | 401,035                            | -                                |
| Interest and fiscal charges    | 3,711,994             | -                    | -                                  | -                                |
| Total Governmental Activities  | <u>79,421,145</u>     | <u>8,413,795</u>     | <u>5,577,399</u>                   | <u>4,104,954</u>                 |
| Business-type Activities       |                       |                      |                                    |                                  |
| Water Utility                  | 8,456,648             | 11,235,113           | -                                  | 1,341,700                        |
| Wastewater Utility             | 9,017,231             | 12,024,146           | 71,322                             | -                                |
| Transit System Utility         | 9,878,114             | 2,064,859            | 5,066,196                          | 3,418,207                        |
| Parking Utility                | 889,423               | 727,541              | -                                  | -                                |
| Cemetery                       | 645,165               | 357,690              | -                                  | -                                |
| Total Business-type Activities | <u>28,886,581</u>     | <u>26,409,349</u>    | <u>5,137,518</u>                   | <u>4,759,907</u>                 |
| Total Primary Government       | <u>\$ 108,307,726</u> | <u>\$ 34,823,144</u> | <u>\$ 10,714,917</u>               | <u>\$ 8,864,861</u>              |

|   |
|---|
| General Revenue   |
| Taxes   |
| Property taxes levied for general purposes                      |
| Property taxes levied for debt service                          |
| Property taxes levied for TIF                                   |
| Property taxes levied for capital assets                        |
| Franchise fees and other taxes                                  |
| Intergovernmental revenues not restricted for specific programs |
| Investment income   |
| Miscellaneous   |
| Transfers   |
| Total General Revenue and Transfers                             |
| Change in Net Position  |
| NET POSITION - Beginning of Year (As Restated)                  |
| NET POSITION - END OF YEAR                                      |

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

| Net (Expense) Revenues and Changes in Net Position |                          |                       |
|--|--------------------------|-----------------------|
| Primary Government                                 |                          |                       |
| Government Activities                              | Business-type Activities | Totals                |
| \$ (8,961,495)                                     | \$ -                     | \$ (8,961,495)        |
| (26,434,499)                                       | -                        | (26,434,499)          |
| (9,373,125)  | -                        | (9,373,125)           |
| (2,364,788)  | -                        | (2,364,788)           |
| (191,014)  | -                        | (191,014)             |
| (6,416,525)  | -                        | (6,416,525)           |
| (3,871,557)  | -                        | (3,871,557)           |
| (3,711,994)  | -                        | (3,711,994)           |
| <u>(61,324,997)</u>                                | <u>-</u>                 | <u>(61,324,997)</u>   |
| -  | 4,120,165                | 4,120,165             |
| -  | 3,078,237                | 3,078,237             |
| -  | 671,148                  | 671,148               |
| -  | (161,882)                | (161,882)             |
| -  | (287,475)                | (287,475)             |
| <u>-</u>   | <u>7,420,193</u>         | <u>7,420,193</u>      |
| <u>(61,324,997)</u>                                | <u>7,420,193</u>         | <u>(53,904,804)</u>   |
| 42,703,167   | 1,781,507                | 44,484,674            |
| 10,100,295   | -                        | 10,100,295            |
| 4,707,144  | -                        | 4,707,144             |
| 655,530  | -                        | 655,530               |
| 2,261,585  | -                        | 2,261,585             |
| 4,491,005  | -                        | 4,491,005             |
| 174,862  | 101,992                  | 276,854               |
| 401,935  | 245,556                  | 647,491               |
| 1,447,783  | (1,447,783)              | -                     |
| <u>66,943,306</u>                                  | <u>681,272</u>           | <u>67,624,578</u>     |
| 5,618,309  | 8,101,465                | 13,719,774            |
| <u>80,447,065</u>                                  | <u>150,205,703</u>       | <u>230,652,768</u>    |
| <u>\$ 86,065,374</u>                               | <u>\$ 158,307,168</u>    | <u>\$ 244,372,542</u> |

**CITY OF WAUKESHA, WISCONSIN**  
**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2015**

|   | General               | Debt Service -<br>General | Debt Service-<br>TIF Districts | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------------|---------------------------|--------------------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>   |                       |                           |                                |                                   |                                |
| Cash and investments  | \$ 78,661,455         | \$ 987,566                | \$ -                           | \$ 19,982,748                     | \$ 99,631,769                  |
| Receivables   |                       |                           |                                |                                   |                                |
| Taxes   | 27,138,744            | 10,850,217                | 4,623,001                      | 1,514,710                         | 44,126,672                     |
| Accounts (net)  | 1,577,817             | -                         | 1,007,805                      | 450,024                           | 3,035,646                      |
| Special assessments   | 30,804                | -                         | -                              | 71,757                            | 102,561                        |
| Loans (net)   | -                     | -                         | -                              | 3,240,926                         | 3,240,926                      |
| Accrued interest  | 77,002                | -                         | -                              | -                                 | 77,002                         |
| Due from other funds  | 6,419,481             | -                         | -                              | -                                 | 6,419,481                      |
| Due from other governmental units   | 11,595,401            | -                         | -                              | 190,759                           | 11,786,160                     |
| Restricted cash   | -                     | -                         | -                              | 543,218                           | 543,218                        |
| Advance due from other fund   | 409,805               | -                         | -                              | -                                 | 409,805                        |
| Inventories   | 229,219               | -                         | -                              | -                                 | 229,219                        |
| Prepaid items   | 237,418               | -                         | -                              | 20,463                            | 257,881                        |
| <b>TOTAL ASSETS</b>   | <b>\$ 126,377,146</b> | <b>\$ 11,837,783</b>      | <b>\$ 5,630,806</b>            | <b>\$ 26,014,605</b>              | <b>\$ 169,860,340</b>          |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                           |                                |                                   |                                |
| <b>Liabilities</b>  |                       |                           |                                |                                   |                                |
| Accounts payable  | \$ 1,014,115          | \$ 71                     | \$ 501,525                     | \$ 695,952                        | \$ 2,211,663                   |
| Other accrued liabilities   | 1,910,341             | -                         | -                              | 21,160                            | 1,931,501                      |
| Compensated absences  | 556,730               | -                         | -                              | -                                 | 556,730                        |
| Due to other governmental units   | 65,467,714            | -                         | -                              | -                                 | 65,467,714                     |
| Due to other funds  | -                     | -                         | 3,679,744                      | 366,482                           | 4,046,226                      |
| Deposits  | 27,548                | -                         | -                              | 442,573                           | 470,121                        |
| Advance due to other fund   | -                     | -                         | 409,805                        | 1,639,837                         | 2,049,642                      |
| <b>Total Liabilities</b>  | <b>68,976,448</b>     | <b>71</b>                 | <b>4,591,074</b>               | <b>3,166,004</b>                  | <b>76,733,597</b>              |
| <b>Deferred Inflows of Resources</b>                                      |                       |                           |                                |                                   |                                |
| Unavailable revenues  | 30,804                | -                         | -                              | 71,757                            | 102,561                        |
| Unearned revenues   | 42,536,168            | 10,850,217                | 5,288,737                      | 9,178,831                         | 67,853,953                     |
| <b>Total Deferred Inflows of Resources</b>                                | <b>42,566,972</b>     | <b>10,850,217</b>         | <b>5,288,737</b>               | <b>9,250,588</b>                  | <b>67,956,514</b>              |
| <b>Fund Balances (Deficits)</b>   |                       |                           |                                |                                   |                                |
| Nonspendable  | 4,587,614             | -                         | -                              | 20,463                            | 4,608,077                      |
| Restricted  | -                     | 987,495                   | -                              | 7,198,277                         | 8,185,772                      |
| Committed   | -                     | -                         | -                              | 6,379,273                         | 6,379,273                      |
| Assigned  | 52,454                | -                         | -                              | -                                 | 52,454                         |
| Unassigned (Deficit)  | 10,193,658            | -                         | (4,249,005)                    | -                                 | 5,944,653                      |
| <b>Total Fund Balances (Deficits)</b>                                     | <b>14,833,726</b>     | <b>987,495</b>            | <b>(4,249,005)</b>             | <b>13,598,013</b>                 | <b>25,170,229</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 126,377,146</b> | <b>\$ 11,837,783</b>      | <b>\$ 5,630,806</b>            | <b>\$ 26,014,605</b>              | <b>\$ 169,860,340</b>          |

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

**CITY OF WAUKESHA, WISCONSIN**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**As of December 31, 2015**

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

|   |                  |                      |
|---|------------------|----------------------|
| Fund balance from previous page:  |                  | \$ 25,170,229        |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds (less internal service fund assets of \$219,623)                            |                  | 164,068,051          |
| Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements |                  |                      |
| Special assessments   |                  | 102,561              |
| Other long-term assets are not available to pay for current period expenditures and are deferred outflows   |                  | 1,605,323            |
| The net pension asset does not relate to current financial resources and is not reported in the governmental funds  |                  | 7,313,167            |
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds  |                  | 7,624,335            |
| Internal service funds are reported in the statement of net position as governmental funds  |                  | 8,170,342            |
| Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds   |                  |                      |
| Long-term debt  | \$ (104,047,068) |                      |
| Accrued interest  | (1,449,990)      |                      |
| Compensated absences  | (5,850,471)      |                      |
| OPEB liability  | (11,964,737)     |                      |
| Long-term disability payable  | (389,793)        |                      |
| Premium on debt issued  | (4,286,575)      |                      |
|   |                  | (127,988,634)        |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  |                  | <b>\$ 86,065,374</b> |

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

|  | General              | Debt Service -<br>General | Debt Service -<br>TIF Districts | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------------|---------------------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                           |                                 |                                   |                                |
| Taxes  | \$ 43,820,401        | \$ 10,100,295             | \$ 5,079,811                    | \$ 655,530                        | \$ 59,456,037                  |
| Intergovernmental  | 7,780,151            | -                         | 113,726                         | 3,264,585                         | 11,158,462                     |
| Licenses and permits   | 2,237,863            | -                         | -                               | 360,234                           | 2,598,097                      |
| Fines, forfeitures and penalties                             | 878,637              | -                         | -                               | 24,276                            | 902,913                        |
| Public charges for services                                  | 3,509,698            | -                         | -                               | 994,995                           | 4,504,693                      |
| Interdepartmental charges                                    | 1,129,579            | -                         | -                               | 132,963                           | 1,262,542                      |
| Special assessments  | -                    | -                         | -                               | 151,390                           | 151,390                        |
| Investment income (loss)                                     | 168,744              | 28,729                    | (2,173)                         | (10,337)                          | 184,963                        |
| Miscellaneous  | 172,938              | -                         | -                               | 288,920                           | 461,858                        |
| <b>Total Revenues</b>  | <b>59,498,011</b>    | <b>10,129,024</b>         | <b>5,191,364</b>                | <b>5,862,556</b>                  | <b>80,680,955</b>              |
| <b>EXPENDITURES</b>  |                      |                           |                                 |                                   |                                |
| Current  |                      |                           |                                 |                                   |                                |
| General government   | 8,851,475            | -                         | 39,780                          | 16,366                            | 8,907,621                      |
| Public safety  | 30,011,845           | -                         | -                               | 61,649                            | 30,073,494                     |
| Public works   | 8,172,405            | -                         | -                               | 7,200                             | 8,179,605                      |
| Sanitation   | 2,871,649            | -                         | -                               | 199,135                           | 3,070,784                      |
| Culture and recreation                                       | 9,027,726            | -                         | -                               | 1,081,331                         | 10,109,057                     |
| Conservation and development                                 | -                    | -                         | 3,005,815                       | 284,154                           | 3,289,969                      |
| Capital Outlay   | -                    | -                         | -                               | 16,489,111                        | 16,489,111                     |
| Debt Service:  |                      |                           |                                 |                                   |                                |
| Principal retirement   | -                    | 7,898,608                 | 7,134,576                       | -                                 | 15,033,184                     |
| Interest and fiscal charges                                  | -                    | 2,207,848                 | 1,634,095                       | 134,225                           | 3,976,168                      |
| <b>Total Expenditures</b>                                    | <b>58,935,100</b>    | <b>10,106,456</b>         | <b>11,814,066</b>               | <b>18,273,171</b>                 | <b>99,128,793</b>              |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 562,911              | 22,568                    | (6,622,702)                     | (12,410,615)                      | (18,447,838)                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                           |                                 |                                   |                                |
| Long-term debt issued  | -                    | -                         | 2,030,000                       | 12,290,000                        | 14,320,000                     |
| Refunding bonds issued                                       | -                    | 3,475,000                 | 6,730,000                       | -                                 | 10,205,000                     |
| Premium on debt issued                                       | -                    | 1,078,449                 | 526,910                         | 228,862                           | 1,834,221                      |
| Payment to refunding escrow agent                            | -                    | (3,735,164)               | (3,107,337)                     | -                                 | (6,842,501)                    |
| Sale of city property  | 18,143               | -                         | -                               | 39,174                            | 57,317                         |
| Transfers in   | 1,808,593            | -                         | -                               | 163,345                           | 1,971,938                      |
| Transfers out  | (215,070)            | (306,024)                 | -                               | (246,082)                         | (767,176)                      |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>1,611,666</b>     | <b>512,261</b>            | <b>6,179,573</b>                | <b>12,475,299</b>                 | <b>20,778,799</b>              |
| <b>Net Changes in Fund Balances</b>                          | <b>2,174,577</b>     | <b>534,829</b>            | <b>(443,129)</b>                | <b>64,684</b>                     | <b>2,330,961</b>               |
| FUND BALANCES (DEFICITS) - Beginning of Year                 | 12,659,149           | 452,666                   | (3,805,876)                     | 13,533,329                        | 22,839,268                     |
| <b>FUND BALANCES (DEFICITS) - END OF YEAR</b>                | <b>\$ 14,833,726</b> | <b>\$ 987,495</b>         | <b>\$ (4,249,005)</b>           | <b>\$ 13,598,013</b>              | <b>\$ 25,170,229</b>           |

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

**CITY OF WAUKESHA, WISCONSIN**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Governmental Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2015**

Net change in fund balances - from previous page \$ 2,330,961

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

Governmental funds report capital outlays as expenditures. However in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expenses in the statement of activities.

|  |                  |           |
|--|------------------|-----------|
| Capital outlay is reported in governmental fund statements   | \$ 16,489,111    |           |
| Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide financial statements | (3,368,144)      |           |
| Depreciation reported in the government-wide statements  | (7,732,201)      |           |
| Net book value of assets retired   | (70,465)         |           |
| Net book value of assets contributed   | <u>2,902,138</u> | 8,220,439 |

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

(38,630)

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.

|                  |                   |             |
|------------------|-------------------|-------------|
| Debt issued      | (24,525,000)      |             |
| Principal repaid | <u>21,393,187</u> | (3,131,813) |

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.

|  |                  |             |
|--|------------------|-------------|
| Compensated absences                               | (174,013)        |             |
| Long-term disability                               | 16,240           |             |
| OPEB liability                                     | (1,408,776)      |             |
| Net pension asset                                  | (4,543,584)      |             |
| Deferred outflows of resources related to pensions | 4,718,598        |             |
| Accrued interest on debt                           | <u>(397,724)</u> | (1,789,259) |

Governmental funds report premiums associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the statement of activities.

|                                |                  |           |
|--------------------------------|------------------|-----------|
| Premium on debt issued         | (1,824,292)      |           |
| Amortization of premium        | 761,940          |           |
| Refunding loss on debt issued  | 510,445          |           |
| Amortization of refunding loss | <u>(148,028)</u> | (699,935) |

Internal service funds are used by management to charge the costs of workers compensation, liability insurance, employee benefits, and motor equipment center costs to individual funds. The net revenue of the internal service funds is reported with governmental activities.

726,546

**CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 5,618,309

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Position**  
**Proprietary Funds**  
**As of December 31, 2015**

|  | Business-type Enterprise Funds |                       |                              |
|--|--------------------------------|-----------------------|------------------------------|
|  | Water<br>Utility               | Wastewater<br>Utility | Transit<br>System<br>Utility |
| <b>ASSETS</b>                            |                                |                       |                              |
| <b>CURRENT ASSETS</b>                    |                                |                       |                              |
| Cash and investments                     | \$ 18,639,438                  | \$ 11,776,203         | \$ 8,741                     |
| Restricted Assets                        |                                |                       |                              |
| Redemption account                       | 602,741                        | -                     | -                            |
| Accounts receivable                      | 3,334,155                      | 294,079               | 2,284,097                    |
| Unbilled revenue                         | 1,480,240                      | -                     | -                            |
| Taxes receivable                         | -                              | -                     | -                            |
| Due from other funds                     | -                              | 2,183,370             | -                            |
| Inventories                              | 423,329                        | -                     | 142,309                      |
| Prepaid items                            | 130,614                        | -                     | 72,383                       |
| Total Current Assets                     | <u>24,610,517</u>              | <u>14,253,652</u>     | <u>2,507,530</u>             |
| <b>NON-CURRENT ASSETS</b>                |                                |                       |                              |
| Restricted Assets                        |                                |                       |                              |
| Revenue bond reserve                     | 654,699                        | -                     | -                            |
| Capital improvement                      | 1,579,193                      | -                     | -                            |
| Net pension asset                        | 344,769                        | 362,362               | 15,370                       |
| Equipment replacement - accrued interest | -                              | 1,135                 | -                            |
| Equipment replacement                    | -                              | 3,019,065             | -                            |
| Total Restricted Assets                  | <u>2,578,661</u>               | <u>3,382,562</u>      | <u>15,370</u>                |
| Utility Plant                            |                                |                       |                              |
| Land                                     | 565,558                        | 31,107                | 1,683,701                    |
| Utility plant in service (at cost)       | 108,159,966                    | 107,876,266           | 22,970,833                   |
| Construction work in progress            | 464,867                        | 43,012,304            | -                            |
| Total Utility Plant                      | <u>109,190,391</u>             | <u>150,919,677</u>    | <u>24,654,534</u>            |
| Intangible assets                        | 184,896                        | -                     | -                            |
| Equipment                                | -                              | -                     | -                            |
| Less: Accumulated depreciation           | (28,457,189)                   | (50,026,176)          | (10,648,774)                 |
| Net Plant/Equipment                      | <u>80,918,098</u>              | <u>100,893,501</u>    | <u>14,005,760</u>            |
| Other Assets                             |                                |                       |                              |
| Preliminary survey and investigation     | 2,038,515                      | -                     | -                            |
| Property held for future use             | 435,090                        | -                     | -                            |
| Advance to other funds                   | -                              | 1,639,837             | -                            |
| Total Other Assets                       | <u>2,473,605</u>               | <u>1,639,837</u>      | <u>-</u>                     |
| Total Noncurrent Assets                  | <u>85,970,364</u>              | <u>105,915,900</u>    | <u>14,021,130</u>            |
| Total Assets                             | <u>110,580,881</u>             | <u>120,169,552</u>    | <u>16,528,660</u>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                |                       |                              |
| Deferred charge on refunding             | 502,489                        | -                     | -                            |
| Pension related items                    | <u>357,207</u>                 | <u>366,563</u>        | <u>16,088</u>                |
| Total Deferred outflows                  | <u>859,696</u>                 | <u>366,563</u>        | <u>16,088</u>                |

(Continued)



| Business-type Enterprise Funds |                                      |               | Governmental                                 |
|--------------------------------|--------------------------------------|---------------|--|
| Parking<br>Utility             | Nonmajor<br>Prairie Home<br>Cemetery | Totals        | Activities -<br>Internal<br>Service<br>Funds |
| \$ 147,814                     | \$ 104,531                           | \$ 30,676,727 | \$ 8,633,782                                 |
| -                              | -                                    | 602,741       | -  |
| 28,791                         | 186,844                              | 6,127,966     | 106,778                                      |
| -                              | -                                    | 1,480,240     | -  |
| -                              | 88,661                               | 88,661        | -  |
| -                              | 70,827                               | 2,254,197     | -  |
| -                              | 604,419                              | 1,170,057     | 537  |
| -                              | -                                    | 202,997       | 162,172                                      |
| 176,605                        | 1,055,282                            | 42,603,586    | 8,903,269                                    |
| -                              | -                                    | 654,699       | -  |
| -                              | -                                    | 1,579,193     | -  |
| 36,041                         | 48,310                               | 806,852       | -  |
| -                              | -                                    | 1,135         | -  |
| -                              | -                                    | 3,019,065     | -  |
| 36,041                         | 48,310                               | 6,060,944     | -  |
| 668,744                        | 93,977                               | 3,043,087     | -  |
| 11,070,477                     | 738,788                              | 250,816,330   | -  |
| -                              | -                                    | 43,477,171    | -  |
| 11,739,221                     | 832,765                              | 297,336,588   | -  |
| -                              | -                                    | 184,896       | -  |
| -                              | -                                    | -             | 442,607                                      |
| (5,972,216)                    | (473,783)                            | (95,578,138)  | (222,984)                                    |
| 5,767,005                      | 358,982                              | 201,943,346   | 219,623                                      |
| -                              | -                                    | 2,038,515     | -  |
| -                              | -                                    | 435,090       | -  |
| -                              | -                                    | 1,639,837     | -  |
| -                              | -                                    | 4,113,442     | -  |
| 5,803,046                      | 407,292                              | 212,117,732   | 219,623                                      |
| 5,979,651                      | 1,462,574                            | 254,721,318   | 9,122,892                                    |
| 50,344                         | 1,232                                | 554,065       | -  |
| 36,893                         | 47,794                               | 824,545       | -  |
| 87,237                         | 49,026                               | 1,378,610     | -  |

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**As of December 31, 2015**

|  | Business-type Enterprise Funds |                      |                              |
|--|--------------------------------|----------------------|------------------------------|
|  | Water<br>Utility               | Wastewater Utility   | Transit<br>System<br>Utility |
| <b>LIABILITIES</b>                                 |                                |                      |                              |
| <b>CURRENT LIABILITIES</b>                         |                                |                      |                              |
| Accounts payable                                   | 202,037                        | 4,536,602            | 392,540                      |
| Accrued liabilities                                | 547,675                        | 93,937               | 134,777                      |
| Claims payable                                     | -                              | -                    | -                            |
| Accrued interest                                   | -                              | 216,686              | -                            |
| Current portion of long-term debt                  | 100,000                        | 464,314              | -                            |
| Due to other funds                                 | 3,959,880                      | -                    | 631,264                      |
| Compensated absences                               | -                              | 574,848              | 475,297                      |
| Current liabilities payable from restricted assets |                                |                      |                              |
| Current portion of revenue bonds                   | 738,258                        | 1,608,705            | -                            |
| Accrued interest                                   | 36,904                         | -                    | -                            |
| <b>Total Current Liabilities</b>                   | <b>5,584,754</b>               | <b>7,495,092</b>     | <b>1,633,878</b>             |
| <b>NON-CURRENT LIABILITIES</b>                     |                                |                      |                              |
| Revenue bonds                                      | 3,438,229                      | 38,263,948           | -                            |
| Unamortized debt premium                           | 1,346,491                      | 407,693              | -                            |
| Customer advances for construction                 | 329,339                        | -                    | -                            |
| OPEB liability                                     | 1,043,616                      | 622,042              | -                            |
| General obligation debt                            | 25,870,000                     | 9,172,754            | -                            |
| <b>Total Noncurrent Liabilities</b>                | <b>32,027,675</b>              | <b>48,466,437</b>    | <b>-</b>                     |
| <b>Total Liabilities</b>                           | <b>37,612,429</b>              | <b>55,961,529</b>    | <b>1,633,878</b>             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                |                      |                              |
| Unearned revenue                                   | -                              | -                    | -                            |
| <b>NET POSITION</b>                                |                                |                      |                              |
| Net investment in capital assets                   | 52,161,501                     | 55,202,887           | 14,005,760                   |
| Restricted for:                                    |                                |                      |                              |
| Equipment replacement                              | -                              | 3,020,200            | -                            |
| Debt service                                       | 565,837                        | -                    | -                            |
| Pensions   | 344,769                        | 362,362              | 15,370                       |
| Unpaid claims and restricted deposits              | -                              | -                    | -                            |
| Unrestricted (Deficit)                             | 20,756,041                     | 5,989,137            | 889,740                      |
| <b>TOTAL NET POSITION</b>                          | <b>\$ 73,828,148</b>           | <b>\$ 64,574,586</b> | <b>\$ 14,910,870</b>         |

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

| Business-type Enterprise Funds |                                      |                       | Governmental                               |
|--------------------------------|--------------------------------------|-----------------------|--|
| Parking<br>Utility             | Nonmajor<br>Prairie Home<br>Cemetery | Totals                | Activities<br>Internal<br>Service<br>Funds |
| 13,317                         | 215,658                              | 5,360,154             | 48,841                                     |
| 9,460                          | 9,717                                | 795,566               | -  |
| -                              | -                                    | -                     | 867,401                                    |
| 10,030                         | 4,080                                | 230,796               | -  |
| 365,251                        | 55,264                               | 984,829               | -  |
| -                              | -                                    | 4,591,144             | 36,308                                     |
| 63,151                         | 102,692                              | 1,215,988             | -  |
| -                              | -                                    | 2,346,963             | -  |
| -                              | -                                    | 36,904                | -  |
| 461,209                        | 387,411                              | 15,562,344            | 952,550                                    |
| -                              | -                                    | 41,702,177            | -  |
| 47,651                         | 12,552                               | 1,814,387             | -  |
| -                              | -                                    | 329,339               | -  |
| -                              | -                                    | 1,665,658             | -  |
| 861,383                        | 290,790                              | 36,194,927            | -  |
| 909,034                        | 303,342                              | 81,706,488            | -  |
| 1,370,243                      | 690,753                              | 97,268,832            | 952,550                                    |
| -                              | 523,928                              | 523,928               | -  |
| 4,543,064                      | 358,982                              | 126,272,194           | 219,623                                    |
| -                              | -                                    | 3,020,200             | -  |
| -                              | -                                    | 565,837               | -  |
| 36,041                         | 48,310                               | 806,852               | -  |
| -                              | -                                    | -                     | 7,843,152                                  |
| 117,540                        | (110,373)                            | 27,642,085            | 107,567                                    |
| <b>\$ 4,696,645</b>            | <b>\$ 296,919</b>                    | <b>\$ 158,307,168</b> | <b>\$ 8,170,342</b>                        |

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

|  | Business-type Enterprise Funds |                       |                              |
|--|--------------------------------|-----------------------|------------------------------|
|  | Water<br>Utility               | Wastewater<br>Utility | Transit<br>System<br>Utility |
| <b>OPERATING REVENUES</b>                            |                                |                       |                              |
| Charges for services                                 | \$ 10,754,811                  | \$ 12,020,451         | \$ 1,460,608                 |
| Parking fines  | -                              | -                     | -                            |
| Sales of crypts and niches                           | -                              | -                     | -                            |
| Sales of lots  | -                              | -                     | -                            |
| Other revenue  | 480,302                        | 3,695                 | 604,251                      |
| Total Operating Revenues                             | <u>11,235,113</u>              | <u>12,024,146</u>     | <u>2,064,859</u>             |
| <b>OPERATING EXPENSES</b>                            |                                |                       |                              |
| Operation and maintenance                            | 5,195,475                      | 6,340,322             | 8,822,389                    |
| Depreciation   | 2,335,822                      | 2,504,561             | 1,055,725                    |
| Total Operating Expenses                             | <u>7,531,297</u>               | <u>8,844,883</u>      | <u>9,878,114</u>             |
| Operating Income (Loss)                              | <u>3,703,816</u>               | <u>3,179,263</u>      | <u>(7,813,255)</u>           |
| <b>NONOPERATING REVENUES (EXPENSES)</b>              |                                |                       |                              |
| Investment income (loss)                             | 46,718                         | 54,945                | -                            |
| Miscellaneous  | 136,434                        | (1,216)               | -                            |
| Interest and fiscal charges                          | (1,031,152)                    | (250,250)             | -                            |
| General property taxes                               | -                              | -                     | 1,692,846                    |
| Amortization of debt premium                         | 152,544                        | 77,902                | -                            |
| Amortization of loss on refunding                    | (46,743)                       | -                     | -                            |
| Sale of capital assets                               | -                              | 27,160                | -                            |
| Intergovernmental revenue                            | -                              | 71,322                | 5,066,196                    |
| Total Nonoperating                                   | <u>(742,199)</u>               | <u>(20,137)</u>       | <u>6,759,042</u>             |
| Income (Loss) Before Transfers and Contributions     | <u>2,961,617</u>               | <u>3,159,126</u>      | <u>(1,054,213)</u>           |
| Transfers in   | -                              | -                     | -                            |
| Transfers out  | (1,776,510)                    | (23,476)              | -                            |
| Capital contributions                                | 1,268,860                      | -                     | 2,792,823                    |
| Capital contributions - municipality                 | 72,840                         | -                     | 625,384                      |
|  | <u>(434,810)</u>               | <u>(23,476)</u>       | <u>3,418,207</u>             |
| Changes in Net Position                              | 2,526,807                      | 3,135,650             | 2,363,994                    |
| TOTAL NET POSITION - Beginning of Year (As Restated) | <u>71,301,341</u>              | <u>61,438,936</u>     | <u>12,546,876</u>            |
| <b>TOTAL NET POSITION - END OF YEAR</b>              | <u>\$ 73,828,148</u>           | <u>\$ 64,574,586</u>  | <u>\$ 14,910,870</u>         |

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

| Business-type Enterprise Funds |                                      |                | Governmental                                 |
|--------------------------------|--------------------------------------|----------------|--|
| Parking<br>Utility             | Nonmajor<br>Prairie Home<br>Cemetery | Totals         | Activities -<br>Internal<br>Service<br>Funds |
| \$ 372,690                     | \$ 235,851                           | \$ 24,844,411  | \$ 13,214,465                                |
| 353,462                        | -                                    | 353,462        | -  |
| -                              | 65,777                               | 65,777         | -  |
| -                              | 56,062                               | 56,062         | -  |
| 1,389                          | -                                    | 1,089,637      | 3,581  |
| 727,541                        | 357,690                              | 26,409,349     | 13,218,046                                   |
| 671,360                        | 612,028                              | 21,641,574     | 12,691,477                                   |
| 167,963                        | 20,641                               | 6,084,712      | 43,044                                       |
| 839,323                        | 632,669                              | 27,726,286     | 12,734,521                                   |
| (111,782)                      | (274,979)                            | (1,316,937)    | 483,525                                      |
| 1,622                          | (1,293)                              | 101,992        | -  |
| -                              | 79,884                               | 215,102        | -  |
| (48,161)                       | (12,955)                             | (1,342,518)    | -  |
| -                              | 88,661                               | 1,781,507      | -  |
| 29,418                         | 1,207                                | 261,071        | -  |
| (31,357)                       | (748)                                | (78,848)       | -  |
| 3,294                          | -                                    | 30,454         | -  |
| -                              | -                                    | 5,137,518      | -  |
| (45,184)                       | 154,756                              | 6,106,278      | -  |
| (156,966)                      | (120,223)                            | 4,789,341      | 483,525                                      |
| 240,000                        | 136,850                              | 376,850        | 243,021                                      |
| (5,865)                        | (18,782)                             | (1,824,633)    | -  |
| -                              | -                                    | 4,061,683      | -  |
| -                              | -                                    | 698,224        | -  |
| 234,135                        | 118,068                              | 3,312,124      | 243,021                                      |
| 77,169                         | (2,155)                              | 8,101,465      | 726,546                                      |
| 4,619,476                      | 299,074                              | 150,205,703    | 7,443,796                                    |
| \$ 4,696,645                   | \$ 296,919                           | \$ 158,307,168 | \$ 8,170,342                                 |

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

Business-type Enterprise Funds

|   | Water<br>Utility     | Wastewater Utility   | Transit<br>System<br>Utility |
|---|----------------------|----------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                      |                      |                              |
| Cash received from customers                                    | \$ 11,190,129        | \$ 11,851,785        | \$ 1,807,275                 |
| Cash received from interfund services provided                  | -                    | -                    | -                            |
| Cash paid to suppliers for goods and services                   | (2,469,192)          | (5,308,596)          | (5,487,522)                  |
| Cash payments to employees                                      | (1,655,609)          | (2,036,869)          | (2,198,663)                  |
| Net Cash Flows From Operating Activities                        | <u>7,065,328</u>     | <u>4,506,318</u>     | <u>(5,878,910)</u>           |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>         |                      |                      |                              |
| General property taxes  | -                    | -                    | 1,668,046                    |
| Operating grants received                                       | -                    | 71,322               | 4,255,884                    |
| Repayments of advances  | -                    | 2,880                | -                            |
| Tax equivalent paid   | (1,790,232)          | -                    | -                            |
| Transfers in  | -                    | -                    | -                            |
| Transfers out   | -                    | (23,476)             | -                            |
| Net Cash Flows From Non-Capital Financing Activities            | <u>(1,790,232)</u>   | <u>50,726</u>        | <u>5,923,930</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                      |                      |                              |
| Investment income (loss)  | 46,718               | 53,810               | -                            |
| Net Cash Flows From Investing Activities                        | <u>46,718</u>        | <u>53,810</u>        | <u>-</u>                     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |                      |                      |                              |
| Debt issued   | 12,405,000           | 26,449,401           | -                            |
| Premium on new debt   | 536,080              | 46,869               | -                            |
| Principal payments  | (6,787,347)          | (409,558)            | -                            |
| Interest paid   | (885,421)            | (1,157,487)          | -                            |
| Debt issuance costs   | (106,391)            | (30,358)             | -                            |
| Capital contributions   | 1,373,227            | -                    | 3,368,692                    |
| Acquisition and construction of capital assets                  | (8,835,773)          | (25,111,652)         | (3,404,971)                  |
| Net Cash Flows From Capital and Financing Activities            | <u>(2,300,625)</u>   | <u>(212,785)</u>     | <u>(36,279)</u>              |
| <b>Net Change in Cash and Cash Equivalents</b>                  | <b>3,021,189</b>     | <b>4,398,069</b>     | <b>8,741</b>                 |
| CASH AND CASH EQUIVALENTS - Beginning of Year                   | 18,454,882           | 10,397,199           | -                            |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                  | <b>\$ 21,476,071</b> | <b>\$ 14,795,268</b> | <b>\$ 8,741</b>              |

(Continued)

| Business-type Enterprise Funds |                                      |               |              | Governmental                                 |
|--------------------------------|--------------------------------------|---------------|--------------|--|
| Parking<br>Utility             | Nonmajor<br>Prairie Home<br>Cemetery | Totals        |              | Activities -<br>Internal<br>Service<br>Funds |
| \$ 719,925                     | \$ 497,715                           | \$ 26,066,829 | \$           | -  |
| -                              | -                                    | -             | -            | 13,238,074                                   |
| (506,226)                      | (378,155)                            | (14,149,693)  | (13,261,885) |  |
| (238,931)                      | (298,073)                            | (6,428,145)   | -            |  |
| (25,232)                       | (178,513)                            | 5,488,991     | (23,811)     |  |
| -                              | 88,661                               | 1,756,707     | -            |  |
| -                              | -                                    | 4,327,206     | -            |  |
| -                              | -                                    | 2,880         | -            |  |
| -                              | -                                    | (1,790,232)   | -            |  |
| 240,000                        | 136,850                              | 376,850       | 243,021      |  |
| (5,865)                        | (18,782)                             | (48,123)      | -            |  |
| 234,135                        | 206,729                              | 4,625,288     | 243,021      |  |
| 1,622                          | (1,293)                              | 100,857       | -            |  |
| 1,622                          | (1,293)                              | 100,857       | -            |  |
| -                              | 285,000                              | 39,139,401    | -            |  |
| -                              | 13,534                               | 596,483       | -            |  |
| (357,025)                      | (350,066)                            | (7,903,996)   | -            |  |
| (52,257)                       | (11,876)                             | (2,107,041)   | -            |  |
| -                              | (3,256)                              | (140,005)     | -            |  |
| -                              | -                                    | 4,741,919     | -            |  |
| (15,214)                       | (13,763)                             | (37,381,373)  | (41,270)     |  |
| (424,496)                      | (80,427)                             | (3,054,612)   | (41,270)     |  |
| (213,971)                      | (53,504)                             | 7,160,524     | 177,940      |  |
| 361,785                        | 158,035                              | 29,371,901    | 8,455,842    |  |
| \$ 147,814                     | \$ 104,531                           | \$ 36,532,425 | \$ 8,633,782 |  |



**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
**For the Year Ended December 31, 2015**

Business-type Enterprise Funds

|   | Water<br>Utility    | Wastewater<br>Utility | Transit<br>System<br>Utility |
|---|---------------------|-----------------------|------------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                     |                       |                              |
| Operating income (loss)   | \$ 3,703,816        | \$ 3,179,263          | \$ (7,813,255)               |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities  |                     |                       |                              |
| Nonoperating income (expense)   |                     |                       |                              |
| Miscellaneous   | 13,042              | (1,216)               | -                            |
| Depreciation  | 2,335,822           | 2,504,561             | 1,055,725                    |
| Depreciation charged to operating accounts  | 179,132             | -                     | -                            |
| Changes in Assets, Deferred Outflows, and Liabilities   |                     |                       |                              |
| Accounts receivable   | (244,493)           | 25,611                | (257,584)                    |
| Due from other funds  | -                   | (196,756)             | 586,876                      |
| Inventories   | (76,100)            | -                     | (319)                        |
| Prepaid items   | (3,406)             | -                     | 8,373                        |
| Accounts payable  | (86,210)            | (1,145,598)           | (18,280)                     |
| Due to other funds  | 196,756             | -                     | 631,264                      |
| Customer deposits   | (23,446)            | -                     | (77,723)                     |
| OPEB liability  | 109,535             | 119,447               | -                            |
| Amortization of preliminary survey and investigation  | 945,706             | -                     | -                            |
| Pension related assets and deferrals  | (6,019)             | 2,545                 | (432)                        |
| Other current liabilities   | 23,193              | 18,461                | 6,445                        |
| <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>   | <b>\$ 7,065,328</b> | <b>\$ 4,506,318</b>   | <b>\$ (5,878,910)</b>        |

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

|  |                      |                      |                 |
|--|----------------------|----------------------|-----------------|
| Cash and investments                         | \$ 18,639,438        | \$ 11,776,203        | \$ 8,741        |
| Restricted cash and investments              | 2,836,633            | 3,019,065            | -               |
| <b>CASH AND CASH EQUIVALENTS END OF YEAR</b> | <b>\$ 21,476,071</b> | <b>\$ 14,795,268</b> | <b>\$ 8,741</b> |

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

|   |            |            |            |
|---|------------|------------|------------|
| Change in capital grant receivables           | \$ -       | \$ -       | \$ 49,515  |
| Change in operating grant receivables         | \$ -       | \$ -       | \$ 835,111 |
| Developer financed additions to utility plant | \$ 35,717  | \$ -       | \$ -       |
| Loss on refunding                             | \$ -       | \$ -       | \$ -       |
| Interest charged to construction              | \$ 123,392 | \$ 854,906 | \$ -       |

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

| Business-type Enterprise Funds |                                       |                | Governmental                                 |
|--------------------------------|---------------------------------------|----------------|--|
| Parking<br>Utility             | Non-Major<br>Prairie Home<br>Cemetery | Totals         | Activities -<br>Internal<br>Service<br>Funds |
| \$ (111,782)                   | \$ (274,979)                          | \$ (1,316,937) | \$ 483,525                                   |
| -                              | 79,884                                | 91,710         | -  |
| 167,963                        | 20,641                                | 6,084,712      | 43,044                                       |
| -                              | -                                     | 179,132        | -  |
| (7,616)                        | 64,277                                | (419,805)      | 20,028                                       |
| -                              | 48,173                                | 438,293        | -  |
| -                              | (18,343)                              | (94,762)       | 344  |
| 509                            | -                                     | 5,476          | 72,751                                       |
| (89,490)                       | (40,311)                              | (1,381,889)    | (575,939)                                    |
| -                              | -                                     | 828,020        | -  |
| -                              | (52,309)                              | (153,478)      | -  |
| -                              | -                                     | 228,982        | -  |
| -                              | -                                     | 945,706        | -  |
| (182)                          | 1,416                                 | (2,672)        | -  |
| 15,366                         | (6,962)                               | 56,503         | (67,564)                                     |
| \$ (25,232)                    | \$ (178,513)                          | \$ 5,488,991   | \$ (23,811)                                  |

|            |            |               |              |
|------------|------------|---------------|--------------|
| \$ 147,814 | \$ 104,531 | \$ 30,676,727 | \$ 8,633,782 |
| -          | -          | 5,855,698     | -            |
| \$ 147,814 | \$ 104,531 | \$ 36,532,425 | \$ 8,633,782 |

|      |            |            |      |
|------|------------|------------|------|
| \$ - | \$ -       | \$ 49,515  | \$ - |
| \$ - | \$ -       | \$ 835,111 | \$ - |
| \$ - | \$ -       | \$ 35,717  | \$ - |
| \$ - | \$ (1,879) | \$ (1,879) | \$ - |
| \$ - | \$ -       | \$ 978,298 | \$ - |

# CITY OF WAUKESHA, WISCONSIN

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# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The accounting policies of the City of Waukesha, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The City has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

#### ***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. 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.

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.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the City are organized into funds, each of which is 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 of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, 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, and
- b. The same element of the individual governmental 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt service fund - General - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.
- Debt service fund - TIF Districts - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs on TIF debt.

The City reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system.
- Wastewater Utility - accounts for operations of the wastewater system.
- Transit Utility - accounts for the operations of the transit system.
- Parking Utility Fund - accounts for operations of the parking facilities.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

|   |                            |
|---|----------------------------|
| Lighted Dome                            | Library Cafe               |
| Festival and Special Activities         | Home Rental Rehab          |
| Police Crime Prevention                 | Energy Rental Rehab        |
| Community Development Block Grant       | Cemetery Trust Fund C      |
| WHEDA Loan Program                      | Crime Prevention Grant     |
| Housing Development Grant               | Confiscated Property       |
| Public Works Impact Fees                | Paramedics                 |
| Public Works DNR Grants                 | Lead Abatement Grant       |
| Park Development Impact Fees            | State Confiscated Property |
| Library Impact Fees                     | Civic Band Donation        |
| Police Impact Fees                      | Holiday Decorations        |
| Park and Recreation Sponsorship Program |                            |

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

|                           |                   |
|---------------------------|-------------------|
| General Improvement       | Fleet Replacement |
| Public Works Improvements | TIF Districts     |
| Municipal Facilities      |                   |

Permanent Funds - used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

|                             |                       |
|-----------------------------|-----------------------|
| Cemetery Lot Maintenance    | Library Endowment     |
| Cemetery Specific Endowment | H.B. Mills Recreation |
| Cemetery Trust Fund K       |                       |

Enterprise Fund - used to account for and report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Prairie Home Cemetery



# CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

In addition, the City reports the following fund types:

Internal Service Funds - used to account for and report 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.

Dental/Life/Vision Insurance  
Health Insurance  
Property and Liability Insurance  
Printing

### ***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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

#### ***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 except for intergovernmental grants, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.



# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

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 the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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 unavailable revenues.

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.

Proprietary 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 water, wastewater, transit system, parking utilities and prairie home cemetery are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

##### ***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 of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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 Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. 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 the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

- Interest rate risk
- Concentration of credit risk
- Investments highly sensitive to interest rate changes
- Foreign currency risk

The City's investment policy does address custodial credit risk. Full collateralization is required on deposits and repurchase agreements with banking institutions in excess of \$500,000 at authorized financial institutions. Collateral shall be with U.S. Government guaranteed securities specifically pledged to the City (not part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

Investments 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 based on average balances. The difference between the bank statement 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, 2015, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

##### ***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 on the accompanying governmental fund's balance sheet.

Property tax calendar - 2015 tax roll:

|  |                  |
|--|------------------|
| Lien date and levy date                      | December 2015    |
| Tax bills mailed                             | December 2015    |
| Payment in full, or                          | January 31, 2016 |
| First installment due                        | January 31, 2016 |
| Second installment due                       | July 31, 2016    |
| Personal property taxes in full              | January 31, 2016 |
| Tax sale - 2015 delinquent real estate taxes | October 2018     |

Accounts receivable have been shown net of an allowance for uncollectible 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 for the water and wastewater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables (cont.)***

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 governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$79,884.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/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. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.



# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***5. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported 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 \$25,000 for infrastructure assets, and an estimated useful life in excess of 1 year. 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 fund proceeds. \$978,298 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

|                                   |              |
|-----------------------------------|--------------|
| Buildings                         | 20-70 Years  |
| Land Improvements                 | 20 Years     |
| Machinery and Equipment           | 2-20 Years   |
| Utility System                    | 15-120 Years |
| Infrastructure                    | 15-70 Years  |
| Intangibles                       | 15-70 Years  |
| Improvements other than buildings | 20 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.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***6. Other Assets***

\$2,038,515 of this balance represents initial project engineering costs related to water utility plant construction. The balance will be capitalized upon commencement of the project or is amortized over a useful life established by the PSCW. The water utility amortized \$945,706 in 2015.

The remaining balance of \$435,090 represents the value of land not currently in service but held for future use in water utility operations.

##### ***7. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

##### ***8. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund 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, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

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

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

# CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

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 \$31,405,242, made up of four issues.

#### ***10. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### ***11. Equity Classifications***

##### ***Government-Wide Statements***

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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



## CITY OF WAUKESHA, WISCONSIN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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#### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***11. Equity Classifications (cont.)***

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Finance Committee to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

# CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### *11. Equity Classifications (cont.)*

##### *Fund Statements (cont.)*

The City has a formal minimum fund balance policy. That policy is to maintain a working capital fund of no less than 10% nor more than 20% of subsequent year general fund budgeted expenditures. The general fund unassigned fund balance at year end was \$10,193,658, or 16.8%, of subsequent year general fund budgeted expenditures.

See Note III. G. for further information.

#### *12. Basis for Existing Rates*

##### *Water Utility*

Current water rates were approved by the Public Service Commission of Wisconsin effective April 24, 2015.

##### *Wastewater Utility*

Current sewer rates were approved by the City Council effective January 1, 2015.

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## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### *A. BUDGETARY INFORMATION*

A budget has been adopted for the general fund, certain special revenue funds, all debt service funds, all capital projects funds, and all permanent funds. A budget has not been formally adopted for Lighted Dome, Police Crime Prevention, WHEDA Loan Program, Housing Development Grant, Public Works DNR Grants, Park Development Impact Fees, Library Impact Fees, Police Impact Fees, Home Rental Rehab, Energy Rental Rehab, Lead Abatement Grant, and Holiday Decorations Special Revenue Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

## CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

#### *B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS*

| Funds   | Final<br>Budgeted<br>Expenditures | Actual<br>Expenditures | Excess<br>Expenditures Over<br>Budget |
|---|-----------------------------------|------------------------|---------------------------------------|
| Special Revenue Fund - Public Works Impact Fees | \$ -                              | \$ 41,673              | \$ 41,673                             |
| Special Revenue Fund - Library Cafe             | 90,702                            | 91,074                 | 372                                   |
| Special Revenue Fund - Cemetery Trust Fund C    | 11,000                            | 15,845                 | 4,845                                 |
| Debt Service Fund - General                     | 10,430,262                        | 14,147,644             | 3,717,382                             |
| Debt Service Fund - TIF Districts               | 7,927,538                         | 14,921,403             | 6,993,865                             |
| Capital Projects Fund - TIF Districts           | 1,053,477                         | 1,095,323              | 41,846                                |
| Permanent Fund - Cemetery Specific Endowment    | 24,000                            | 42,709                 | 18,709                                |
| Permanent Fund - Library Endowment              | 9,000                             | 26,862                 | 17,862                                |

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

#### *C. DEFICIT BALANCES*

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

| Fund                         | Amount       | Reason  |
|------------------------------|--------------|---|
| Debt Service - TIF Districts | \$ 4,249,005 | Increment not sufficient to cover current costs |

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

## CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

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#### ***D. LIMITATIONS ON THE CITY'S TAX LEVY***

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

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### **NOTE III - DETAILED NOTES ON ALL FUNDS**

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#### ***A. DEPOSITS AND INVESTMENTS***

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

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

|  | Carrying<br>Value           | Statement<br>Balances       | Associated Risks   |
|--|-----------------------------|-----------------------------|--|
| Demand Deposits                        | \$ 18,754,260               | \$ 13,444,493               | Custodial credit risk  |
| Money Markets                          | 117,022                     | 117,022                     | Custodial credit risk  |
| Repurchase Agreement                   | 42,702,885                  | 42,702,885                  | Custodial credit risk,<br>credit risk, concentration<br>of credit risk, interest rate<br>risk, highly sensitive to<br>interest rate changes, |
| US Treasuries                          | 2,000,000                   | 2,000,000                   | foreign currency risk<br>Custodial credit risk,<br>interest rate risk, highly<br>sensitive to interest rate<br>changes                       |
| US Agencies - Implicitly Guaranteed    | 9,771,726                   | 9,771,726                   | Custodial credit risk,<br>credit risk, interest rate<br>risk, highly sensitive to<br>interest rate changes                                   |
| Mortgage backed securities             | 10,279,051                  | 10,279,051                  | Custodial credit risk,<br>credit risk, concentration<br>of credit risk, interest rate<br>risk, highly sensitive to<br>interest rate changes  |
| Mutual Funds                           | 2,949,325                   | 2,949,325                   | Credit risk, interest rate<br>risk   |
| LGIP                                   | 58,759,181                  | 58,759,181                  | Credit risk  |
| Petty cash                             | 7,744                       | -                           | N/A  |
| <b>Total Deposits and Investments</b>  | <b><u>\$145,341,194</u></b> | <b><u>\$140,023,683</u></b> |  |
| Reconciliation to financial statements |                             |                             |  |
| Per statement of net position          |                             |                             |  |
| Unrestricted cash and investments      | \$138,942,278               |                             |  |
| Restricted cash and investments        | <u>6,398,916</u>            |                             |  |
| <b>Total Deposits and Investments</b>  | <b><u>\$145,341,194</u></b> |                             |  |

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

#### *Custodial Credit Risk*

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2015, \$4,083,568 of the City's total bank balances were exposed to custodial credit risk as follows:

|                                |                     |
|--------------------------------|---------------------|
| Uninsured and uncollateralized | \$ <u>4,083,568</u> |
|--------------------------------|---------------------|

##### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

##### Repurchase Agreements

|   |                      |
|---|----------------------|
| Neither insured nor registered and held by counterparty | \$ <u>42,702,885</u> |
|---|----------------------|

##### US Agencies

|   |                     |
|---|---------------------|
| Neither insured nor registered and held by counterparty | \$ <u>9,771,726</u> |
|---|---------------------|

##### US Treasuries

|   |                     |
|---|---------------------|
| Neither insured nor registered and held by counterparty | \$ <u>2,000,000</u> |
|---|---------------------|



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Custodial Credit Risk (cont.)**

**Investments (cont.)**

Mortgage backed securities

Neither insured nor registered and held by counterparty \$ 10,279,051

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2015, the City's investments were rated as follows:

| <u>Investment Type</u>     | <u>Standard &amp; Poors</u> | <u>Moody's Investors Services</u> | <u>Not Rated</u> |
|----------------------------|-----------------------------|-----------------------------------|------------------|
| US agencies                | AAA                         | AAA                               |                  |
| Mortgage backed securities | AAA                         | Aaa                               |                  |
| Mutual funds               |                             |                                   | X                |
| Repurchase agreements      | AAA                         | Aaa                               |                  |

The City also held investments in the following external pool which is not rated:

Wisconsin Local Government Investment Pool (LGIP)

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the investment portfolio was concentrated as follows:

| <u>Issuer</u> | <u>Investment Type</u>     | <u>Percentage of Net Position</u> |
|---------------|----------------------------|-----------------------------------|
| Various       | Repurchase agreements      | 63.00%                            |
| Various       | Mortgage backed securities | 14.40%                            |
| Various       | US Agencies                | 15.20%                            |



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2015, the City's investments were as follows:

| Investment Type            | Fair Value           | Maturity (In Months) |                      |                      |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
|                            |                      | Less than 1          | 1-5                  | 5 or more            |
| Repurchase agreements      | \$ 42,702,885        | \$ -                 | \$ 7,306,669         | \$ 35,396,216        |
| US treasuries              | 2,000,000            | 1,000,000            | 1,000,000            | -                    |
| US agencies                | 9,771,726            | 500,165              | 9,271,561            | -                    |
| Mortgage backed securities | 10,279,051           | -                    | 1,300,000            | 8,979,051            |
| Mutual funds               | 2,949,325            | 1,199,606            | 1,749,719            | -                    |
| Totals                     | <u>\$ 67,702,987</u> | <u>\$ 2,699,771</u>  | <u>\$ 20,627,949</u> | <u>\$ 44,375,267</u> |

***Investments Highly Sensitive to Interest Rate Changes***

At December 31, 2015, the City held \$10,279,051 in mortgage backed securities which matures on a variety of dates. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in total cash flows affects the market value of these securities and makes the market values of these securities highly sensitive to changes in interest rates. The market value of this investment at December 31, 2015, was \$10,279,051.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit.

At December 31, 2015, the City was exposed to foreign currency risk as follows:

| Investment           | Currency | Maturity Date | Fair Value           |
|----------------------|----------|---------------|----------------------|
| Repurchase agreement | Various  | Various       | <u>\$ 42,702,885</u> |

See Note I.D.1. for further information on deposit and investment policies.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year except for long-term loans of \$3,240,926, deferred special assessments of \$102,561, and delinquent personal property taxes of \$31,428.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

|  | <u>Unearned</u>          | <u>Unavailable</u>    |
|--|--------------------------|-----------------------|
| Property taxes receivable for subsequent year                    | \$ 59,488,907            | \$ -                  |
| Jurisdictional transfer  | 5,897,184                | -                     |
| Special assessments not yet due                                  | -                        | 102,561               |
| Revenues received in advance                                     | <u>2,467,862</u>         | <u>-</u>              |
| <br>Total Unearned/Unavailable Revenue for<br>Governmental Funds | <br><u>\$ 67,853,953</u> | <br><u>\$ 102,561</u> |
| Unearned revenue included in deferred<br>inflows                 | <u>\$ 67,853,953</u>     |                       |

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long-Term Debt Accounts***

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

***Equipment Replacement Account***

The water utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS (cont.)**

***Impact Fee Account***

The city has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

***Net Pension Asset***

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

***Capital Improvement***

The water utility established a capital improvement account to report resources set aside to fund plan renewals and replacement or make up potential future deficiencies in the redemption account.

Following is a list of restricted assets at December 31, 2015:

|                               | Restricted<br>Assets     | Liabilities<br>Payable from<br>Restricted<br>Assets | Restricted Net<br>Position |
|-------------------------------|--------------------------|---|----------------------------|
| Bond redemption account       | \$ 602,741               | \$ 36,904   | \$ 565,837                 |
| Bond reserve account          | 654,699                  | 654,699   | n/a                        |
| Impact fee account            | 543,218                  | 447,136   | 96,082                     |
| Equipment replacement account | 3,020,200                | -   | 3,020,200                  |
| Capital improvement account   | 1,579,193                | 1,579,193   | n/a                        |
| Net pension asset             | <u>8,120,019</u>         | <u>-</u>  | <u>8,120,019</u>           |
| <br>Total                     | <br><u>\$ 14,520,070</u> | <br><u>\$ 2,717,932</u>                             | <br><u>\$ 11,802,138</u>   |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u>  | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|-------------------|---------------------------|
| <b>Governmental Activities</b>  |                              |                     |                   |                           |
| Capital assets not being depreciated/amortized                                |                              |                     |                   |                           |
| Land  | \$ 31,191,331                | \$ -                | \$ -              | \$ 31,191,331             |
| Construction in progress  | 811,591                      | 2,604,051           | 644,924           | 2,770,718                 |
| Intangible asset - easements  | <u>119,286</u>               | <u>-</u>            | <u>-</u>          | <u>119,286</u>            |
| Total Capital Assets Not Being Depreciated/Amortized                          | <u>32,122,208</u>            | <u>2,604,051</u>    | <u>644,924</u>    | <u>34,081,335</u>         |
| Capital assets being depreciated  |                              |                     |                   |                           |
| Buildings   | 55,668,257                   | 300,262             | -                 | 55,968,519                |
| Improvements other than buildings   | 6,651,711                    | 579,139             | -                 | 7,230,850                 |
| Machinery and equipment   | 42,813,614                   | 2,516,479           | 695,455           | 44,634,638                |
| Infrastructure  | <u>182,974,602</u>           | <u>10,709,368</u>   | <u>176,580</u>    | <u>193,507,390</u>        |
| Total Capital Assets Being Depreciated  | <u>288,108,184</u>           | <u>14,105,248</u>   | <u>872,035</u>    | <u>301,341,397</u>        |
| Total Capital Assets  | <u>320,230,392</u>           | <u>16,709,299</u>   | <u>1,516,959</u>  | <u>335,422,732</u>        |
| Less: Accumulated depreciation for  |                              |                     |                   |                           |
| Buildings   | (21,451,243)                 | (1,210,189)         | -                 | (22,661,432)              |
| Improvements other than buildings   | (3,437,430)                  | (274,705)           | -                 | (3,712,135)               |
| Machinery and equipment   | (32,601,020)                 | (2,351,944)         | 681,075           | (34,271,889)              |
| Infrastructure  | <u>106,671,690</u>           | <u>(3,938,407)</u>  | <u>120,495</u>    | <u>(110,489,602)</u>      |
| Total Accumulated Depreciation  | <u>(164,161,383)</u>         | <u>(7,775,245)</u>  | <u>801,570</u>    | <u>(171,135,058)</u>      |
| Net Capital Assets Being Depreciated  | <u>123,946,801</u>           | <u>6,330,003</u>    | <u>70,465</u>     | <u>130,206,339</u>        |
| Total Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$156,069,009</u>         | <u>\$ 8,934,054</u> | <u>\$ 715,389</u> | <u>\$ 164,287,674</u>     |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

|  |                     |
|--|---------------------|
| General Government                                 | \$ 679,792          |
| Public Safety                                      | 1,439,616           |
| Public Works                                       | 731,455             |
| Culture and Recreation                             | 985,975             |
| Infrastructure                                     | <u>3,938,407</u>    |
| Total Governmental Activities Depreciation Expense | <u>\$ 7,775,245</u> |

**Business-type Activities**

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>     | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|----------------------|------------------|---------------------------|
| <u>Wastewater</u>                          |                              |                      |                  |                           |
| Capital assets not being depreciated       |                              |                      |                  |                           |
| Land                                       | \$ 31,107                    | \$ -                 | \$ -             | \$ 31,107                 |
| Construction in progress                   | <u>20,274,819</u>            | <u>22,737,485</u>    | <u>-</u>         | <u>43,012,304</u>         |
| Total Capital Assets Not Being Depreciated | <u>20,305,926</u>            | <u>22,737,485</u>    | <u>-</u>         | <u>43,043,411</u>         |
| Capital assets being depreciated           |                              |                      |                  |                           |
| Buildings and improvements                 | 46,101,951                   | 70,342               | -                | 46,172,293                |
| Machinery and equipment                    | 21,006,459                   | 125,146              | -                | 21,131,605                |
| Infrastructure                             | <u>38,477,360</u>            | <u>2,138,727</u>     | <u>43,719</u>    | <u>40,572,368</u>         |
| Total Capital Assets Being Depreciated     | <u>105,585,770</u>           | <u>2,334,215</u>     | <u>43,719</u>    | <u>107,876,266</u>        |
| Total Capital Assets                       | <u>125,891,696</u>           | <u>25,071,700</u>    | <u>43,719</u>    | <u>150,919,677</u>        |
| Less: Accumulated depreciation for         |                              |                      |                  |                           |
| Buildings and improvements                 | (22,327,665)                 | (1,020,262)          | -                | (23,347,927)              |
| Machinery and equipment                    | (14,784,869)                 | (615,769)            | -                | (15,400,638)              |
| Infrastructure                             | <u>(10,452,798)</u>          | <u>(868,530)</u>     | <u>43,717</u>    | <u>(11,277,611)</u>       |
| Total Accumulated Depreciation             | <u>(47,565,332)</u>          | <u>(2,504,561)</u>   | <u>43,717</u>    | <u>(50,026,176)</u>       |
| Net Capital Assets Being Depreciated       | <u>58,020,438</u>            | <u>(170,346)</u>     | <u>2</u>         | <u>57,850,090</u>         |
| Net Wastewater Capital Assets              | <u>\$ 78,326,364</u>         | <u>\$ 22,567,139</u> | <u>\$ 2</u>      | <u>\$ 100,893,501</u>     |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

|   | Beginning<br>Balance | Additions           | Deletions         | Ending<br>Balance    |
|---|----------------------|---------------------|-------------------|----------------------|
| <u>Water</u>  |                      |                     |                   |                      |
| Capital assets not being<br>depreciated/amortized       |                      |                     |                   |                      |
| Land  | \$ 1,000,648         | \$ -                | \$ 435,089        | \$ 565,559           |
| Construction in progress                                | 378,184              | 86,683              | -                 | 464,867              |
| Intangible assets - easements                           | 149,178              | 35,718              | -                 | 184,896              |
| Total Capital Assets Not Being<br>Depreciated/Amortized | <u>1,528,010</u>     | <u>122,401</u>      | <u>435,089</u>    | <u>1,215,322</u>     |
| Capital assets being depreciated/amortized              |                      |                     |                   |                      |
| Source of supply  | 2,591,773            | -                   | -                 | 2,591,773            |
| Pumping   | 9,609,607            | 503,132             | 679,551           | 9,433,188            |
| Water treatment   | 5,213,659            | -                   | -                 | 5,213,659            |
| Transmission and distribution<br>General                | 78,211,341           | 7,326,344           | 421,102           | 85,116,583           |
|   | 5,841,289            | 285,344             | 321,871           | 5,804,762            |
| Total Capital Assets Being<br>Depreciated/Amortized     | <u>101,467,669</u>   | <u>8,114,820</u>    | <u>1,422,524</u>  | <u>108,159,965</u>   |
| Total Capital Assets                                    | <u>102,995,679</u>   | <u>8,237,221</u>    | <u>1,857,613</u>  | <u>109,375,287</u>   |
| Less: Accumulated<br>depreciation/amortization for      |                      |                     |                   |                      |
| Source of supply  | (1,432,731)          | (63,236)            | -                 | (1,495,967)          |
| Pumping   | (2,899,274)          | (365,810)           | 693,630           | (2,571,454)          |
| Water treatment   | (1,509,025)          | (208,505)           | -                 | (1,717,530)          |
| Transmission and distribution<br>General                | (17,626,420)         | (1,520,846)         | 535,778           | (18,611,488)         |
|   | (4,002,645)          | (379,976)           | 321,871           | (4,060,750)          |
| Total Accumulated<br>Depreciation/Amortization          | <u>(27,470,095)</u>  | <u>(2,538,373)</u>  | <u>1,551,279</u>  | <u>(28,457,189)</u>  |
| Net Capital Assets Being<br>Depreciated/Amortized       | <u>73,997,574</u>    | <u>5,576,447</u>    | <u>(128,755)</u>  | <u>79,702,776</u>    |
| Net Water Capital Assets                                | <u>\$ 75,525,584</u> | <u>\$ 5,698,848</u> | <u>\$ 306,334</u> | <u>\$ 80,918,098</u> |



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|------------------|---------------------------|
| <u>Transit</u>                                |                              |                     |                  |                           |
| Capital assets not being depreciated          |                              |                     |                  |                           |
| Land  | \$ 1,683,701                 | \$ -                | \$ -             | \$ 1,683,701              |
| Total Capital Assets Not Being<br>Depreciated | <u>1,683,701</u>             | <u>-</u>            | <u>-</u>         | <u>1,683,701</u>          |
| Capital assets being depreciated              |                              |                     |                  |                           |
| Buildings and improvements                    | 12,165,071                   | 38,792              | 16,832           | 12,187,031                |
| Machinery and equipment                       | <u>9,288,107</u>             | <u>3,378,169</u>    | <u>1,882,474</u> | <u>10,783,802</u>         |
| Total Capital Assets Being<br>Depreciated     | <u>21,453,178</u>            | <u>3,416,961</u>    | <u>1,899,306</u> | <u>22,970,833</u>         |
| Total Capital Assets                          | <u>23,136,879</u>            | <u>3,416,961</u>    | <u>1,899,306</u> | <u>24,654,534</u>         |
| Less: Accumulated depreciation for            |                              |                     |                  |                           |
| Buildings and improvements                    | (4,266,921)                  | (329,185)           | 16,832           | (4,579,274)               |
| Machinery and equipment                       | <u>(7,213,444)</u>           | <u>(723,668)</u>    | <u>1,867,612</u> | <u>(6,069,500)</u>        |
| Total Accumulated depreciation                | <u>(11,480,365)</u>          | <u>(1,052,853)</u>  | <u>1,884,444</u> | <u>(10,648,774)</u>       |
| Net Capital Assets Being<br>Depreciated       | <u>9,972,813</u>             | <u>2,364,108</u>    | <u>14,862</u>    | <u>12,322,059</u>         |
| Net Transit Capital Assets                    | <u>\$ 11,656,514</u>         | <u>\$ 2,364,108</u> | <u>\$ 14,862</u> | <u>\$ 14,005,760</u>      |



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|------------------|---------------------------|
| <u>Parking</u>                                |                              |                     |                  |                           |
| Capital assets not being depreciated          |                              |                     |                  |                           |
| Land  | \$ 668,744                   | \$ -                | \$ -             | \$ 668,744                |
| Total Capital Assets Not Being<br>Depreciated | <u>668,744</u>               | <u>-</u>            | <u>-</u>         | <u>668,744</u>            |
| Capital assets being depreciated              |                              |                     |                  |                           |
| Buildings and improvements                    | 10,611,384                   | -                   | -                | 10,611,384                |
| Improvements other than buildings             | 290,947                      | -                   | -                | 290,947                   |
| Machinery and equipment                       | 163,491                      | 18,508              | 13,853           | 168,146                   |
| Total Capital Assets Being<br>Depreciated     | <u>11,065,822</u>            | <u>18,508</u>       | <u>13,853</u>    | <u>11,070,477</u>         |
| Total Capital Assets                          | <u>11,734,566</u>            | <u>18,508</u>       | <u>13,853</u>    | <u>11,739,221</u>         |
| Less: Accumulated depreciation for            |                              |                     |                  |                           |
| Buildings and improvements                    | (5,582,100)                  | (148,936)           | -                | (5,731,036)               |
| Improvements other than buildings             | (198,608)                    | (3,415)             | -                | (202,023)                 |
| Machinery and equipment                       | (37,398)                     | (15,612)            | 13,853           | (39,157)                  |
| Total Accumulated Depreciation                | <u>(5,818,106)</u>           | <u>(167,963)</u>    | <u>13,853</u>    | <u>(5,972,216)</u>        |
| Net Capital Assets Being<br>Depreciated       | <u>5,247,716</u>             | <u>(149,455)</u>    | <u>-</u>         | <u>5,098,261</u>          |
| Net Parking Capital Assets                    | <u>\$ 5,916,460</u>          | <u>\$ (149,455)</u> | <u>\$ -</u>      | <u>\$ 5,767,005</u>       |
| <br>  |                              |                     |                  |                           |
|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
| <u>Cemetery</u>                               |                              |                     |                  |                           |
| Capital assets not being depreciated          |                              |                     |                  |                           |
| Land  | \$ 93,977                    | \$ -                | \$ -             | \$ 93,977                 |
| Total Capital Assets Not Being<br>Depreciated | <u>93,977</u>                | <u>-</u>            | <u>-</u>         | <u>93,977</u>             |
| Capital assets being depreciated              |                              |                     |                  |                           |
| Buildings and improvements                    | 197,189                      | -                   | -                | 197,189                   |
| Improvements other than buildings             | 258,251                      | -                   | -                | 258,251                   |
| Machinery and equipment                       | 269,585                      | 13,763              | -                | 283,348                   |
| Total Capital Assets Being<br>Depreciated     | <u>725,025</u>               | <u>13,763</u>       | <u>-</u>         | <u>738,788</u>            |
| Total Capital Assets                          | <u>819,002</u>               | <u>13,763</u>       | <u>-</u>         | <u>832,765</u>            |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>         | <u>Deletions</u>      | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------------|-----------------------|---------------------------|
| <u>Cemetery (cont.)</u>  |                              |                          |                       |                           |
| Less: Accumulated depreciation for   |                              |                          |                       |                           |
| Buildings and improvements   | \$ (105,658)                 | \$ (8,202)               | \$ -                  | \$ (113,860)              |
| Improvements other than buildings  | (134,892)                    | (2,935)                  | -                     | (137,827)                 |
| Machinery and equipment  | <u>(212,592)</u>             | <u>(9,504)</u>           | -                     | <u>(222,096)</u>          |
| Total Accumulated Depreciation   | <u>(453,142)</u>             | <u>(20,641)</u>          | -                     | <u>(473,783)</u>          |
| Net Capital Assets Being<br>Depreciated  | <u>271,883</u>               | <u>(6,878)</u>           | -                     | <u>265,005</u>            |
| Net Cemetery Capital Assets  | <u>\$ 365,860</u>            | <u>\$ (6,878)</u>        | <u>\$ -</u>           | <u>\$ 358,982</u>         |
| <br>Business-type Capital Assets, Net<br>of Accumulated<br>Depreciation/Amortization | <br><u>\$ 171,790,782</u>    | <br><u>\$ 30,473,762</u> | <br><u>\$ 321,198</u> | <br><u>\$ 201,943,346</u> |

Depreciation expense was charged to functions as follows:

**Business-type Activities**

|   |                         |
|---|-------------------------|
| Sewer   | \$ 2,504,561            |
| Water   | 2,335,822               |
| Transit   | 1,055,725               |
| Parking   | 167,963                 |
| Cemetery  | <u>20,641</u>           |
| <br>Total Business-type Activities Depreciation Expense | <br><u>\$ 6,084,712</u> |

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

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

| <u>Receivable Fund</u>   | <u>Payable Fund</u>      | <u>Amount</u>       | <u>Amount Not<br/>Due Within One<br/>Year</u> |
|--|--------------------------|---------------------|---|
| General Fund   | TIF Debt Service Fund    | \$ 3,679,744        | \$ 3,679,744                                  |
|  | Nonmajor Special Revenue |                     |   |
| General Fund   | Funds                    | 295,655             | -   |
| General Fund   | Water Utility            | 1,776,510           | -   |
| General Fund   | Transit                  | 631,264             | -   |
|  | Internal Service Fund -  |                     |   |
| General Fund   | Insurance                | 36,308              | -   |
|  | Nonmajor Special Revenue |                     |   |
| Nonmajor Enterprise Fund   | Funds                    | 15,547              | -   |
| Nonmajor Enterprise Fund   | Permanent Funds          | 55,280              | -   |
| Wastewater Utility   | Water Utility            | <u>2,183,370</u>    | -   |
| Total - Fund Financial Statements                                      |                          | 8,673,678           |   |
| Less: Fund eliminations  |                          | (6,158,769)         |   |
| Less: Government-wide eliminations                                     |                          | <u>(177,962)</u>    |   |
| Total Internal Balances - Government-Wide Statement of<br>Net Position |                          | <u>\$ 2,336,947</u> |   |
| <u>Receivable Fund</u>   | <u>Payable Fund</u>      | <u>Amount</u>       |   |
| Governmental Activities  | Business-type Activities | \$ 2,407,774        |   |
| Business-type Activities   | Governmental Activities  | <u>(70,827)</u>     |   |
| Total Government-Wide Financial Statements                             |                          | <u>\$ 2,336,947</u> |   |

The principal purpose of these interfunds is to clear any fund cash deficits. All remaining balances resulted 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.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Advances***

The following is a schedule of interfund advances:

| <u>Receivable Fund</u>  | <u>Payable Fund</u>                                | <u>Amount</u>              | <u>Amount Not<br/>Due Within One<br/>Year</u> |
|---|--|----------------------------|---|
| Wastewater Fund   | Nonmajor Fleet Replacement<br>Capital Project Fund | \$ 1,639,837               | \$ -  |
| General Fund  | TIF Debt Service Fund                              | <u>409,805</u>             | <u>276,601</u>                                |
| Total - Fund Financial Statements   |  | 2,049,642                  |   |
| Less: Fund eliminations   |  | <u>(409,805)</u>           |   |
| Total - Interfund Advances - Government-Wide Statement<br>of Net Position |  | <u><u>\$ 1,639,837</u></u> |   |

The principal purpose of these interfunds is to fund fleet replacement and temporarily cover development in TIF 14. No repayment schedule for the advance between Wastewater and Fleet Replacement Fund. The repayment schedule for the TIF Debt Service Fund to the General Fund is over a four year period at a rate of 2.5%. Payments are due on January 1 of each of the next three years.

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Transfers**

The following is a schedule of interfund transfers:

| <u>Fund Transferred To</u>                                | <u>Fund Transferred From</u>          | <u>Amount</u>       | <u>Principal Purpose</u>   |
|---|---------------------------------------|---------------------|--|
| General Fund  | Public Works DNR Grant Fund           | \$ 32,083           | Close-out fund   |
| General Fund  | Water Utility                         | 1,776,510           | PILOT  |
| Festival and Special Activities Fund                      | General Fund                          | 15,000              | Transfer of funds contributed by the City for Jamoree activities |
| Public Works Improvements Fund                            | Public Works Impact Fees Fund         | 41,673              | Transfer for operations  |
| Municipal Facilities Fund                                 | Park and Rec Sponsorship Program Fund | 101,500             | Transfer to pay for capital projects                             |
| Cemetery Trust Fund K Fund                                | Prairie Home Cemetery                 | 5,172               | Trust fund transfer  |
| Prairie Home Cemetery                                     | Cemetery Trust Fund                   | 15,547              | Trust fund transfer  |
| Prairie Home Cemetery                                     | Cemetery Lot Maintenance Fund         | 18,013              | Trust fund transfer  |
| Prairie Home Cemetery                                     | Specific Endowment Fund               | 37,266              | Trust fund transfer  |
| Prairie Home Cemetery                                     | General Debt Service Fund             | 66,024              | Debt service transfer  |
| Parking Utility   | General Debt Service Fund             | 240,000             | Debt service transfer  |
| Health Insurance Fund                                     | Parking Utility                       | 5,865               | Sick leave conversion  |
| Health Insurance Fund                                     | Prairie Home Cemetery                 | 13,610              | Sick leave conversion  |
| Health Insurance Fund                                     | General Fund                          | 200,070             | Sick leave conversion  |
| Health Insurance Fund                                     | Wastewater Utility                    | 23,476              | Sick leave conversion  |
| Total - Fund Financial Statements                         |                                       | 2,591,809           |  |
| Less: Fund eliminations                                   |                                       | <u>(1,144,026)</u>  |  |
| Total Transfers - Government-Wide Statement of Activities |                                       | <u>\$ 1,447,783</u> |  |
| <u>Fund Transferred To</u>                                | <u>Fund Transferred From</u>          | <u>Amount</u>       |  |
| Governmental Activities                                   | Business-type Activities              | \$ 1,824,633        |  |
| Business-type Activities                                  | Governmental Activities               | <u>(376,850)</u>    |  |
| Total Government-wide Financial Statements                |                                       | <u>\$ 1,447,783</u> |  |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Transfers (cont.)**

Generally, transfers are used to (1) move revenues from the fund that collects 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 revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2015, was as follows:

|  | Beginning<br>Balance  | Increases            | Decreases            | Ending<br>Balance     | Amounts Due<br>Within One<br>Year |
|--|-----------------------|----------------------|----------------------|-----------------------|-----------------------------------|
| <b>Governmental Activities</b>                       |                       |                      |                      |                       |                                   |
| Bonds and Notes Payable                              |                       |                      |                      |                       |                                   |
| General obligation debt                              | \$ 98,439,253         | \$ 23,775,000        | \$ 21,393,187        | \$ 100,821,066        | \$ 11,764,422                     |
| Note anticipation notes                              | -                     | 750,000              | -                    | 750,000               | -                                 |
| Promissory notes                                     | 2,476,002             | -                    | -                    | 2,476,002             | -                                 |
| Unamortized premium                                  | 3,224,223             | 1,824,292            | 761,940              | 4,286,575             | -                                 |
| Sub-totals   | <u>104,139,478</u>    | <u>26,349,292</u>    | <u>22,155,127</u>    | <u>108,333,643</u>    | <u>11,764,422</u>                 |
| Other Liabilities                                    |                       |                      |                      |                       |                                   |
| Vested compensated absences                          | 5,676,458             | 1,792,189            | 1,618,176            | 5,850,471             | 1,617,000                         |
| Long-term disability                                 | 406,033               | -                    | 16,240               | 389,793               | 19,050                            |
| OPEB liability                                       | 10,555,961            | 2,284,526            | 875,750              | 11,964,737            | -                                 |
| Total Other Liabilities                              | <u>16,638,452</u>     | <u>4,076,715</u>     | <u>2,510,166</u>     | <u>18,205,001</u>     | <u>1,636,050</u>                  |
| Total Governmental Activities Long-Term Liabilities  | <u>\$ 120,777,930</u> | <u>\$ 30,426,007</u> | <u>\$ 24,665,293</u> | <u>\$ 126,538,644</u> | <u>\$ 13,400,472</u>              |
| <b>Business-type Activities</b>                      |                       |                      |                      |                       |                                   |
| Bonds and Notes Payable                              |                       |                      |                      |                       |                                   |
| General obligation debt                              | \$ 19,903,757         | \$ 8,097,648         | \$ 1,351,649         | \$ 26,649,756         | \$ 984,829                        |
| Revenue bonds  | 24,364,734            | 20,511,753           | 827,347              | 44,049,140            | 2,346,963                         |
| Note anticipation notes                              | 5,725,000             | 10,530,000           | 5,725,000            | 10,530,000            | -                                 |
| Unamortized premium                                  | 1,482,857             | 596,483              | 264,953              | 1,814,387             | -                                 |
| Sub-totals   | <u>51,476,348</u>     | <u>39,735,884</u>    | <u>8,168,949</u>     | <u>83,043,283</u>     | <u>3,331,792</u>                  |
| Other Liabilities                                    |                       |                      |                      |                       |                                   |
| OPEB liability                                       | 1,436,676             | 366,429              | 137,447              | 1,665,658             | -                                 |
| Total Other Liabilities                              | <u>1,436,676</u>      | <u>366,429</u>       | <u>137,447</u>       | <u>1,665,658</u>      | <u>-</u>                          |
| Total Business-type Activities Long-Term Liabilities | <u>\$ 52,913,024</u>  | <u>\$ 40,102,313</u> | <u>\$ 8,306,396</u>  | <u>\$ 84,708,941</u>  | <u>\$ 3,331,792</u>               |

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, 2015, was \$283,205,580. Total general obligation debt outstanding at year end was \$127,470,822.



## CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### *General Obligation Debt*

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.

#### Governmental Activities

| General Obligation Debt                                 | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance December 31, 2015 |
|---|---------------|----------------|----------------|-----------------------|---------------------------|
| GO Debt   | 5/01/05       | 10/01/23       | 3.62-4.38%     | \$ 1,700,000          | \$ 300,000                |
| GO Debt   | 3/15/06       | 10/01/21       | 4.00-4.25      | 8,900,000             | 665,000                   |
| GO Debt   | 5/21/07       | 10/01/21       | 4.00-4.75      | 5,885,000             | 1,475,000                 |
| GO Debt   | 7/28/09       | 10/01/18       | 2.00-3.75      | 6,980,000             | 2,035,000                 |
| GO Debt   | 7/28/09       | 10/01/23       | 3.50-4.10      | 6,260,000             | 6,260,000                 |
| GO Debt   | 7/28/09       | 10/01/28       | 1.85-6.10      | 1,865,000             | 1,475,000                 |
| GO Debt   | 2/09/10       | 10/01/20       | 2.00-4.00      | 5,460,000             | 2,180,000                 |
| GO Debt   | 8/10/10       | 10/01/19       | .60-2.50       | 6,165,000             | 1,982,578                 |
| GO Debt   | 12/01/10      | 10/01/30       | 1.10-5.70      | 19,015,000            | 16,391,305                |
| GO Debt   | 8/09/11       | 10/01/20       | 2.00-4.00      | 8,540,000             | 1,610,000                 |
| GO Debt   | 8/09/11       | 10/01/28       | 1.00-5.30      | 2,575,000             | 2,190,000                 |
| GO Debt   | 7/10/12       | 10/01/21       | 2.00-4.00      | 14,393,540            | 8,975,012                 |
| GO Debt   | 7/10/12       | 10/01/21       | 2.00-4.00      | 4,465,000             | 4,140,000                 |
| GO Debt   | 5/07/13       | 4/01/23        | 2.00-4.00      | 17,505,000            | 14,938,706                |
| GO Debt   | 4/08/14       | 10/01/23       | 2.00-4.00      | 11,674,000            | 11,129,642                |
| GO Debt   | 9/09/14       | 10/01/24       | 1.45-2.95      | 1,090,000             | 1,090,000                 |
| GO Debt   | 11/18/14      | 2/15/22        | -              | 238,655               | 208,823                   |
| GO Debt   | 5/12/15       | 10/01/24       | 2.00-4.00      | 20,310,000            | 20,310,000                |
| GO Debt   | 5/12/15       | 10/01/24       | .65-2.70       | 3,465,000             | <u>3,465,000</u>          |
| Total Governmental Activities - General Obligation Debt |               |                |                |                       | <u>\$100,821,066</u>      |



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**Business-type Activities**

| General Obligation Debt                                  | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance December 31, 2015 |
|--|---------------|----------------|----------------|-----------------------|---------------------------|
| GO Debt  | 8/10/10       | 10/01/19       | .60-2.50%      | \$ 6,165,000          | \$ 27,421                 |
| GO Debt  | 12/01/10      | 10/01/30       | 1.10-5.70      | 19,015,000            | 233,695                   |
| GO Debt  | 1/10/12       | 10/01/21       | 2.00-4.00      | 4,006,460             | 2,884,988                 |
| GO Debt  | 5/07/13       | 4/01/23        | 2.00-4.00      | 17,505,000            | 16,294                    |
| GO Debt  | 5/07/13       | 10/01/32       | 2.00-4.00      | 10,085,000            | 8,965,000                 |
| GO Debt  | 4/08/14       | 10/01/33       | 2.00-4.25      | 4,600,000             | 4,600,000                 |
| GO Debt  | 4/08/14       | 10/01/23       | 2.00-4.00      | 121,000               | 115,358                   |
| GO Debt  | 6/25/14       | 5/01/34        | 2.63           | 4,107,000             | 4,107,000                 |
| GO Debt  | 5/12/15       | 10/01/24       | 2.00-4.00      | 285,000               | 285,000                   |
| GO Debt  | 5/12/15       | 10/01/34       | 2.00-4.00      | 5,415,000             | 5,415,000                 |
| Total Business-type Activities - General Obligation Debt |               |                |                |                       | <u>\$ 26,649,756</u>      |

Debt service requirements to maturity are as follows:

| Years     | Governmental Activities<br>General Obligation Debt |                      | Business-type Activities<br>General Obligation Debt |                     |
|-----------|--|----------------------|---|---------------------|
|           | Principal  | Interest             | Principal   | Interest            |
| 2016      | \$ 11,764,422                                      | \$ 3,834,482         | \$ 984,829  | \$ 991,010          |
| 2017      | 12,640,661   | 3,221,205            | 913,044   | 883,503             |
| 2018      | 12,101,298   | 2,854,420            | 1,166,978   | 857,277             |
| 2019      | 11,212,592   | 2,470,349            | 1,580,375   | 818,914             |
| 2020      | 10,868,503   | 2,115,564            | 1,884,278   | 781,447             |
| 2021-2025 | 34,463,590   | 5,316,880            | 8,607,591   | 3,019,470           |
| 2026-2030 | 7,770,000  | 1,201,902            | 6,902,353   | 1,522,632           |
| 2031-2034 | -  | -                    | 4,610,308   | 360,187             |
| Totals    | <u>\$ 100,821,066</u>                              | <u>\$ 21,014,802</u> | <u>\$ 26,649,756</u>                                | <u>\$ 9,234,440</u> |

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

The City has pledged future water revenues to repay revenue bonds issued in 2006-2013. Proceeds from the bonds provided financing for the refunding of old revenue bonds and capital projects. The bonds are payable solely from water revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 2.00% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$4,880,764. Principal and interest paid for the current year and total customer gross revenues were \$890,756 and \$11,281,831, respectively.

The City has pledged future wastewater revenues, net of specified operating expenses, to repay revenue bonds issued in 2014 and 2015. Proceeds from the bonds provided financing for the sewer infrastructure project. The bonds are payable solely from sewer revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require 46% of net revenues. The total principal and interest remaining to be paid on the bonds is \$51,433,726. Principal and interest paid for the current year and total customer net revenues were \$659,449 and \$5,836,035, respectively.

Revenue debt payable at December 31, 2015, consists of the following:

**Business-type Activities Revenue Debt**

|                           | Date of<br>Issue | Final<br>Maturity | Interest<br>Rates | Original<br>Indebtedness                      | Balance<br>December 31,<br>2015 |     |
|---------------------------|------------------|-------------------|-------------------|---|---------------------------------|-----|
| <u>Wastewater Utility</u> |                  |                   |                   |   |                                 |     |
| Series 2014               | 4/08/14          | 11/01/34          | 2.00-4.10%        | \$ 7,455,000                                  | \$ 7,335,000                    |     |
| Series 2014               | 6/25/14          | 5/01/34           | 2.63              | 20,527,028                                    | 20,527,028                      |     |
| Series 2015               | 7/08/15          | 5/01/34           | 2.254             | 12,010,625                                    | <u>12,010,625</u>               | (1) |
|                           |                  |                   |                   | Total Wastewater Utility                      | \$ <u>39,872,653</u>            |     |
| <u>Water Utility</u>      |                  |                   |                   |   |                                 |     |
| Series 2006               | 4/15/06          | 10/01/26          | 4.00-5.00%        | \$ 7,865,000                                  | \$ 335,000                      |     |
| Series 2008               | 4/22/08          | 10/01/22          | 3.00-4.38         | 4,945,000                                     | 2,815,000                       |     |
| Series 2013               | 5/07/13          | 5/01/33           | 1.93              | 1,055,512                                     | <u>1,026,487</u>                |     |
|                           |                  |                   |                   | Total Water Utility                           | <u>4,176,487</u>                |     |
|                           |                  |                   |                   | Total Business-type Activities - Revenue Debt | \$ <u>44,049,140</u>            |     |

(1) - During 2015 the utility was authorized to issue \$15,583,127 of wastewater system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2015. The repayment schedule is for the amount issued.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

| <u>Years</u> | Business-type Activities<br>Revenue Debt |                      |
|--------------|--|----------------------|
|              | <u>Principal</u>                         | <u>Interest</u>      |
| 2016         | \$ 2,346,963                             | \$ 1,217,639         |
| 2017         | 2,066,016                                | 1,150,424            |
| 2018         | 2,120,917                                | 1,092,163            |
| 2019         | 2,181,688                                | 1,030,735            |
| 2020         | 2,243,350                                | 967,467              |
| 2021-2025    | 10,794,453                               | 3,834,862            |
| 2026-2030    | 11,353,174                               | 2,316,078            |
| 2031-2034    | 10,942,579                               | 655,982              |
| Totals       | <u>\$ 44,049,140</u>                     | <u>\$ 12,265,350</u> |

**Note Anticipation Notes**

Note anticipation notes at December 31, 2015, consist of the following:

| <b>Governmental Activities</b>  |                      |                       |                       |                              | Balance                  |
|---------------------------------|----------------------|-----------------------|-----------------------|------------------------------|--------------------------|
| <u>Note Anticipation Notes</u>  | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>December 31, 2015</u> |
| Note Anticipation Note          | 5/12/15              | 7/01/16               | 2.00%                 | 750,000                      | <u>\$ 750,000</u>        |
| <b>Business-type Activities</b> |                      |                       |                       |                              | Balance                  |
| <u>Note Anticipation Notes</u>  | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>December 31, 2015</u> |
| Note Anticipation Note          | 5/12/15              | 7/01/16               | 2.00%                 | \$ 10,530,000                | <u>\$ 10,530,000</u>     |

Debt service requirements to maturity are as follows:

| <u>Years</u> | Governmental Activities<br>Note Anticipation Notes |                  | Business-type Activities<br>Note Anticipation Notes |                   |
|--------------|--|------------------|---|-------------------|
|              | <u>Principal</u>                                   | <u>Interest</u>  | <u>Principal</u>                                    | <u>Interest</u>   |
| 2016         | <u>\$ 750,000</u>                                  | <u>\$ 17,042</u> | <u>\$ 10,530,000</u>                                | <u>\$ 239,265</u> |

While the 2015 note anticipation notes are due July 1, 2016, it is the City's intent to refinance these notes with long-term debt. As such, they have been presented as noncurrent in the statement of net position.

## CITY OF WAUKESHA, WISCONSIN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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##### *F. LONG-TERM OBLIGATIONS (cont.)*

###### *Other Debt Information*

Estimated payments of compensated absences, long-term disability, and OPEB liability are not included in the debt service requirement schedules. The compensated absences liability, long-term disability, and OPEB liability attributable to governmental activities will be liquidated primarily by the general fund.

The City has entered into an agreement with a developer whereby the city agrees to pay to the developer certain amounts necessary for completion of a project for Tax Incremental District No. 13 (TID No. 13). The note will be repaid with tax increments generated by TID No. 13. Should TID No. 13 not generate sufficient revenues over its life to repay the note, any remaining balance will be forgiven by the developer. The balance on the note outstanding as of December 31, 2015 is \$2,476,002.

###### *Current and Advance Refunding*

On May 12, 2015, the City and Cemetery Fund issued \$9,055,000 in general obligation notes with an average coupon rate of 3.00% to advance and current refund \$9,355,000 of outstanding notes with an average coupon rate of 4.38%. The net proceeds along with existing funds of the City were used to purchase U.S. government securities or to currently refund existing debt. The securities purchased for the portion of the notes that were advance refunded, were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded notes. As a result, the refunded notes are considered defeased and the liability for those notes has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$15,511,744 from 2015 through 2024. The cash flow requirements on the 2015 refunding bonds are \$10,811,167 from 2015 through 2024. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$411,103.

###### *Current Refunding*

On May 12, 2015, the City issued \$1,435,000 in general obligation notes with an average coupon rate of 0.78% to refund \$1,415,000 of outstanding bonds with an average coupon rate of 5.33%. The net proceeds along with existing funds of the City were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,529,525 from 2015 through 2017. The cash flow requirements on the 2015 refunding bonds are \$1,456,904 from 2015 through 2017. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$72,185.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

***Bond Covenant Disclosures***

***Insurance***

The water utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The water utility is covered under the following insurance policies at December 31, 2015:

| Type                 | Coverage                                | Expiration |
|----------------------|---|------------|
| General Liability    | \$ 1,000,000 Each occurrence            | 7/1/16     |
| General Liability    | 3,000,000 Each occurrence and aggregate | 7/1/16     |
| Automobile           | 1,000,000                               | 7/1/16     |
| Umbrella Liability   | 10,000,000 Aggregate                    | 7/1/16     |
| Workers Compensation | 500,000                                 | 7/1/16     |

***Debt Coverage - Water***

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the subsequent year debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2015 as follows:

|  |                     |
|--|---------------------|
| Operating revenues                                   | \$ 11,235,113       |
| Investment income                                    | 46,718              |
| Less: Operation and maintenance expenses             | <u>(5,195,475)</u>  |
| Net Defined Earnings                                 | <u>\$ 6,086,356</u> |
| Minimum Required Earnings per Resolution:            |                     |
| 2006 revenue bonds subsequent year debt service      | \$ 349,238          |
| 2008 revenue bonds subsequent year debt service      | 475,206             |
| 2013 SDWL revenue bonds subsequent year debt service | <u>67,554</u>       |
| Subtotal   | 891,998             |
| Coverage factor                                      | <u>1.25</u>         |
| Minimum Required Earnings                            | <u>\$ 1,114,998</u> |
| Actual Debt Coverage                                 | <u>6.82</u>         |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

***Debt Coverage - Sewer***

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2015 as follows:

|   |    |                    |
|---|----|--------------------|
| Operating revenues                        | \$ | 12,024,146         |
| Investment income                         |    | 54,945             |
| Miscellaneous nonoperating income         |    | 97,266             |
| Less: Operation and maintenance expenses  |    | <u>(6,340,322)</u> |
| Net Defined Earnings                      | \$ | <u>5,836,035</u>   |
|   |    |                    |
| Minimum Required Earnings per Resolution: |    |                    |
| Highest annual debt service               | \$ | 2,673,777          |
| Coverage factor                           |    | <u>1.25</u>        |
| Minimum Required Earnings                 | \$ | <u>3,342,221</u>   |
|   |    |                    |
| Actual Debt Coverage                      |    | <u>2.18</u>        |

***Number of Customers and Billed Volumes - Water***

The utility has the following number of customers and billed volumes for:

|                         | <u>Customers</u> | <u>Sales (000 gals)</u> |
|-------------------------|------------------|-------------------------|
| Residential             | 17,572           | 937,774                 |
| Commercial              | 1,240            | 376,763                 |
| Industrial              | 146              | 262,477                 |
| Wholesale               | 119              | 99,076                  |
| Multifamily residential | 952              | 397,554                 |
| Totals                  | <u>20,029</u>    | <u>2,073,644</u>        |



**CITY OF WAUKESHA, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2015

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**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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***G. NET POSITION/FUND BALANCES***

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

***Governmental Activities***

|  |                      |
|--|----------------------|
| Net Investment in Capital Assets                                   |                      |
| Land   | \$ 31,191,331        |
| Construction in progress   | 2,770,718            |
| Intangible asset   | 119,286              |
| Other capital assets, net of accumulated depreciation/amortization | 130,206,339          |
| Less: Long-term debt outstanding                                   | (101,571,066)        |
| Plus: Unspent capital related debt proceeds                        | 5,799,226            |
| Plus: Noncapital debt proceeds                                     | 28,070,063           |
| Plus: Unamortized loss on refunding                                | 1,605,323            |
| Less: Unamortized debt premium                                     | (4,286,575)          |
| Total Net Investment in Capital Assets                             | <u>93,904,645</u>    |
| Restricted   |                      |
| Impact fees  | 96,082               |
| TIF Districts  | 170,000              |
| Confiscated property   | 33,447               |
| Grants   | 224,573              |
| Loan programs  | 4,175,354            |
| Trust donations  | 389,886              |
| Library  | 38,974               |
| Cemetery   | 2,069,961            |
| Pensions   | <u>7,313,167</u>     |
| Total Restricted   | <u>14,511,444</u>    |
| Unrestricted (deficit)   | <u>(22,350,715)</u>  |
| Total Governmental Activities Net Position                         | <u>\$ 86,065,374</u> |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

|  |                     |
|--|---------------------|
| <b>Nonspendable</b>                      |                     |
| Major Funds                              |                     |
| General Fund                             |                     |
| Delinquent personal property taxes       | \$ 31,428           |
| Advances                                 | 409,805             |
| Prepaid items                            | 237,418             |
| Inventories                              | 229,219             |
| Noncurrent receivables                   | <u>3,679,744</u>    |
| Total                                    | <u>\$ 4,587,614</u> |
| Nonmajor Fund                            |                     |
| Capital Project Fund                     |                     |
| General improvement fund - prepaid items | <u>\$ 20,463</u>    |
| <b>Restricted</b>                        |                     |
| Major Fund                               |                     |
| Debt Service Fund - General              | <u>\$ 987,495</u>   |
| Nonmajor Funds                           |                     |
| Special Revenue Funds                    |                     |
| Community development block grant        | \$ 1,697,769        |
| WHEDA loan program                       | 1,399,325           |
| Housing development grant                | 992,304             |
| Public works impact fees                 | 27,885              |
| Park development impact fees             | 68,197              |
| Home rental rehab                        | 63,556              |
| Energy rental rehab                      | 22,400              |
| Confiscated property                     | 14,894              |
| Lead abatement grant                     | 224,573             |
| State confiscated property               | <u>18,553</u>       |
| Sub-Total                                | <u>4,529,456</u>    |
| Capital Projects Fund                    |                     |
| TIF Districts                            | <u>170,000</u>      |

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds (cont.)**

**Restricted (cont.)**

Nonmajor Funds (cont.)

Permanent Funds

|                             |                  |
|-----------------------------|------------------|
| Cemetery lot maintenance    | \$ 1,181,593     |
| Cemetery specific endowment | 888,368          |
| Cemetery trust fund K       | 361,490          |
| Library endowment           | 38,974           |
| H.B. Mills recreation       | <u>28,396</u>    |
| Sub-Total                   | <u>2,498,821</u> |

Total \$ 7,198,277

**Committed**

Nonmajor Funds

Special Revenue Fund

|  |                |
|--|----------------|
| Lighted dome                               | \$ 6,125       |
| Festival and special activities            | 10,523         |
| Police crime prevention                    | 730            |
| Park and recreation sponsorship activities | 281,631        |
| Library cafe                               | 1,748          |
| Cemetery trust fund C                      | 35,024         |
| Paramedics                                 | 42,602         |
| Civic band donation                        | 18,847         |
| Holiday decorations                        | <u>1,162</u>   |
| Sub-Total                                  | <u>398,392</u> |

Capital Project Funds

|                          |                  |
|--------------------------|------------------|
| General improvement fund | 644,260          |
| Public works improvement | 2,637,465        |
| Municipal facilities     | 2,150,585        |
| Fleet replacement        | <u>548,571</u>   |
| Sub-Total                | <u>5,980,881</u> |

Total \$ 6,379,273

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds (cont.)**

**Assigned**

Major Fund

General Fund

|                         |               |
|-------------------------|---------------|
| Honor guard             | \$ 2,494      |
| Waukesha reads grant    | 5,092         |
| Children services grant | 4,474         |
| Consulting              | <u>40,394</u> |

Total \$ 52,454

**Unassigned (deficit)**

Major Funds

|  |                    |
|--|--------------------|
| General fund                           | \$ 10,193,658      |
| Debt service - TIF districts (deficit) | <u>(4,249,005)</u> |

Total \$ 5,944,653

**Business-type Activities**

Net Investment in Capital Assets

|   |                    |
|---|--------------------|
| Land  | \$ 3,043,087       |
| Construction in progress                    | 43,477,171         |
| Intangible assets                           | 184,896            |
| Utility plant in service                    | 250,816,330        |
| Less: accumulated depreciation              | (95,578,138)       |
| Less: Long-term debt outstanding            | (81,228,896)       |
| Plus: Unspent capital related debt proceeds | 6,460,692          |
| Plus: Noncapital debt proceeds              | 346,054            |
| Plus: Unamortized loss on refunding         | 552,833            |
| Less: Unamortized debt premium              | <u>(1,801,835)</u> |
| Total Net Investment in Capital Assets      | <u>126,272,194</u> |

Restricted

|                       |                  |
|-----------------------|------------------|
| Equipment replacement | 3,020,200        |
| Debt service          | 565,837          |
| Pensions              | <u>806,852</u>   |
| Total Restricted      | <u>4,392,889</u> |

Unrestricted 27,642,085

Total Business-type Activities Net Position \$ 158,307,168

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset (liability) and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

|   | Governmental<br>Activities | Business-type<br>Activities | Water Utility        | Wastewater<br>Utility | Transit             | Parking<br>Utility | Nonmajor<br>Enterprise<br>Fund |
|---|----------------------------|-----------------------------|----------------------|-----------------------|---------------------|--------------------|--------------------------------|
| Net Position - December 31,<br>2014 (as reported) | \$ 65,684,577              | \$ 148,576,978              | \$ 70,605,384        | \$ 60,707,466         | \$12,515,850        | \$4,546,724        | \$ 201,544                     |
| Add: Net pension asset                            | 11,856,751                 | 1,308,139                   | 558,970              | 587,493               | 24,919              | 58,432             | 78,325                         |
| Add: Deferred outflows related to<br>pensions     | <u>2,905,737</u>           | <u>320,586</u>              | <u>136,987</u>       | <u>143,977</u>        | <u>6,107</u>        | <u>14,320</u>      | <u>19,195</u>                  |
| Net position - December 31,<br>2014 (as restated) | <u>\$ 80,447,065</u>       | <u>\$ 150,205,703</u>       | <u>\$ 71,301,341</u> | <u>\$ 61,438,936</u>  | <u>\$12,546,876</u> | <u>\$4,619,476</u> | <u>\$ 299,064</u>              |

### NOTE IV - OTHER INFORMATION

#### A. EMPLOYEES' RETIREMENT SYSTEM

##### Summary of Significant Accounting Policies

**Pension.** 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 same 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.

##### General Information About the Pension Plan

**Plan description.** The WRS is 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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

## CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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.

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.



# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

| <u>Year</u> | <u>Core Fund<br/>Adjustment</u> | <u>Variable Fund<br/>Adjustment</u> |
|-------------|---------------------------------|-------------------------------------|
| 2005        | 2.6%                            | 7%                                  |
| 2006        | 0.8                             | 3                                   |
| 2007        | 3.0                             | 10                                  |
| 2008        | 6.6                             | 0                                   |
| 2009        | (2.1)                           | (42)                                |
| 2010        | (1.3)                           | 22                                  |
| 2011        | (1.2)                           | 11                                  |
| 2012        | (7.0)                           | (7)                                 |
| 2013        | (9.6)                           | 9                                   |
| 2014        | 4.7                             | 25                                  |

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,261,778 in contributions from the City.

Contribution rates as of December 31, 2015 are:

| <u>Employee Category</u>           | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General                            | 6.8%            | 6.8%            |
| Executives & Elected Officials     | 7.7%            | 7.7%            |
| Protective with Social Security    | 6.8%            | 9.5%            |
| Protective without Social Security | 6.8%            | 13.1%           |

#### ***Pension Asset (liability)s, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the City reported an asset (liability) of \$8,120,019 for its proportionate share of the net pension asset (liability). The net pension asset (liability) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. 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 asset (liability) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.33058285%, which was a decrease of 0.00333970% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$3,048,637.

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> |
|---|---|
| Differences between expected and actual experience  | \$ 1,177,151                                  |
| Changes in assumptions  | 3,932,105                                     |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 133,072                                       |
| Employer contributions subsequent to the measurement date   | <u>3,206,552</u>                              |
| Totals  | <u>\$ 8,448,880</u>                           |

\$3,206,552 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 (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ended<br/>December 31:</u> | <u>Deferred Outflows<br/>of Resources</u> |
|------------------------------------|---|
| 2016                               | \$ 1,281,741                              |
| 2017                               | 1,281,741                                 |
| 2018                               | 1,281,741                                 |
| 2019                               | 1,281,741                                 |
| 2020                               | 115,364                                   |

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|   |                                |
|---|--------------------------------|
| Actuarial Valuation Date:                         | December 31, 2013              |
| Measurement Date of Net Pension Liability (Asset) | December 31, 2014              |
| Actuarial Cost Method:                            | Entry Age                      |
| Asset Valuation Method:                           | Fair Market Value              |
| Long-Term Expected Rate of Return:                | 7.2%                           |
| Discount Rate:                                    | 7.2%                           |
| Salary Increases:                                 |                                |
| Inflation   | 3.2%                           |
| Seniority/Merit                                   | 0.2% - 5.8%                    |
| Mortality:  | Wisconsin 2012 Mortality Table |
| Post-retirement Adjustments*:                     | 2.1%                           |

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

## CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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:

| Asset Class                | Long-Term Real<br>Rate of Return | Target Allocation |
|----------------------------|----------------------------------|-------------------|
| US Equities                | 5.3%                             | 21%               |
| International Equities     | 5.7                              | 23                |
| Fixed Income               | 1.7                              | 36                |
| Inflation Sensitive Assets | 2.3                              | 20                |
| Real Estate                | 4.2                              | 7                 |
| Private Equity/Debt        | 6.9                              | 7                 |
| Multi-Asset                | 3.9                              | 6                 |
| Cash                       | 0.9                              | -20               |

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

**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION** (cont.)

**A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

**Sensitivity of the City's proportionate share of the net pension asset (liability) to changes in the discount rate.** The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

|   | 1% Decrease to<br>Discount Rate<br>(6.20%) | Current Discount<br>Rate (7.20%) | 1% Increase to<br>Discount Rate<br>(8.20%) |
|---|--|----------------------------------|--|
| City's proportionate share of the net pension asset (liability) | \$22,907,972                               | \$8,120,019                      | \$32,624,672                               |

**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://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the City reported a payable to the pension plan of \$520,774, which represents contractually required contributions outstanding as of the end of the year.

**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; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; and workers compensation. However, other risks, such as healthcare and dental are accounted for and financed by the City in internal service funds.

**Self Insurance**

For dental claims, the uninsured risk of loss is \$1,000 per incident and \$1,000 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For health claims, the uninsured risk of loss is \$100,000 per incident and \$100,000 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses .



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

**Self Insurance (cont.)**

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

**Claims Liability**

|  | <u>Dental</u>    | <u>Health</u>      | <u>Totals</u>      |
|--|------------------|--------------------|--------------------|
| Unpaid Claims - December 31, 2013            | \$ 19,891        | \$ 695,956         | \$ 715,847         |
| Current year claims and changes in estimates | 503,018          | 9,533,094          | 10,036,112         |
| Claim payments                               | (497,805)        | (8,817,385)        | (9,315,190)        |
| Unpaid claims - December 31, 2014            | 25,104           | 1,411,665          | 1,436,769          |
| Current year claims and changes in estimates | 506,739          | 8,244,644          | 8,751,383          |
| Claim payments                               | <u>(531,715)</u> | <u>10,225,805)</u> | <u>10,757,520)</u> |
| Unpaid Claims - December 31, 2015            | <u>\$ 25,232</u> | <u>\$ 842,169</u>  | <u>\$ 867,401</u>  |

**C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The City has the following open contracts outstanding at year end expected to be honored upon performance by the vendor:

|                    |              |
|--------------------|--------------|
| Wastewater Utility | \$ 7,721,469 |
| Nonmajor funds     | 2,114,000    |

## CITY OF WAUKESHA, WISCONSIN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### *C. COMMITMENTS AND CONTINGENCIES (cont.)*

On April 12, 1992, the state of Wisconsin commenced a legal action against the utility entitled State of Wisconsin, Department of Natural Resources vs. City of Waukesha Water Utility. Case No. 91-CV-1027 Circuit Court, Waukesha County, Wisconsin. case number 92-2530, Court of Appeals and Supreme Court of the State of Wisconsin. In that case the State has requested judgment against the Utility for (1) an injunction requiring the Utility to bring its water supply system into compliance with Wisconsin Administrative Code No 109.50(1); (2) the forfeitures provided for in sections 144.99 Stats., for past violations of Wisconsin Administrative Code Sec. NR 109.50; (3) a penalty assessment pursuant to Sect. 165.87(2) (Stats.).

Although the Federal legislation underpinning EPA regulations of radionuclides has been renewed, the EPA has examined the 1996 amendments to the Safe Drinking Water Act and taken the position that the contaminant level (MCL) of 5 pCi/L of radium in drinking water for Ra 226 and Ra 228, combined. The EPA conducted a new rulemaking proceeding and published a Notice of Data Availability and concluded the rulemaking in 2000.

In December 2000, the EPA finalized its rule for radium 226 and 228. In response to this rule, the City of Waukesha, doing business as the City of Waukesha Water Utility, petitioned the United States Court of Appeals, District of Columbia Circuit, in Washington, D.C. to review the rule promulgated by the EPA. The case City of Waukesha, et al. v. EPA, 01-1028, was heard on November 20, 2002. On February 25, 2003 the United States Court of Appeals ruled in favor of the EPA. As such, the municipality terminated the legal process and began negotiation with the Wisconsin Department of Natural Resources (WDNR) to develop a consent order/compliance agreement to bring the water supply into compliance with the radium standard. The municipality entered into a consent order/compliance agreement with the WDNR on December 19, 2003, and immediately began working towards compliance.

The agreement required the utility to develop new shallow wells, install treatment at some of the existing wells and blend the non-compliant water with the compliant water to bring the water supply into compliance with the radium standards. The estimated cost of the improvements is approximately thirteen million five hundred thousand dollars (\$13,500,000). The utility is balancing the radium compliance projects with the other projects that will become part of the long term water supply strategy. While the utility continues to investigate the potential to develop a new water supply, the compliance strategy focuses on projects that will ultimately be part of the long term solution. This estimate consists of the initial capital expenditures, plus operation for 20 years, and is based on implementation of one of the two highest ranked water supply options identified in a 2001 engineering study of water supply alternatives. It is estimated that the new water supply will be available by June 30, 2018.

On September 22, 2008 the city of Waukesha was referred to the Department of Justice for Alleged Violations of Consent Order #2003-SEEE-107, by not meeting the December 8, 2006 timeline for providing drinking water that meets the Safe Drinking Water Standards for Radium. Since September 22, 2008, the Waukesha Water Utility has been working with its legal counsel and the City of Waukesha Attorney to negotiate a settlement with the Department of Justice.

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### ***C. COMMITMENTS AND CONTINGENCIES*** (cont.)

A settlement was successfully negotiated and was filed with the Clerk of Circuit Court in Waukesha County on March 30, 2009. The agreement required the City of Waukesha Water Utility to pay a judgment comprised of forfeitures and fees in the amount of fifty-five thousand (\$55,000). It also recognizes the efforts the utility has undertaken in regards to capital projects and water conservation. In addition, the utility is allowed to operate under strict operating conditions until June 30, 2018.

At that date, the city must be in complete compliance with all federal and state drinking water radionuclide standards which require that the radionuclide-compliant water can be provided in the event of failure of the system's largest well. This may be accomplished by some combination of obtaining a new source of compliant water and by treating for radionuclide-removal and/or new sources of water. If the city fails to meet the strict operating guidelines before final compliance is accomplished, the city will be required to discontinue the supply of non-radionuclide-compliant water to the distribution system and shall meet state and federal radionuclide standards within three (3) years of such failure.

As a solution to the radionuclide issue, the City of Waukesha is in the process of developing a new water supply. As a result of the investigation of water supply alternatives, the City of Waukesha has submitted an Application for Great Lakes Water with the WDNR. This application was updated in October 2013. The City is working with the WDNR through the approval process.

In January 2016, the WDNR concluded that Waukesha has no reasonable water supply alternative and qualifies for water under the Great Lakes Compact. It submitted the City of Waukesha's proposal to borrow Lake Michigan water to the governors and premieres of other Great Lakes states and provinces.

The Governors of the eight states met in June and approved the application.

In 2014, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$3,500,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 21.

Payments are scheduled through the year 2022, and carry an interest rate of .50%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$3,042,195.

In 2014, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$600,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 22.

## CITY OF WAUKESHA, WISCONSIN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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#### **NOTE IV - OTHER INFORMATION** (cont.)

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##### ***C. COMMITMENTS AND CONTINGENCIES*** (cont.)

Payments are scheduled through the year 2030, and carry an interest rate of 1.00 - 3.00%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$600,000.

In 2015, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$1,725,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 22.

Payments are scheduled through the year 2030. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$1,725,000.

##### ***D. OTHER POSTEMPLOYMENT BENEFITS***

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City provides health care insurance coverage for employees who retire with a minimum of 15 years of continuous service for sworn police and fire services and 10 years of employment for general employees. For police and fire retirees, the city will pay 50% of the premium until the retiree ceases to pay their portion of the premium or until they become eligible for medicare. All other retirees are required to pay 100% of the premium after any applicable accrued sick leave balance is exhausted. Administrative costs of the plan are financed through investment earnings.



**CITY OF WAUKESHA, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION (cont.)**

**D. OTHER POSTEMPLOYMENT BENEFITS (cont.)**

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with 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 cost 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 plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

|  |                      |
|--|----------------------|
| Annual required contribution               | \$ 2,748,235         |
| Interest on net OPEB obligation            | 479,705              |
| Adjustment to annual required contribution | <u>(585,083)</u>     |
| Annual OPEB cost                           | 2,642,857            |
| Contributions made                         | <u>(1,005,099)</u>   |
| Increase in net OPEB obligation            | 1,637,758            |
| Net OPEB Obligation - Beginning of Year    | <u>11,992,637</u>    |
| Net OPEB Obligation - End of Year          | <u>\$ 13,630,395</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------------|-------------------------|---|----------------------------|
| December 31, 2013        | \$ 2,850,173            | 41.00 %   | \$ 10,231,884              |
| December 31, 2014        | 2,850,173               | 38.22 %   | 11,992,637                 |
| December 31, 2015        | 2,642,857               | 38.03 %   | 13,630,395                 |

The funded status of the plan as of January 1, 2015, the most recent actuarial valuation date, was as follows:

|   |                      |
|---|----------------------|
| Actuarial accrued liability (AAL)                 | \$ 25,583,717        |
| Actuarial value of plan assets                    | <u>-</u>             |
| Unfunded Actuarial Accrued Liability (UAAL)       | <u>\$ 25,583,717</u> |
| Funded ratio (actuarial value of plan assets/AAL) | -%                   |
| Covered payroll (active plan members)             | \$ 39,078,563        |
| UAAL as a percentage of covered payroll           | 65.47%               |

# CITY OF WAUKESHA, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### ***D. OTHER POSTEMPLOYMENT BENEFITS*** (cont.)

Actuarial valuations of an ongoing plan involve estimates for 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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.

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

In the January 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 6% after 10 years. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015, was 24 years.

#### ***E. SUBSEQUENT EVENTS***

On May 10, 2016 the City issued general obligation promissory notes (Series 2016 A) in the amount of \$18,025,000 with annual interest rates between 2.00-3.00%. This amount will be used for numerous City projects, TIF 17 project, TIF 22 project and to refund outstanding debt.

On May 10, 2016 the City issued note anticipation notes (Series 2016 B) in the amount of \$17,400,000 with annual interest rates of 3.00%. This amount will be used for numerous Water Utility projects.

On May 10, 2016 the City issued note anticipation notes (Series 2016 C) in the amount of \$10,745,000 with annual interest rates of 2.00%. This amount will be used for Fire Station #3/Police Substation and Sewer Utility projects.

On May 10, 2016 the City issued general obligation refunding bonds (Series 2016 D) in the amount of \$6,280,000 with an interest rate of 3.00-4.00%. This amount will be used to refund Water Utility Note Anticipation Notes.



## CITY OF WAUKESHA, WISCONSIN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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#### **NOTE IV - OTHER INFORMATION** (cont.)

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##### ***E. SUBSEQUENT EVENTS*** (cont.)

On May 10, 2016 the City issued taxable general obligation promissory notes (Series 2016 E) in the amount of \$1,200,000 with an interest rate of 1.10-2.40%. This amount will be used economic incentives in TIF 25.

On May 10, 2016 the City issued sewer system revenue bonds (Series 2016 F) in the amount of \$3,610,000 with an interest rate of 2.00-4.00%. This amount will be used to refund Sewer Utility Note Anticipation Notes.

##### ***F. RELATED ORGANIZATIONS/JOINTLY GOVERNED ORGANIZATIONS/JOINT AGREEMENTS***

###### ***Housing Authority***

The City's officials are responsible for appointing the board members of the Waukesha Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

##### ***G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > *Statement No. 72, Fair Value Measurement and Application*
- > *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > *Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > *Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > *Statement No. 77, Tax Abatement Disclosures*
- > *Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget    | Final Budget       | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|----------------------|---|
| <b>REVENUES</b>  |                    |                    |                      |   |
| Taxes  | \$ 43,354,646      | \$ 43,354,646      | \$ 43,620,401        | \$ 265,755  |
| Intergovernmental  | 7,568,798          | 7,568,798          | 7,780,151            | 211,353   |
| Licenses and permits   | 2,134,000          | 2,134,000          | 2,237,863            | 103,863   |
| Fines, forfeitures and penalties                             | 889,500            | 889,500            | 878,637              | (10,863)  |
| Public charges for services                                  | 3,282,244          | 3,282,244          | 3,509,698            | 227,454   |
| Interdepartmental charges                                    | 1,126,097          | 1,126,097          | 1,129,579            | 3,482   |
| Investment income  | 263,350            | 263,350            | 168,744              | (94,606)  |
| Miscellaneous  | 146,544            | 150,490            | 172,938              | 22,448  |
| Total Revenues   | <u>58,765,179</u>  | <u>58,769,125</u>  | <u>59,498,011</u>    | <u>728,886</u>  |
| <b>EXPENDITURES</b>  |                    |                    |                      |   |
| Current  |                    |                    |                      |   |
| General government   | 9,448,186          | 9,453,980          | 8,851,475            | 602,505   |
| Public safety  | 30,007,081         | 30,010,812         | 30,011,845           | (1,033)   |
| Public works   | 8,814,891          | 8,814,891          | 8,172,405            | 642,486   |
| Sanitation   | 2,851,099          | 2,872,858          | 2,871,649            | 1,209   |
| Culture and recreation                                       | 9,170,906          | 9,175,138          | 9,027,726            | 147,412   |
| Total Expenditures   | <u>60,292,163</u>  | <u>60,327,679</u>  | <u>58,935,100</u>    | <u>1,392,579</u>  |
| Excess (deficiency) of Revenues Over<br>(Under) Expenditures | <u>(1,526,984)</u> | <u>(1,558,554)</u> | <u>562,911</u>       | <u>2,121,465</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |                      |   |
| Sale of City property  | 13,500             | 13,500             | 18,143               | 4,643   |
| Transfers in   | 1,790,312          | 1,790,312          | 1,808,593            | 18,281  |
| Transfers out  | (279,460)          | (279,460)          | (215,070)            | 64,390  |
| Total Other Financing Sources (Uses)                         | <u>1,524,352</u>   | <u>1,524,352</u>   | <u>1,611,666</u>     | <u>87,314</u>   |
| <b>Net Changes in Fund Balance</b>                           | <u>\$ (2,632)</u>  | <u>\$ (34,202)</u> | <u>2,174,577</u>     | <u>\$ 2,208,779</u>                                       |
| FUND BALANCE - Beginning of Year                             |                    |                    | <u>12,659,149</u>    |   |
| <b>FUND BALANCE - END OF YEAR</b>                            |                    |                    | <u>\$ 14,833,726</u> |   |

See notes to required supplementary information and independent auditors' report.

**CITY OF WAUKESHA, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFIT PLAN  
For the Year Ended December 31, 2015**

| Actuarial<br>Valuation<br>Date<br>January 1 | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL) Unit<br>Credit | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|---|--|--|-------------------------------------|---|---------------------------|--|
| 2011  | \$ -                                   | \$ 26,304,152  | 0.00%                               | \$ 26,304,152   | \$ 35,411,000             | 74%  |
| 2013  | -                                      | 27,901,608   | 0.00%                               | 27,901,608  | 36,211,015                | 77%  |
| 2015  | -                                      | 25,583,717   | 0.00%                               | 25,583,717  | 39,078,563                | 65%  |

See notes to required supplementary information and independent auditors' report.

**CITY OF WAUKESHA, WISCONSIN  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 OTHER POST-EMPLOYMENT BENEFIT PLAN  
 For the Year Ended December 31, 2015**

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| Year Ended<br>December 31, | Employer<br>Contributions | Annual Required<br>Contribution<br>(ARC) | Percentage<br>Contributed |
|----------------------------|---------------------------|--|---------------------------|
| 2013                       | \$ 1,158,379              | \$ 2,881,817                             | 40%                       |
| 2014                       | 1,089,421                 | 2,881,817                                | 38%                       |
| 2015                       | 1,005,099                 | 2,748,235                                | 37%                       |

See notes to required supplementary information and independent auditors' report.

**CITY OF WAUKESHA, WISCONSIN**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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| <u>Fiscal<br/>Year Ending</u> | <u>Proportion<br/>of the Net<br/>Pension<br/>Asset</u> | <u>Proportionate<br/>Share of the<br/>Net Pension<br/>Asset</u> | <u>Covered<br/>Payroll</u> | <u>Proportionate<br/>Share of the Net<br/>Pension Asset<br/>as a Percentage<br/>of Covered<br/>Payroll</u> | <u>Plan Fiduciary<br/>Net Position<br/>as a Percentage<br/>of the Total<br/>Pension Asset</u> |
|-------------------------------|--|---|----------------------------|--|---|
| 12/31/15                      | 0.33058285%  | \$ 8,120,019  | \$ 35,230,655              | 23.05%   | 102.74%   |

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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| <u>Fiscal<br/>Year Ending</u> | <u>Contractually<br/>Required<br/>Contributions</u> | <u>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</u> |
|-------------------------------|---|--|---|----------------------------|---|
| 12/31/15                      | \$ 3,206,552  | \$ 3,206,552   | \$ -  | \$ 36,421,255              | 8.80%   |

See independent auditors' report and accompanying notes to the required supplementary information.



**CITY OF WAUKESHA, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended December 31, 2015**

**NOTE 1 – 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 I. C.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$52,454. Budgets are adopted at the department level of expenditure.

|               | Final Budget  | Actual Expenditures and Other Financing Uses | Excess   |
|---------------|---------------|--|----------|
| General Fund  |               |  |          |
| Public safety | \$ 30,010,812 | \$ 30,011,845                                | \$ 1,033 |

**NOTE 2 – WISCONSIN RETIREMENT SYSTEM**

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

See Independent Auditors' Report.

**SUPPLEMENTARY INFORMATION**

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues and Other Financing Sources - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
| <b>TAXES</b>                            |                   |                   |                   |   |
| General property taxes                  | \$ 42,495,573     | \$ 42,495,573     | \$ 42,703,167     | \$ 207,594  |
| Omitted taxes                           | 15,000            | 15,000            | 12,739            | (2,261)   |
| Delinquent taxes and interest           | 150,000           | 150,000           | 163,205           | 13,205  |
| Mobile home taxes                       | 12,000            | 12,000            | 14,087            | 2,087   |
| Forest cropland                         | -                 | -                 | 8                 | 8   |
| Occupancy (room) tax                    | 578,000           | 578,000           | 613,589           | 35,589  |
| Payment in lieu of taxes                | 104,073           | 104,073           | 113,606           | 9,533   |
| <b>Total Taxes</b>                      | <b>43,354,646</b> | <b>43,354,646</b> | <b>43,620,401</b> | <b>265,755</b>  |
| <b>INTERGOVERNMENTAL REVENUES</b>       |                   |                   |                   |   |
| Federal aid - OCDETF                    | -                 | -                 | 10,605            | 10,605  |
| Federal aid - FEMA                      | -                 | -                 | 3,993             | 3,993   |
| Federal aid - law enforcement           | -                 | -                 | 2,446             | 2,446   |
| State shared revenues                   | 2,453,874         | 2,453,874         | 2,444,119         | (9,755)   |
| State fire insurance tax                | 205,485           | 205,485           | 190,945           | (14,540)  |
| State payment for municipal services    | 216,578           | 216,578           | 215,838           | (740)   |
| State aid - law enforcement             | 46,880            | 46,880            | 44,582            | (2,298)   |
| State aid - general highway             | 2,547,752         | 2,547,752         | 2,751,854         | 204,102   |
| State aid - connecting streets          | 75,661            | 75,661            | 75,777            | 116   |
| State aid - ambulance                   | 7,500             | 7,500             | 9,991             | 2,491   |
| State aid - exempt computer             | 228,623           | 228,623           | 230,915           | 2,292   |
| State aid - other                       | -                 | -                 | 900               | 900   |
| County aid - library                    | 1,182,832         | 1,182,832         | 1,182,832         | -   |
| Other grants                            | 603,613           | 603,613           | 615,354           | 11,741  |
| <b>Total Intergovernmental Revenues</b> | <b>7,568,798</b>  | <b>7,568,798</b>  | <b>7,780,151</b>  | <b>211,353</b>  |
| <b>LICENSES AND PERMITS</b>             |                   |                   |                   |   |
| Licenses                                | 151,800           | 151,800           | 184,128           | 32,328  |
| Nonbusiness licenses                    | 11,400            | 11,400            | 11,659            | 259   |
| Building permits and inspection fees    | 927,200           | 927,200           | 962,329           | 35,129  |
| Cable TV franchise fee                  | 950,000           | 950,000           | 971,683           | 21,683  |
| Property tax exemption fees             | 200               | 200               | 50                | (150)   |
| Other permits and inspection fees       | 93,400            | 93,400            | 108,014           | 14,614  |
| <b>Total Licenses and Permits</b>       | <b>2,134,000</b>  | <b>2,134,000</b>  | <b>2,237,863</b>  | <b>103,863</b>  |
| <b>FINES, FORFEITURES AND PENALTIES</b> |                   |                   |                   |   |
| Law and ordinance violations            | 889,500           | 889,500           | 878,637           | (10,863)  |

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues and Other Financing Sources - Budget and Actual (Continued)**  
**General Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget      | Final Budget         | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|----------------------|----------------------|----------------------|---|
| <b>PUBLIC CHARGES FOR SERVICES</b>                    |                      |                      |                      |   |
| General government                                    | \$ 57,100            | \$ 57,100            | \$ 48,881            | \$ (8,219)  |
| Law enforcement fees                                  | 70,000               | 70,000               | 80,841               | 10,841  |
| Fire department fees                                  | 44,350               | 44,350               | 49,080               | 4,730   |
| Ambulance   | 1,510,000            | 1,510,000            | 1,786,198            | 276,198   |
| Safety inspections                                    | 219,820              | 219,820              | 230,504              | 10,684  |
| Public works  | 4,000                | 4,000                | 3,647                | (353)   |
| Engineering   | 25,000               | 25,000               | 140,110              | 115,110   |
| Snow and ice control                                  | 7,500                | 7,500                | 8,169                | 669   |
| Library   | 212,474              | 212,474              | 173,152              | (39,322)  |
| Recreation  | 1,110,000            | 1,110,000            | 981,830              | (128,170)   |
| Weed control  | 2,500                | 2,500                | 1,540                | (960)   |
| Trees   | 18,000               | 18,000               | 4,743                | (13,257)  |
| Other public charges                                  | 1,500                | 1,500                | 1,003                | (497)   |
| Total Public Charges for Services                     | <u>3,282,244</u>     | <u>3,282,244</u>     | <u>3,509,698</u>     | <u>227,454</u>  |
| <b>INTERDEPARTMENTAL CHARGES</b>                      |                      |                      |                      |   |
| General government services                           | 292,097              | 292,097              | 270,053              | (22,044)  |
| Planning and zoning                                   | 100,000              | 100,000              | 101,306              | 1,306   |
| Public works  | 100,000              | 100,000              | 62,621               | (37,379)  |
| Engineering   | 634,000              | 634,000              | 695,599              | 61,599  |
| Total Interdepartmental Charges                       | <u>1,126,097</u>     | <u>1,126,097</u>     | <u>1,129,579</u>     | <u>3,482</u>  |
| <b>INVESTMENT INCOME</b>                              |                      |                      |                      |   |
| Investment income                                     | 263,350              | 263,350              | 168,744              | (94,606)  |
| <b>MISCELLANEOUS REVENUES</b>                         |                      |                      |                      |   |
| Insurance recoveries                                  | 50,000               | 50,000               | 85,110               | 35,110  |
| Property rental                                       | 33,800               | 33,800               | 42,221               | 8,421   |
| Donations   | 18,394               | 22,340               | 13,925               | (8,415)   |
| Miscellaneous   | 44,350               | 44,350               | 31,682               | (12,668)  |
| Total Miscellaneous                                   | <u>146,544</u>       | <u>150,490</u>       | <u>172,938</u>       | <u>22,448</u>   |
| <b>TOTAL REVENUES</b>                                 | <u>58,765,179</u>    | <u>58,769,125</u>    | <u>59,498,011</u>    | <u>728,886</u>  |
| <b>OTHER FINANCING SOURCES</b>                        |                      |                      |                      |   |
| Sale of city property                                 | 13,500               | 13,500               | 18,143               | 4,643   |
| Transfers in  | 1,790,312            | 1,790,312            | 1,808,593            | 18,281  |
| Total Other Financing Sources                         | <u>1,803,812</u>     | <u>1,803,812</u>     | <u>1,826,736</u>     | <u>22,924</u>   |
| <b>TOTAL REVENUES AND OTHER<br/>FINANCING SOURCES</b> | <u>\$ 60,568,991</u> | <u>\$ 60,572,937</u> | <u>\$ 61,324,747</u> | <u>\$ 751,810</u>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Expenditures and Other Financing Uses - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2015**

|                                     | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------------|-----------------|--------------|------------|---|
| <b>GENERAL GOVERNMENT</b>           |                 |              |            |   |
| City council                        | \$ 104,207      | \$ 104,207   | \$ 102,843 | \$ 1,364  |
| Municipal court                     | 348,368         | 348,368      | 343,824    | 4,544   |
| Mayor's office                      | 185,270         | 185,270      | 189,107    | (3,837)   |
| City administrator                  | 286,488         | 286,488      | 328,782    | (42,294)  |
| Planning commission                 | 1,535           | 1,535        | 751        | 784   |
| Elections                           | 49,036          | 49,036       | 55,265     | (6,229)   |
| Human resources                     | 285,778         | 290,778      | 290,839    | (61)  |
| Labor relations                     | 35,000          | 35,000       | -          | 35,000  |
| Unallocated benefits                | 601,794         | 601,794      | 584,798    | 16,996  |
| Clerk/Treasurer                     | 702,583         | 702,583      | 729,159    | (26,576)  |
| Assessor                            | 498,643         | 498,643      | 495,469    | 3,174   |
| Finance                             | 787,070         | 787,070      | 642,243    | 144,827   |
| City attorney                       | 612,314         | 612,314      | 577,798    | 34,516  |
| City hall                           | 241,021         | 241,021      | 207,700    | 33,321  |
| Planning and zoning                 | 662,247         | 668,041      | 549,500    | 118,541   |
| Information systems                 | 2,490,159       | 2,490,159    | 2,198,347  | 291,812   |
| Property and liability insurance    | 1,254,673       | 1,254,673    | 1,353,969  | (99,296)  |
| Bad debts, refunds, and contingency | 160,000         | 155,000      | 47,691     | 107,309   |
| Other general government            | 142,000         | 142,000      | 153,390    | (11,390)  |
| Total General Government            | 9,448,186       | 9,453,980    | 8,851,475  | 602,505   |
| <b>PUBLIC SAFETY</b>                |                 |              |            |   |
| Police department                   | 16,554,070      | 16,552,261   | 16,501,909 | 50,352  |
| Emergency government                | 20,325          | 20,325       | 12,555     | 7,770   |
| Fire department                     | 12,296,899      | 12,302,439   | 12,483,557 | (181,118)   |
| Police and fire commission          | 40,503          | 40,503       | 20,998     | 19,505  |
| Building inspections                | 923,911         | 923,911      | 820,029    | 103,882   |
| Other                               | 171,373         | 171,373      | 172,797    | (1,424)   |
| Total Public Safety                 | 30,007,081      | 30,010,812   | 30,011,845 | (1,033)   |

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)**  
**General Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget | Final Budget  | Actual        | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------|---------------|---------------|---|
| <b>PUBLIC WORKS</b>                                |                 |               |               |   |
| Roadway and streets maintenance                    | \$ 420,071      | \$ 420,071    | \$ 404,468    | \$ 15,603   |
| Engineering  | 2,592,488       | 2,592,488     | 2,553,901     | 38,587  |
| General public works                               | 3,777,249       | 3,777,249     | 3,461,390     | 315,859   |
| Storm sewers                                       | 65,500          | 65,500        | 64,149        | 1,351   |
| Snow and ice removal                               | 658,310         | 658,310       | 452,946       | 205,364   |
| Fleet maintenance                                  | 724,119         | 724,119       | 659,287       | 64,832  |
| Street lighting                                    | 571,310         | 571,310       | 569,378       | 1,932   |
| Weed cutting                                       | 5,844           | 5,844         | 6,886         | (1,042)   |
| Total Public Works                                 | 8,814,891       | 8,814,891     | 8,172,405     | 642,486   |
| <b>SANITATION</b>                                  |                 |               |               |   |
| Solid waste disposal                               | 2,851,099       | 2,872,858     | 2,871,649     | 1,209   |
| <b>CULTURE AND RECREATION</b>                      |                 |               |               |   |
| Public library                                     | 3,836,296       | 3,840,528     | 3,832,159     | 8,369   |
| Pools  | 370,594         | 370,594       | 378,926       | (8,332)   |
| Recreation programs                                | 929,584         | 929,584       | 957,187       | (27,603)  |
| Forestry   | 954,122         | 954,122       | 942,779       | 11,343  |
| Parks administration                               | 569,694         | 569,694       | 564,859       | 4,835   |
| Parks maintenance                                  | 2,486,906       | 2,486,906     | 2,328,537     | 158,369   |
| Festivals  | 23,710          | 23,710        | 23,279        | 431   |
| Total Culture and Recreation                       | 9,170,906       | 9,175,138     | 9,027,726     | 147,412   |
| <b>TOTAL EXPENDITURES</b>                          |                 |               |               |   |
|  | 60,292,163      | 60,327,679    | 58,935,100    | 1,392,579   |
| <b>OTHER FINANCING USES</b>                        |                 |               |               |   |
| Transfers out                                      | 279,460         | 279,460       | 215,070       | 64,390  |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> |                 |               |               |   |
|  | \$ 60,571,623   | \$ 60,607,139 | \$ 59,150,170 | \$ 1,456,969  |



**CITY OF WAUKESHA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2015**

|   | Special Revenue Funds |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
|---|-----------------------|---------------------------------|-------------------------|-----------------------------------|---------------------|---------------------------|--------------------------|-------------------------|------------------------------|---------------------|--------------------|---|
|   | Lighted Dome          | Festival and Special Activities | Police Crime Prevention | Community Development Block Grant | WHEDA Loan Program  | Housing Development Grant | Public Works Impact Fees | Public Works DNR Grants | Park Development Impact Fees | Library Impact Fees | Police Impact Fees | Park and Recreation Sponsorship Program |
| <b>ASSETS</b>   |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| Cash and investments  | \$ 6,125              | \$ 13,056                       | \$ 730                  | \$ -                              | \$ 198,276          | \$ 970,409                | \$ -                     | \$ -                    | \$ -                         | \$ -                | \$ -               | \$ 106,117                              |
| Receivables   |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| Taxes   | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Accounts  | -                     | -                               | -                       | -                                 | -                   | -                         | 2,792                    | -                       | -                            | -                   | -                  | 225,913                                 |
| Special assessments   | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Loans (net)   | -                     | -                               | -                       | 1,811,680                         | 1,201,049           | 25,000                    | -                        | -                       | -                            | -                   | -                  | -                                       |
| Due from other governmental units   | -                     | -                               | -                       | 190,759                           | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Restricted cash   | -                     | -                               | -                       | -                                 | -                   | -                         | 395,356                  | -                       | 139,981                      | 308                 | 7,573              | -                                       |
| Prepaid items   | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| <b>TOTAL ASSETS</b>   | <b>\$ 6,125</b>       | <b>\$ 13,056</b>                | <b>\$ 730</b>           | <b>\$ 2,002,439</b>               | <b>\$ 1,399,325</b> | <b>\$ 995,409</b>         | <b>\$ 398,148</b>        | <b>\$ -</b>             | <b>\$ 139,981</b>            | <b>\$ 308</b>       | <b>\$ 7,573</b>    | <b>\$ 332,030</b>                       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| <b>Liabilities</b>  |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| Accounts payable  | \$ -                  | \$ 2,533                        | \$ -                    | \$ 9,015                          | \$ -                | \$ 3,105                  | \$ -                     | \$ -                    | \$ -                         | \$ -                | \$ -               | \$ 32,120                               |
| Other accrued liabilities   | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | 18,279                                  |
| Due to other funds  | -                     | -                               | -                       | 295,655                           | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Deposits  | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Advance due to other funds  | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| <b>Total Liabilities</b>  | <b>-</b>              | <b>2,533</b>                    | <b>-</b>                | <b>304,670</b>                    | <b>-</b>            | <b>3,105</b>              | <b>-</b>                 | <b>-</b>                | <b>-</b>                     | <b>-</b>            | <b>-</b>           | <b>50,399</b>                           |
| <b>Deferred Inflows of Resources</b>                                      |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| Unavailable revenues  | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Unearned revenues   | -                     | -                               | -                       | -                                 | -                   | -                         | 370,263                  | -                       | 71,784                       | 308                 | 7,573              | -                                       |
| <b>Total Deferred Inflows of Resources</b>                                | <b>-</b>              | <b>-</b>                        | <b>-</b>                | <b>-</b>                          | <b>-</b>            | <b>-</b>                  | <b>370,263</b>           | <b>-</b>                | <b>71,784</b>                | <b>308</b>          | <b>7,573</b>       | <b>-</b>                                |
| <b>Fund Balances</b>  |                       |                                 |                         |                                   |                     |                           |                          |                         |                              |                     |                    |   |
| Nonspendable  | -                     | -                               | -                       | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | -                                       |
| Restricted  | -                     | -                               | -                       | 1,697,769                         | 1,399,325           | 992,304                   | 27,885                   | -                       | 68,197                       | -                   | -                  | -                                       |
| Committed   | 6,125                 | 10,523                          | 730                     | -                                 | -                   | -                         | -                        | -                       | -                            | -                   | -                  | 281,631                                 |
| <b>Total Fund Balances</b>  | <b>6,125</b>          | <b>10,523</b>                   | <b>730</b>              | <b>1,697,769</b>                  | <b>1,399,325</b>    | <b>992,304</b>            | <b>27,885</b>            | <b>-</b>                | <b>68,197</b>                | <b>-</b>            | <b>-</b>           | <b>281,631</b>                          |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 6,125</b>       | <b>\$ 13,056</b>                | <b>\$ 730</b>           | <b>\$ 2,002,439</b>               | <b>\$ 1,399,325</b> | <b>\$ 995,409</b>         | <b>\$ 398,148</b>        | <b>\$ -</b>             | <b>\$ 139,981</b>            | <b>\$ 308</b>       | <b>\$ 7,573</b>    | <b>\$ 332,030</b>                       |

(Continued)

CITY OF WAUKESHA, WISCONSIN  
Combining Balance Sheet  
Nonmajor Governmental Funds  
As of December 31, 2015

| Special Revenue Funds (Continued)   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
|---|-----------------|-------------------------|---------------------------|-----------------------------|------------------------------|-------------------------|------------------|----------------------------|----------------------------------|------------------------|------------------------|---|
|   | Library<br>Café | Home<br>Rental<br>Rehab | Energy<br>Rental<br>Rehab | Cemetery<br>Trust<br>Fund C | Crime<br>Prevention<br>Grant | Confiscated<br>Property | Paramedics       | Lead<br>Abatement<br>Grant | State<br>Confiscated<br>Property | Civic Band<br>Donation | Holiday<br>Decorations |   |
| <b>ASSETS</b>   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Cash and investments  | \$ 4,938        | \$ 18,556               | \$ 21,400                 | \$ 50,571                   | \$ -                         | \$ 14,894               | \$ 43,028        | \$ 224,573                 | \$ 21,857                        | \$ 18,847              | \$ 1,162               |   |
| Receivables   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Taxes   | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Accounts  | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Special assessments   | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Loans (net)   | -               | 45,000                  | 1,000                     | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Due from other governmental units   | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Restricted cash   | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Prepaid items   | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| <b>TOTAL ASSETS</b>   | <b>\$ 4,938</b> | <b>\$ 63,556</b>        | <b>\$ 22,400</b>          | <b>\$ 50,571</b>            | <b>\$ -</b>                  | <b>\$ 14,894</b>        | <b>\$ 43,028</b> | <b>\$ 224,573</b>          | <b>\$ 21,857</b>                 | <b>\$ 18,847</b>       | <b>\$ 1,162</b>        |   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Liabilities   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Accounts payable  | \$ -            | \$ -                    | \$ -                      | \$ -                        | \$ -                         | \$ -                    | \$ 426           | \$ -                       | \$ 3,304                         | \$ -                   | \$ -                   | - |
| Other accrued liabilities   | 2,881           | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Due to other funds  | -               | -                       | -                         | 15,547                      | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Deposits  | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Advance due to other funds  | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Total Liabilities   | 2,881           | -                       | -                         | 15,547                      | -                            | -                       | 426              | -                          | 3,304                            | -                      | -                      | - |
| Deferred Inflows of Resources   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Unavailable revenues  | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Unearned revenues   | 309             | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Total   | 309             | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Fund Balances   |                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |   |
| Nonspendable  | -               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      | - |
| Restricted  | -               | 63,556                  | 22,400                    | -                           | -                            | 14,894                  | -                | 224,573                    | 18,553                           | -                      | -                      | - |
| Committed   | 1,748           | -                       | -                         | 35,024                      | -                            | -                       | 42,602           | -                          | -                                | 18,847                 | 1,162                  | - |
| Total Fund Balances   | 1,748           | 63,556                  | 22,400                    | 35,024                      | -                            | 14,894                  | 42,602           | 224,573                    | 18,553                           | 18,847                 | 1,162                  | - |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 4,938</b> | <b>\$ 63,556</b>        | <b>\$ 22,400</b>          | <b>\$ 50,571</b>            | <b>\$ -</b>                  | <b>\$ 14,894</b>        | <b>\$ 43,028</b> | <b>\$ 224,573</b>          | <b>\$ 21,857</b>                 | <b>\$ 18,847</b>       | <b>\$ 1,162</b>        |   |

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2015**

|   | Capital Projects Funds |                                 |                         |                      |                   | Permanent Funds                |                                   |                             |                      |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|------------------------|---------------------------------|-------------------------|----------------------|-------------------|--------------------------------|-----------------------------------|-----------------------------|----------------------|------------------------------|--|
|   | General<br>Improvement | Public<br>Works<br>Improvements | Municipal<br>Facilities | Fleet<br>Replacement | TIF Districts     | Cemetery<br>Lot<br>Maintenance | Cemetery<br>Specific<br>Endowment | Cemetery<br>Trust<br>Fund K | Library<br>Endowment | H. B.<br>Mills<br>Recreation |  |
| <b>ASSETS</b>   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Cash and investments  | \$ 725,205             | \$ 10,454,537                   | \$ 2,323,106            | \$ 2,193,401         | \$ 13,374         | \$ 1,199,606                   | \$ 925,642                        | \$ 361,490                  | \$ 43,452            | \$ 28,396                    | \$ 19,982,748                              |
| Receivables   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Taxes   |                        | -                               | 391,010                 | 1,123,700            | -                 | -                              | -                                 | -                           | -                    | -                            | 1,514,710                                  |
| Accounts  | 51,976                 | 169,303                         | -                       | -                    | 40                | -                              | -                                 | -                           | -                    | -                            | 450,024                                    |
| Special assessments   | 61,048                 | 10,709                          | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 71,757                                     |
| Loans (net)   | -                      | -                               | -                       | -                    | 157,197           | -                              | -                                 | -                           | -                    | -                            | 3,240,926                                  |
| Due from other governmental units   | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 190,759                                    |
| Restricted cash   | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 543,218                                    |
| Prepaid items   | 20,463                 | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 20,463                                     |
| <b>TOTAL ASSETS</b>   | <b>\$ 858,692</b>      | <b>\$ 10,634,549</b>            | <b>\$ 2,714,116</b>     | <b>\$ 3,317,101</b>  | <b>\$ 170,611</b> | <b>\$ 1,199,606</b>            | <b>\$ 925,642</b>                 | <b>\$ 361,490</b>           | <b>\$ 43,452</b>     | <b>\$ 28,396</b>             | <b>\$ 26,014,605</b>                       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Liabilities   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Accounts payable  | \$ 132,921             | \$ 351,194                      | \$ 151,245              | \$ 4,993             | \$ 611            | \$ -                           | \$ 7                              | \$ -                        | \$ 4,478             | \$ -                         | \$ 695,952                                 |
| Other accrued liabilities   | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 21,160                                     |
| Due to other funds  | -                      | -                               | -                       | -                    | -                 | 18,013                         | 37,267                            | -                           | -                    | -                            | 366,482                                    |
| Deposits  | -                      | 434,528                         | 8,045                   | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 442,573                                    |
| Advance due to other funds  | -                      | -                               | -                       | 1,639,837            | -                 | -                              | -                                 | -                           | -                    | -                            | 1,639,837                                  |
| Total Liabilities   | 132,921                | 785,722                         | 159,290                 | 1,644,830            | 611               | 18,013                         | 37,274                            | -                           | 4,478                | -                            | 3,166,004                                  |
| Deferred Inflows of Resources   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Unavailable revenues  | 61,048                 | 10,709                          | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 71,757                                     |
| Unearned revenues   | -                      | 7,200,653                       | 404,241                 | 1,123,700            | -                 | -                              | -                                 | -                           | -                    | -                            | 9,178,831                                  |
| Total Deferred Inflows of Resources                                       | 61,048                 | 7,211,362                       | 404,241                 | 1,123,700            | -                 | -                              | -                                 | -                           | -                    | -                            | 9,250,588                                  |
| Fund Balances   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Nonspendable  | 20,463                 | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 20,463                                     |
| Restricted  | -                      | -                               | -                       | -                    | 170,000           | 1,181,593                      | 888,368                           | 361,490                     | 38,974               | 28,396                       | 7,198,277                                  |
| Committed   | 644,260                | 2,637,465                       | 2,150,585               | 548,571              | -                 | -                              | -                                 | -                           | -                    | -                            | 6,379,273                                  |
| Total Fund Balances   | 664,723                | 2,637,465                       | 2,150,585               | 548,571              | 170,000           | 1,181,593                      | 888,368                           | 361,490                     | 38,974               | 28,396                       | 13,598,013                                 |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 858,692</b>      | <b>\$ 10,634,549</b>            | <b>\$ 2,714,116</b>     | <b>\$ 3,317,101</b>  | <b>\$ 170,611</b> | <b>\$ 1,199,606</b>            | <b>\$ 925,642</b>                 | <b>\$ 361,490</b>           | <b>\$ 43,452</b>     | <b>\$ 28,396</b>             | <b>\$ 26,014,605</b>                       |

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

|   | <b>Special Revenue Funds</b> |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
|---|------------------------------|---------------------------------------|-------------------------------|--|--------------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------------------------|------------------------|-----------------------|--|-----------------|
|   | Lighted<br>Dome              | Festival and<br>Special<br>Activities | Police<br>Crime<br>Prevention | Community<br>Development<br>Block<br>Grant | WHEDA<br>Loan<br>Program | Housing<br>Development<br>Grant | Public<br>Works<br>Impact<br>Fees | Public<br>Works<br>DNR<br>Grants | Park<br>Development<br>Impact<br>Fees | Library<br>Impact Fees | Police<br>Impact Fees | Park and<br>Recreation<br>Sponsorship<br>Program | Library<br>Café |
| <b>REVENUES</b>                                   |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| Taxes   | \$ -                         | \$ -                                  | \$ -                          | \$ -                                       | \$ -                     | \$ -                            | \$ -                              | \$ -                             | \$ -                                  | \$ -                   | \$ -                  | \$ -   | \$ -            |
| Intergovernmental                                 | -                            | -                                     | -                             | 329,876                                    | -                        | -                               | -                                 | 20,523                           | -                                     | -                      | -                     | 231,161  | 91,149          |
| Licenses and permits                              | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Fines, forfeitures and penalties                  | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Public charges for services                       | -                            | 9,684                                 | -                             | -  | -                        | -                               | 41,673                            | -                                | -                                     | -                      | -                     | 746,803  | -               |
| Interdepartmental charges                         | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Special assessments                               | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Investment income (loss)                          | -                            | -                                     | -                             | -  | 10,391                   | -                               | -                                 | -                                | -                                     | -                      | -                     | 1,243  | (36)            |
| Miscellaneous                                     | -                            | -                                     | 1,620                         | -  | -                        | -                               | 1,101                             | -                                | 601                                   | -                      | -                     | 36,872   | -               |
| <b>Total Revenues</b>                             | -                            | 9,684                                 | 1,620                         | 329,876                                    | 10,391                   | -                               | 42,774                            | 20,523                           | 601                                   | -                      | -                     | 1,016,079  | 91,113          |
| <b>EXPENDITURES</b>                               |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| Current   |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| General government                                | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Public safety                                     | -                            | -                                     | 1,828                         | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Public works                                      | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Sanitation  | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Culture and recreation                            | -                            | 21,495                                | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | 926,796  | 91,074          |
| Conservation and development                      | -                            | -                                     | -                             | 143,665                                    | 18,355                   | 45,857                          | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Capital Outlay                                    | -                            | -                                     | -                             | 49,852                                     | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | 22,007   | -               |
| Debt Service                                      | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Interest and fiscal charges                       | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| <b>Total Expenditures</b>                         | -                            | 21,495                                | 1,828                         | 193,517                                    | 18,355                   | 45,857                          | -                                 | -                                | -                                     | -                      | -                     | 948,803  | 91,074          |
| Excess (Deficiency) of Revenues Over Expenditures | -                            | (11,811)                              | (8)                           | 136,359                                    | (7,964)                  | (45,857)                        | 42,774                            | 20,523                           | 601                                   | -                      | -                     | 67,276   | 39              |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| Long-term debt issued                             | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Premium on debt issued                            | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Sale of city property                             | -                            | -                                     | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Transfers in                                      | -                            | 15,000                                | -                             | -  | -                        | -                               | -                                 | -                                | -                                     | -                      | -                     | -  | -               |
| Transfers out                                     | -                            | -                                     | -                             | -  | -                        | -                               | (41,673)                          | (32,083)                         | -                                     | -                      | -                     | (101,500)  | -               |
| <b>Total Other Financing Sources (Uses)</b>       | -                            | 15,000                                | -                             | -  | -                        | -                               | (41,673)                          | (32,083)                         | -                                     | -                      | -                     | (101,500)  | -               |
| <b>Net Changes in Fund Balances</b>               | -                            | 3,189                                 | (8)                           | 136,359                                    | (7,964)                  | (45,857)                        | 1,101                             | (11,560)                         | 601                                   | -                      | -                     | (34,224)   | 39              |
| <b>FUND BALANCES -</b>                            |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| Beginning of Year                                 | 6,125                        | 7,334                                 | 738                           | 1,561,410                                  | 1,407,289                | 1,038,161                       | 26,784                            | 11,560                           | 67,596                                | -                      | -                     | 315,855  | 1,709           |
| <b>FUND BALANCES -</b>                            |                              |                                       |                               |  |                          |                                 |                                   |                                  |                                       |                        |                       |  |                 |
| <b>END OF YEAR</b>                                | \$ 6,125                     | \$ 10,523                             | \$ 730                        | \$ 1,697,769                               | \$ 1,399,325             | \$ 992,304                      | \$ 27,885                         | \$ -                             | \$ 68,197                             | \$ -                   | \$ -                  | \$ 281,631                                       | \$ 1,748        |

(Continued)

CITY OF WAUKESHA, WISCONSIN  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2015

| Special Revenue Funds (Continued)                 |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |
|---|-------------------------|---------------------------|-----------------------------|------------------------------|-------------------------|------------------|----------------------------|----------------------------------|------------------------|------------------------|
|   | Home<br>Rental<br>Rehab | Energy<br>Rental<br>Rehab | Cemetery<br>Trust<br>Fund C | Crime<br>Prevention<br>Grant | Confiscated<br>Property | Paramedics       | Lead<br>Abatement<br>Grant | State<br>Confiscated<br>Property | Civic Band<br>Donation | Holiday<br>Decorations |
| <b>REVENUES</b>                                   |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |
| Taxes   | \$ -                    | \$ -                      | \$ -                        | \$ -                         | \$ -                    | \$ -             | \$ -                       | \$ -                             | \$ -                   | \$ -                   |
| Intergovernmental                                 | -                       | -                         | -                           | 11,873                       | -                       | -                | 172,668                    | -                                | -                      | -                      |
| Licenses and permits                              | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Fines, forfeitures and penalties                  | -                       | -                         | -                           | -                            | 3,573                   | -                | -                          | 20,703                           | -                      | -                      |
| Public charges for services                       | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Interdepartmental charges                         | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Special assessments                               | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Investment income (loss)                          | -                       | -                         | (2,289)                     | -                            | 90                      | -                | -                          | 57                               | -                      | -                      |
| Miscellaneous                                     | -                       | -                         | -                           | -                            | -                       | 56,561           | -                          | -                                | 14,690                 | 1,721                  |
| <b>Total Revenues</b>                             | <b>-</b>                | <b>-</b>                  | <b>(2,289)</b>              | <b>11,873</b>                | <b>3,663</b>            | <b>56,561</b>    | <b>172,668</b>             | <b>20,760</b>                    | <b>14,690</b>          | <b>1,721</b>           |
| <b>EXPENDITURES</b>                               |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |
| Current   |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |
| General government                                | -                       | -                         | 298                         | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Public safety                                     | -                       | -                         | -                           | 11,873                       | 10,462                  | 23,638           | -                          | 14,048                           | -                      | -                      |
| Public works                                      | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Sanitation  | -                       | -                         | -                           | -                            | -                       | -                | 199,135                    | -                                | -                      | -                      |
| Culture and recreation                            | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | 14,665                 | 559                    |
| Conservation and development                      | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Capital Outlay                                    | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Debt Service                                      | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Interest and fiscal charges                       | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| <b>Total Expenditures</b>                         | <b>-</b>                | <b>-</b>                  | <b>298</b>                  | <b>11,873</b>                | <b>10,462</b>           | <b>23,638</b>    | <b>199,135</b>             | <b>14,048</b>                    | <b>14,665</b>          | <b>559</b>             |
| Excess (Deficiency) of Revenues Over Expenditures | -                       | -                         | (2,587)                     | -                            | (6,799)                 | 32,923           | (26,467)                   | 6,712                            | 25                     | 1,162                  |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                         |                           |                             |                              |                         |                  |                            |                                  |                        |                        |
| Long-term debt issued                             | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Premium on debt issued                            | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Sale of city property                             | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Transfers in                                      | -                       | -                         | -                           | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| Transfers out                                     | -                       | -                         | (15,547)                    | -                            | -                       | -                | -                          | -                                | -                      | -                      |
| <b>Total Other Financing Sources (Uses)</b>       | <b>-</b>                | <b>-</b>                  | <b>(15,547)</b>             | <b>-</b>                     | <b>-</b>                | <b>-</b>         | <b>-</b>                   | <b>-</b>                         | <b>-</b>               | <b>-</b>               |
| <b>Net Changes in Fund Balances</b>               | <b>-</b>                | <b>-</b>                  | <b>(18,134)</b>             | <b>-</b>                     | <b>(6,799)</b>          | <b>32,923</b>    | <b>(26,467)</b>            | <b>6,712</b>                     | <b>25</b>              | <b>1,162</b>           |
| <b>FUND BALANCES - Beginning of Year</b>          | <b>63,556</b>           | <b>22,400</b>             | <b>53,158</b>               | <b>-</b>                     | <b>21,693</b>           | <b>9,679</b>     | <b>251,040</b>             | <b>11,841</b>                    | <b>18,822</b>          | <b>-</b>               |
| <b>FUND BALANCES - END OF YEAR</b>                | <b>\$ 63,556</b>        | <b>\$ 22,400</b>          | <b>\$ 35,024</b>            | <b>\$ -</b>                  | <b>\$ 14,894</b>        | <b>\$ 42,602</b> | <b>\$ 224,573</b>          | <b>\$ 18,553</b>                 | <b>\$ 18,847</b>       | <b>\$ 1,162</b>        |

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

|   | Capital Projects Funds |                                 |                         |                      |                   | Permanent Funds                |                                   |                             |                      |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|------------------------|---------------------------------|-------------------------|----------------------|-------------------|--------------------------------|-----------------------------------|-----------------------------|----------------------|------------------------------|--|
|   | General<br>Improvement | Public<br>Works<br>Improvements | Municipal<br>Facilities | Fleet<br>Replacement | TIF Districts     | Cemetery<br>Lot<br>Maintenance | Cemetery<br>Specific<br>Endowment | Cemetery<br>Trust<br>Fund K | Library<br>Endowment | H. B.<br>Mills<br>Recreation |  |
| <b>REVENUES</b>                                   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Taxes   | \$ -                   | \$ -                            | \$ -                    | \$ 655,530           | \$ -              | \$ -                           | \$ -                              | \$ -                        | \$ -                 | \$ -                         | \$ 655,530                                 |
| Intergovernmental                                 | 1,007,391              | 1,342,773                       | 57,171                  | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 3,264,585                                  |
| Licenses and permits                              | 360,234                | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 360,234                                    |
| Fines, forfeitures and penalties                  | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 24,276                                     |
| Public charges for services                       | -                      | 192,951                         | -                       | -                    | 120               | -                              | -                                 | -                           | 3,764                | -                            | 994,995                                    |
| Interdepartmental charges                         | 99,798                 | -                               | 33,165                  | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 132,963                                    |
| Special assessments                               | 127,184                | 24,206                          | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 151,390                                    |
| Investment income (loss)                          | 6,800                  | 41,437                          | 10,687                  | 12,136               | 499               | (41,814)                       | (41,990)                          | (9,417)                     | 167                  | -                            | (10,337)                                   |
| Miscellaneous                                     | -                      | -                               | 92,500                  | -                    | -                 | 39,794                         | 22,490                            | -                           | 22,672               | -                            | 288,920                                    |
| <b>Total Revenues</b>                             | <b>1,601,407</b>       | <b>1,601,367</b>                | <b>193,523</b>          | <b>667,666</b>       | <b>619</b>        | <b>(2,020)</b>                 | <b>(19,500)</b>                   | <b>(9,417)</b>              | <b>26,603</b>        | <b>-</b>                     | <b>5,862,556</b>                           |
| <b>EXPENDITURES</b>                               |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Current   |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| General government                                | -                      | -                               | -                       | -                    | -                 | 7,157                          | 5,443                             | 3,468                       | -                    | -                            | 16,366                                     |
| Public safety                                     | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 61,649                                     |
| Public works                                      | 7,200                  | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 7,200                                      |
| Sanitation  | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | 199,135                                    |
| Culture and recreation                            | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | 26,742               | -                            | 1,081,331                                  |
| Conservation and development                      | -                      | -                               | -                       | -                    | 76,277            | -                              | -                                 | -                           | -                    | -                            | 284,154                                    |
| Capital Outlay                                    | 1,612,144              | 9,116,754                       | 1,804,820               | 2,875,791            | 1,007,623         | -                              | -                                 | -                           | 120                  | -                            | 16,489,111                                 |
| Debt Service                                      | -                      | -                               | -                       | -                    | -                 | -                              | -                                 | -                           | -                    | -                            | -  |
| Interest and fiscal charges                       | -                      | 122,802                         | -                       | -                    | 11,423            | -                              | -                                 | -                           | -                    | -                            | 134,225                                    |
| <b>Total Expenditures</b>                         | <b>1,619,344</b>       | <b>9,239,556</b>                | <b>1,804,820</b>        | <b>2,875,791</b>     | <b>1,095,323</b>  | <b>7,157</b>                   | <b>5,443</b>                      | <b>3,468</b>                | <b>26,862</b>        | <b>-</b>                     | <b>18,273,171</b>                          |
| Excess (Deficiency) of Revenues Over Expenditures | (17,937)               | (7,638,189)                     | (1,611,297)             | (2,208,125)          | (1,094,704)       | (9,177)                        | (24,943)                          | (12,885)                    | (259)                | -                            | (12,410,615)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Long-term debt issued                             | -                      | 7,506,759                       | 2,055,510               | 1,727,731            | 1,000,000         | -                              | -                                 | -                           | -                    | -                            | 12,290,000                                 |
| Premium on debt issued                            | -                      | 120,043                         | -                       | -                    | 108,819           | -                              | -                                 | -                           | -                    | -                            | 228,862                                    |
| Sale of city property                             | -                      | -                               | -                       | 39,174               | -                 | -                              | -                                 | -                           | -                    | -                            | 39,174                                     |
| Transfers in                                      | -                      | 41,673                          | 101,500                 | -                    | -                 | -                              | -                                 | 5,172                       | -                    | -                            | 163,345                                    |
| Transfers out                                     | -                      | -                               | -                       | -                    | -                 | (18,013)                       | (37,266)                          | -                           | -                    | -                            | (246,082)                                  |
| <b>Total Other Financing Sources (Uses)</b>       | <b>-</b>               | <b>7,668,475</b>                | <b>2,157,010</b>        | <b>1,766,905</b>     | <b>1,108,819</b>  | <b>(18,013)</b>                | <b>(37,266)</b>                   | <b>5,172</b>                | <b>-</b>             | <b>-</b>                     | <b>12,475,299</b>                          |
| <b>Net Changes in Fund Balances</b>               | <b>(17,937)</b>        | <b>30,286</b>                   | <b>545,713</b>          | <b>(441,220)</b>     | <b>14,115</b>     | <b>(27,190)</b>                | <b>(62,209)</b>                   | <b>(7,713)</b>              | <b>(259)</b>         | <b>-</b>                     | <b>64,684</b>                              |
| <b>FUND BALANCES -</b>                            |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| Beginning of Year                                 | 682,660                | 2,607,179                       | 1,604,872               | 989,791              | 155,885           | 1,208,783                      | 950,577                           | 369,203                     | 39,233               | 28,396                       | 13,533,329                                 |
| <b>FUND BALANCES -</b>                            |                        |                                 |                         |                      |                   |                                |                                   |                             |                      |                              |  |
| <b>END OF YEAR</b>                                | <b>\$ 664,723</b>      | <b>\$ 2,637,465</b>             | <b>\$ 2,150,585</b>     | <b>\$ 548,571</b>    | <b>\$ 170,000</b> | <b>\$ 1,181,593</b>            | <b>\$ 888,368</b>                 | <b>\$ 361,490</b>           | <b>\$ 38,974</b>     | <b>\$ 28,396</b>             | <b>\$ 13,598,013</b>                       |



**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Lighted Dome Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget | Final Budget    | Actual          | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|-----------------|-----------------|---|
| <b>REVENUES</b>                   |                 |                 |                 |   |
| Investment income                 | \$ -            | \$ -            | \$ -            | \$ -  |
| <b>EXPENDITURES</b>               |                 |                 |                 |   |
| Capital outlay                    | -               | -               | -               | -   |
| <b>Net Change in Fund Balance</b> | -               | -               | -               | -   |
| FUND BALANCE - Beginning of Year  | 6,125           | 6,125           | 6,125           | -   |
| <b>FUND BALANCE - End of Year</b> | <b>\$ 6,125</b> | <b>\$ 6,125</b> | <b>\$ 6,125</b> | <b>\$ -</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Festival and Special Activities Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget | Final Budget    | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------|-----------------|------------------|---|
| <b>REVENUES</b>                                      |                 |                 |                  |   |
| Public charges for services                          | \$ 13,000       | \$ 13,000       | \$ 9,684         | \$ (3,316)  |
| <b>EXPENDITURES</b>                                  |                 |                 |                  |   |
| Current  |                 |                 |                  |   |
| Culture and recreation                               | 30,973          | 30,973          | 21,495           | 9,478   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (17,973)        | (17,973)        | (11,811)         | 6,162   |
| <b>OTHER FINANCING SOURCES</b>                       |                 |                 |                  |   |
| Transfers in   | 15,000          | 15,000          | 15,000           | -   |
| <b>Net Change in Fund Balance</b>                    | (2,973)         | (2,973)         | 3,189            | 6,162   |
| FUND BALANCE - Beginning of Year                     | 7,334           | 7,334           | 7,334            | -   |
| <b>FUND BALANCE - End of Year</b>                    | <b>\$ 4,361</b> | <b>\$ 4,361</b> | <b>\$ 10,523</b> | <b>\$ 6,162</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Police Crime Prevention Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget | Final Budget | Actual   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|--------------|----------|---|
| <b>REVENUES</b>                         |                 |              |          |   |
| Miscellaneous                           | \$ -            | \$ -         | \$ 1,620 | \$ 1,620  |
| <b>EXPENDITURES</b>                     |                 |              |          |   |
| Current                                 |                 |              |          |   |
| Public safety                           | -               | -            | 1,628    | (1,628)   |
| <b>Net Change in Fund Balance</b>       | -               | -            | (8)      | (8)   |
| <b>FUND BALANCE - Beginning of Year</b> | 738             | 738          | 738      | -   |
| <b>FUND BALANCE - End of Year</b>       | \$ 738          | \$ 738       | \$ 730   | \$ (8)  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget | Final Budget | Actual       | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|--------------|--------------|---|
| <b>REVENUES</b>                         |                 |              |              |   |
| Intergovernmental                       | \$ 67,257       | \$ 225,814   | \$ 329,876   | \$ 104,062  |
| <b>EXPENDITURES</b>                     |                 |              |              |   |
| Current                                 |                 |              |              |   |
| Conservation and development            | 67,257          | 175,814      | 143,665      | 32,149  |
| Capital outlay                          | -               | 50,000       | 49,852       | 148   |
| Total Expenditures                      | 67,257          | 225,814      | 193,517      | 32,297  |
| <b>Net Change in Fund Balance</b>       | -               | -            | 136,359      | 136,359   |
| <b>FUND BALANCE - Beginning of Year</b> | 1,561,410       | 1,561,410    | 1,561,410    | -   |
| <b>FUND BALANCE - END OF YEAR</b>       | \$ 1,561,410    | \$ 1,561,410 | \$ 1,697,769 | \$ 136,359  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**WHEDA Loan Program Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget     | Final Budget        | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| <b>REVENUES</b>                   |                     |                     |                     |   |
| Investment income                 | \$ -                | \$ -                | \$ 10,391           | \$ 10,391   |
| <b>EXPENDITURES</b>               |                     |                     |                     |   |
| Current                           |                     |                     |                     |   |
| Conservation and development      | -                   | -                   | 18,355              | (18,355)  |
| <b>Net Change in Fund Balance</b> | -                   | -                   | (7,964)             | (7,964)   |
| FUND BALANCE - Beginning of Year  | 1,407,289           | 1,407,289           | 1,407,289           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 1,407,289</b> | <b>\$ 1,407,289</b> | <b>\$ 1,399,325</b> | <b>\$ (7,964)</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Housing Development Grant**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget     | Final Budget        | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|---------------------|---------------------|-------------------|---|
| <b>REVENUES</b>                   |                     |                     |                   |   |
| Investment income                 | \$ -                | \$ -                | \$ -              | \$ -  |
| <b>EXPENDITURES</b>               |                     |                     |                   |   |
| Current                           |                     |                     |                   |   |
| Conservation and development      | -                   | -                   | 45,857            | (45,857)  |
| <b>Net Change in Fund Balance</b> | -                   | -                   | (45,857)          | (45,857)  |
| FUND BALANCE - Beginning of Year  | 1,038,161           | 1,038,161           | 1,038,161         | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 1,038,161</b> | <b>\$ 1,038,161</b> | <b>\$ 992,304</b> | <b>\$ (45,857)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works Impact Fees Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
| <b>REVENUES</b>  |                  |                  |                  |   |
| Public charges for services                                  | \$ -             | \$ -             | \$ 41,673        | \$ 41,673   |
| Investment income/(loss)                                     | -                | -                | 1,101            | 1,101   |
| <b>Total Revenues</b>  | <b>-</b>         | <b>-</b>         | <b>42,774</b>    | <b>42,774</b>   |
| <b>EXPENDITURES</b>  |                  |                  |                  |   |
| Current  |                  |                  |                  |   |
| Public works   | -                | -                | -                | -   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -                | -                | 42,774           | 42,774  |
| <b>OTHER FINANCING USES</b>                                  |                  |                  |                  |   |
| Transfers out  | -                | -                | (41,673)         | (41,673)  |
| <b>Net Change in Fund Balance</b>                            | <b>-</b>         | <b>-</b>         | <b>1,101</b>     | <b>1,101</b>  |
| FUND BALANCE - Beginning of Year                             | 26,784           | 26,784           | 26,784           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 26,784</b> | <b>\$ 26,784</b> | <b>\$ 27,885</b> | <b>\$ 1,101</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works DNR Grant Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget  | Final Budget     | Actual          | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|-----------------|---|
| <b>REVENUES</b>  |                  |                  |                 |   |
| Intergovernmental  | \$ -             | \$ -             | \$ 20,523       | \$ 20,523   |
| <b>EXPENDITURES</b>  |                  |                  |                 |   |
| Current  |                  |                  |                 |   |
| Public works   | -                | -                | -               | -   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -                | -                | 20,523          | 20,523  |
| <b>OTHER FINANCING USES</b>                                  |                  |                  |                 |   |
| Transfers out  | -                | -                | (32,083)        | (32,083)  |
| <b>Net Change in Fund Balance</b>                            | <b>-</b>         | <b>-</b>         | <b>(11,560)</b> | <b>(11,560)</b>   |
| FUND BALANCE - Beginning of Year                             | 11,560           | 11,560           | 11,560          | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 11,560</b> | <b>\$ 11,560</b> | <b>\$ -</b>     | <b>\$ (11,560)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Park Development Impact Fees Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Investment income                 | \$ -             | \$ -             | \$ 601           | \$ 601  |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Culture and recreation            | -                | -                | -                | -   |
| <b>Net Change in Fund Balance</b> | -                | -                | 601              | 601   |
| FUND BALANCE - Beginning of Year  | 67,596           | 67,596           | 67,596           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 67,596</b> | <b>\$ 67,596</b> | <b>\$ 68,197</b> | <b>\$ 601</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Park and Recreation Sponsorship Program Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>                                   |                   |                   |                   |   |
| Intergovernmental                                 | \$ 180,000        | \$ 225,210        | \$ 231,161        | \$ 5,951  |
| Public charges for services                       | 664,500           | 664,500           | 746,803           | 82,303  |
| Investment income                                 | -                 | -                 | 1,243             | 1,243   |
| Miscellaneous                                     | 46,000            | 46,000            | 36,872            | (9,128)   |
| <b>Total Revenues</b>                             | <b>890,500</b>    | <b>935,710</b>    | <b>1,016,079</b>  | <b>80,369</b>   |
| <b>EXPENDITURES</b>                               |                   |                   |                   |   |
| Current   |                   |                   |                   |   |
| Culture and recreation                            | 878,609           | 923,819           | 926,796           | (2,977)   |
| Capital outlay                                    | 25,000            | 25,000            | 22,007            | 2,993   |
| <b>Total Expenditures</b>                         | <b>903,609</b>    | <b>948,819</b>    | <b>948,803</b>    | <b>16</b>   |
| Excess (Deficiency) of Revenues Over Expenditures | (13,109)          | (13,109)          | 67,276            | 80,385  |
| <b>OTHER FINANCING USES</b>                       |                   |                   |                   |   |
| Transfers out                                     | (101,500)         | (101,500)         | (101,500)         | -   |
| <b>Net Change in Fund Balance</b>                 | <b>(114,609)</b>  | <b>(114,609)</b>  | <b>(34,224)</b>   | <b>80,385</b>   |
| FUND BALANCE - Beginning of Year                  | 315,855           | 315,855           | 315,855           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                 | <b>\$ 201,246</b> | <b>\$ 201,246</b> | <b>\$ 281,631</b> | <b>\$ 80,385</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Library Cafe Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget | Final Budget    | Actual          | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|-----------------|-----------------|---|
| <b>REVENUES</b>                   |                 |                 |                 |   |
| Intergovernmental                 | \$ 90,839       | \$ 90,839       | \$ 91,149       | \$ 310  |
| Investment income (loss)          | -               | -               | (36)            | (36)  |
| <b>Total Revenues</b>             | <b>90,839</b>   | <b>90,839</b>   | <b>91,113</b>   | <b>274</b>  |
| <b>EXPENDITURES</b>               |                 |                 |                 |   |
| Current                           |                 |                 |                 |   |
| Culture and recreation            | 90,702          | 90,702          | 91,074          | (372)   |
| <b>Net Change in Fund Balance</b> | <b>137</b>      | <b>137</b>      | <b>39</b>       | <b>(98)</b>   |
| FUND BALANCE - Beginning of Year  | 1,709           | 1,709           | 1,709           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 1,846</b> | <b>\$ 1,846</b> | <b>\$ 1,748</b> | <b>\$ (98)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Trust Fund C Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
| <b>REVENUES</b>  |                  |                  |                  |   |
| Investment income (loss)                                     | \$ 11,000        | \$ 11,000        | \$ (2,289)       | \$ (13,289)   |
| <b>EXPENDITURES</b>  |                  |                  |                  |   |
| Current  |                  |                  |                  |   |
| General government   | 1,000            | 1,000            | 298              | 702   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 10,000           | 10,000           | (2,587)          | (12,587)  |
| <b>OTHER FINANCING USES</b>                                  |                  |                  |                  |   |
| Transfers out  | (10,000)         | (10,000)         | (15,547)         | (5,547)   |
| <b>Net Change in Fund Balance</b>                            | <b>-</b>         | <b>-</b>         | <b>(18,134)</b>  | <b>(18,134)</b>   |
| FUND BALANCE - Beginning of Year                             | 53,158           | 53,158           | 53,158           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 53,158</b> | <b>\$ 53,158</b> | <b>\$ 35,024</b> | <b>\$ (18,134)</b>  |



**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Crime Prevention Grant Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget | Final Budget | Actual      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|--------------|-------------|---|
| <b>REVENUES</b>                   |                 |              |             |   |
| Intergovernmental                 | \$ -            | \$ 22,007    | \$ 11,873   | \$ (10,134)   |
| <b>EXPENDITURES</b>               |                 |              |             |   |
| Current                           |                 |              |             |   |
| Public safety                     | -               | 22,007       | 11,873      | 10,134  |
| <b>Net Change in Fund Balance</b> | -               | -            | -           | -   |
| FUND BALANCE - Beginning of Year  | -               | -            | -           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ -</b>     | <b>\$ -</b>  | <b>\$ -</b> | <b>\$ -</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Confiscated Property Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Fines, forfeitures and penalties  | \$ 40,000        | \$ 40,000        | \$ 3,573         | \$ (36,427)   |
| Investment income                 | 100              | 100              | 90               | (10)  |
| Total Revenues                    | 40,100           | 40,100           | 3,663            | (36,437)  |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Public safety                     | 40,100           | 40,100           | 10,462           | 29,638  |
| <b>Net Change in Fund Balance</b> | -                | -                | (6,799)          | (6,799)   |
| FUND BALANCE - Beginning of Year  | 21,693           | 21,693           | 21,693           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 21,693</b> | <b>\$ 21,693</b> | <b>\$ 14,894</b> | <b>\$ (6,799)</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Paramedics Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget | Final Budget    | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|-----------------|------------------|---|
| <b>REVENUES</b>                   |                 |                 |                  |   |
| Miscellaneous                     | \$ -            | \$ 56,207       | \$ 56,561        | \$ 354  |
| Total Revenues                    | -               | 56,207          | 56,561           | 354   |
| <b>EXPENDITURES</b>               |                 |                 |                  |   |
| Current                           |                 |                 |                  |   |
| Public safety                     | -               | 63,207          | 23,638           | 39,569  |
| <b>Net Change in Fund Balance</b> | -               | (7,000)         | 32,923           | 39,923  |
| FUND BALANCE - Beginning of Year  | 9,679           | 9,679           | 9,679            | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 9,679</b> | <b>\$ 2,679</b> | <b>\$ 42,602</b> | <b>\$ 39,923</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Lead Abatement Grant Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>                   |                   |                   |                   |   |
| Intergovernmental                 | \$ -              | \$ -              | \$ 172,668        | \$ 172,668  |
| <b>EXPENDITURES</b>               |                   |                   |                   |   |
| Current                           |                   |                   |                   |   |
| Sanitation                        | -                 | -                 | 199,135           | (199,135)   |
| <b>Net Change in Fund Balance</b> | -                 | -                 | (26,467)          | (26,467)  |
| FUND BALANCE - Beginning of Year  | 251,040           | 251,040           | 251,040           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 251,040</b> | <b>\$ 251,040</b> | <b>\$ 224,573</b> | <b>\$ (26,467)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**State Confiscated Property Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Fines, forfeitures and penalties  | \$ 20,000        | \$ 20,000        | \$ 20,703        | \$ 703  |
| Investment income                 | -                | -                | 57               | 57  |
| Total Revenues                    | 20,000           | 20,000           | 20,760           | 760   |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Public safety                     | 20,000           | 20,000           | 14,048           | 5,952   |
| <b>Net Change in Fund Balance</b> | -                | -                | 6,712            | 6,712   |
| FUND BALANCE - Beginning of Year  | 11,841           | 11,841           | 11,841           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 11,841</b> | <b>\$ 11,841</b> | <b>\$ 18,553</b> | <b>\$ 6,712</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Civic Band Donation Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Investment income                 | \$ 95            | \$ 95            | \$ -             | (95)  |
| Miscellaneous                     | 19,000           | 19,000           | 14,690           | (4,310)   |
| Total Revenues                    | 19,095           | 19,095           | 14,690           | (4,405)   |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Culture and recreation            | 18,200           | 18,200           | 14,665           | 3,535   |
| <b>Net Change in Fund Balance</b> | 895              | 895              | 25               | (870)   |
| FUND BALANCE - Beginning of Year  | 18,822           | 18,822           | 18,822           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 19,717</b> | <b>\$ 19,717</b> | <b>\$ 18,847</b> | <b>\$ (870)</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Home Rental Rehab Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Intergovernmental                 | \$ -             | \$ -             | \$ -             | \$ -  |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Conservation and development      | -                | -                | -                | -   |
| <b>Net Change in Fund Balance</b> | -                | -                | -                | -   |
| FUND BALANCE - Beginning of Year  | 63,556           | 63,556           | 63,556           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 63,556</b> | <b>\$ 63,556</b> | <b>\$ 63,556</b> | <b>\$ -</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Energy Rental Rehab Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Intergovernmental                 | \$ -             | \$ -             | \$ -             | \$ -  |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Conservation and development      | -                | -                | -                | -   |
| <b>Net Change in Fund Balance</b> | -                | -                | -                | -   |
| FUND BALANCE - Beginning of Year  | 22,400           | 22,400           | 22,400           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 22,400</b> | <b>\$ 22,400</b> | <b>\$ 22,400</b> | <b>\$ -</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Holiday Decorations Special Revenue Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget | Final Budget | Actual   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|--------------|----------|---|
| <b>REVENUES</b>                   |                 |              |          |   |
| Miscellaneous                     | \$ -            | \$ -         | \$ 1,721 | \$ 1,721  |
| Total Revenues                    | -               | -            | 1,721    | 1,721   |
| <b>EXPENDITURES</b>               |                 |              |          |   |
| Current                           |                 |              |          |   |
| Culture and Recreation            | -               | -            | 559      | (559)   |
| Total Expenditures                | -               | -            | 559      | (559)   |
| <b>Net Change in Fund Balance</b> | -               | -            | 1,162    | 1,162   |
| FUND BALANCE - Beginning of Year  | -               | -            | -        | -   |
| <b>FUND BALANCE - END OF YEAR</b> | \$ -            | \$ -         | \$ 1,162 | \$ 1,162  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Debt Service Fund (Major Fund)**  
**For the Year Ended December 31, 2015**

|  | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>  |                   |                   |                   |   |
| Taxes  | \$ 10,100,295     | \$ 10,100,295     | \$ 10,100,295     | \$ -  |
| Investment income  | 10,000            | 10,000            | 28,729            | 18,729  |
| Total Revenues   | 10,110,295        | 10,110,295        | 10,129,024        | 18,729  |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Debt Service   |                   |                   |                   |   |
| Principal retirement   | 7,898,608         | 7,898,608         | 7,898,608         | -   |
| Interest and fiscal charges                                  | 2,225,630         | 2,225,630         | 2,207,848         | 17,782  |
| Total Expenditures   | 10,124,238        | 10,124,238        | 10,106,456        | 17,782  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (13,943)          | (13,943)          | 22,568            | 36,511  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                   |   |
| Refunding bonds issued                                       | -                 | -                 | 3,475,000         | 3,475,000   |
| Premium on debt issued                                       | -                 | -                 | 1,078,449         | 1,078,449   |
| Payment to refunding escrow agent                            | -                 | -                 | (3,735,164)       | (3,735,164)   |
| Transfers out  | (306,024)         | (306,024)         | (306,024)         | -   |
| Total Other Financing Sources (Uses)                         | (306,024)         | (306,024)         | 512,261           | 818,285   |
| <b>Net Change in Fund Balance</b>                            | (319,967)         | (319,967)         | 534,829           | 854,796   |
| FUND BALANCE - Beginning of Year                             | 452,666           | 452,666           | 452,666           | -   |
| <b>FUND BALANCE - End of Year</b>                            | <b>\$ 132,699</b> | <b>\$ 132,699</b> | <b>\$ 987,495</b> | <b>\$ 854,796</b>   |



**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**TIF District Debt Service Fund (Major Fund)**  
**For the Year Ended December 31, 2015**

|  | Original Budget       | Final Budget          | Actual                | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|-----------------------|---|
| <b>REVENUES</b>  |                       |                       |                       |   |
| Taxes  | \$ 5,045,142          | \$ 5,045,142          | \$ 5,079,811          | \$ 34,669   |
| Intergovernmental  | 113,726               | 113,726               | 113,726               | -   |
| Investment income (loss)                                     | 2,600                 | 2,600                 | (2,173)               | (4,773)   |
| <b>Total Revenues</b>  | <b>5,161,468</b>      | <b>5,161,468</b>      | <b>5,191,364</b>      | <b>29,896</b>   |
| <b>EXPENDITURES</b>  |                       |                       |                       |   |
| Current  |                       |                       |                       |   |
| General government   | 51,000                | 51,000                | 39,780                | 11,220  |
| Conservation and development                                 | 2,506,805             | 2,509,955             | 3,005,615             | (495,660)   |
| Debt Service   |                       |                       |                       |   |
| Principal  | 3,629,576             | 3,629,576             | 7,134,576             | (3,505,000)   |
| Interest and fiscal charges                                  | 1,737,007             | 1,737,007             | 1,634,095             | 102,912   |
| <b>Total Expenditures</b>                                    | <b>7,924,388</b>      | <b>7,927,538</b>      | <b>11,814,066</b>     | <b>(3,886,528)</b>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (2,762,920)           | (2,766,070)           | (6,622,702)           | (3,856,632)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                       |                       |                       |   |
| Long-term debt issued  | 2,065,000             | 2,065,000             | 2,030,000             | (35,000)  |
| Refunding bonds issued                                       | -                     | -                     | 6,730,000             | 6,730,000   |
| Premium on debt issued                                       | -                     | -                     | 526,910               | 526,910   |
| Payment to refunding escrow agent                            | -                     | -                     | (3,107,337)           | (3,107,337)   |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>2,065,000</b>      | <b>2,065,000</b>      | <b>6,179,573</b>      | <b>4,114,573</b>  |
| <b>Net Change in Fund Balance</b>                            | <b>(697,920)</b>      | <b>(701,070)</b>      | <b>(443,129)</b>      | <b>257,941</b>  |
| FUND BALANCE (DEFICIT) - Beginning of Year                   | (3,805,876)           | (3,805,876)           | (3,805,876)           | -   |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b>                  | <b>\$ (4,503,796)</b> | <b>\$ (4,506,946)</b> | <b>\$ (4,249,005)</b> | <b>\$ 257,941</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Improvement Capital Projects Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget   | Final Budget     | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|------------------|-------------------|---|
| <b>REVENUES</b>                        |                   |                  |                   |   |
| Intergovernmental                      | \$ 1,007,391      | \$ 1,057,391     | \$ 1,007,391      | \$ (50,000)   |
| Licenses and permits                   | 100,000           | 100,000          | 360,234           | 260,234   |
| Intergovernmental charges for services | 128,434           | 128,434          | 99,798            | (28,636)  |
| Special assessments                    | 120,000           | 120,000          | 127,184           | 7,184   |
| Investment income                      | -                 | -                | 6,800             | 6,800   |
| <b>Total Revenues</b>                  | <b>1,355,825</b>  | <b>1,405,825</b> | <b>1,601,407</b>  | <b>195,582</b>  |
| <b>EXPENDITURES</b>                    |                   |                  |                   |   |
| Current                                |                   |                  |                   |   |
| Public Works                           | 7,200             | 7,200            | 7,200             | -   |
| Capital outlay                         | 1,348,625         | 2,062,906        | 1,612,144         | 450,762   |
| <b>Total Expenditures</b>              | <b>1,355,825</b>  | <b>2,070,106</b> | <b>1,619,344</b>  | <b>450,762</b>  |
| <b>Net Change in Fund Balance</b>      | <b>-</b>          | <b>(664,281)</b> | <b>(17,937)</b>   | <b>646,344</b>  |
| FUND BALANCE - Beginning of Year       | 682,660           | 682,660          | 682,660           | -   |
| <b>FUND BALANCE - END OF YEAR</b>      | <b>\$ 682,660</b> | <b>\$ 18,379</b> | <b>\$ 664,723</b> | <b>\$ 646,344</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works Improvements Capital Projects Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget     | Final Budget       | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|--------------------|---------------------|---|
| <b>REVENUES</b>  |                     |                    |                     |   |
| Intergovernmental  | \$ -                | \$ 2,039,956       | \$ 1,342,773        | \$ (697,183)  |
| Special assessments  | -                   | -                  | 24,206              | 24,206  |
| Public charges for services                                  | 50,000              | 242,951            | 192,951             | (50,000)  |
| Investment income  | -                   | -                  | 41,437              | 41,437  |
| <b>Total Revenues</b>  | <b>50,000</b>       | <b>2,282,907</b>   | <b>1,601,367</b>    | <b>(681,540)</b>  |
| <b>EXPENDITURES</b>  |                     |                    |                     |   |
| Capital outlay   | 7,554,000           | 12,302,054         | 9,116,754           | 3,185,300   |
| Debt Service   |                     |                    |                     |   |
| Interest and fiscal charges                                  | -                   | -                  | 122,802             | (122,802)   |
| <b>Total Expenditures</b>                                    | <b>7,554,000</b>    | <b>12,302,054</b>  | <b>9,239,556</b>    | <b>3,062,498</b>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (7,504,000)         | (10,019,147)       | (7,638,189)         | 2,380,958   |
| <b>OTHER FINANCING SOURCES</b>                               |                     |                    |                     |   |
| Long-term debt issued  | 7,504,000           | 7,504,000          | 7,506,759           | 2,759   |
| Premium on debt issued                                       | -                   | -                  | 120,043             | 120,043   |
| Transfers in   | -                   | -                  | 41,673              | 41,673  |
| <b>Total Other Financing Sources</b>                         | <b>7,504,000</b>    | <b>7,504,000</b>   | <b>7,668,475</b>    | <b>164,475</b>  |
| <b>Net Change in Fund Balance</b>                            | <b>-</b>            | <b>(2,515,147)</b> | <b>30,286</b>       | <b>2,545,433</b>  |
| FUND BALANCE - Beginning of Year                             | 2,607,179           | 2,607,179          | 2,607,179           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 2,607,179</b> | <b>\$ 92,032</b>   | <b>\$ 2,637,465</b> | <b>\$ 2,545,433</b>                                       |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Municipal Facilities Capital Projects Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget     | Final Budget       | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|--------------------|---------------------|---|
| <b>REVENUES</b>  |                     |                    |                     |   |
| Intergovernmental  | \$ 56,000           | \$ 226,774         | \$ 57,171           | \$ (169,603)  |
| Intergovernmental charges for services                       | 12,160              | 12,160             | 33,165              | 21,005  |
| Investment income  | -                   | -                  | 10,687              | 10,687  |
| Miscellaneous  | 120,000             | 135,300            | 92,500              | (42,800)  |
| Total Revenues   | <u>188,160</u>      | <u>374,234</u>     | <u>193,523</u>      | <u>(180,711)</u>  |
| <b>EXPENDITURES</b>  |                     |                    |                     |   |
| Capital outlay   | <u>6,150,741</u>    | <u>7,854,245</u>   | <u>1,804,820</u>    | <u>6,049,425</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(5,962,581)</u>  | <u>(7,480,011)</u> | <u>(1,611,297)</u>  | <u>5,868,714</u>  |
| <b>OTHER FINANCING SOURCES</b>                               |                     |                    |                     |   |
| Long-term debt issued  | 5,861,081           | 5,861,081          | 2,055,510           | (3,805,571)   |
| Transfers in   | 101,500             | 101,500            | 101,500             | -   |
| Total Other Financing Sources                                | <u>5,962,581</u>    | <u>5,962,581</u>   | <u>2,157,010</u>    | <u>(3,805,571)</u>  |
| <b>Net Change in Fund Balance</b>                            | -                   | (1,517,430)        | 545,713             | 2,063,143   |
| FUND BALANCE - Beginning of Year                             | <u>1,604,872</u>    | <u>1,604,872</u>   | <u>1,604,872</u>    | <u>-</u>  |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b>                  | <u>\$ 1,604,872</u> | <u>\$ 87,442</u>   | <u>\$ 2,150,585</u> | <u>\$ 2,063,143</u>                                       |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Fleet Replacement Capital Projects Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>  |                   |                   |                   |   |
| Taxes  | \$ 655,530        | \$ 655,530        | \$ 655,530        | \$ -  |
| Investment income  | 4,000             | 4,000             | 12,136            | 8,136   |
| Total Revenues   | 659,530           | 659,530           | 667,666           | 8,136   |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Capital outlay   | 1,603,605         | 3,502,327         | 2,875,791         | 626,536   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (944,075)         | (2,842,797)       | (2,208,125)       | 634,672   |
| <b>OTHER FINANCING SOURCES</b>                               |                   |                   |                   |   |
| Long-term debt issued  | 866,175           | 2,135,278         | 1,727,731         | (407,547)   |
| Sale of City property  | 77,900            | 77,900            | 39,174            | (38,726)  |
| Total Other Financing Sources                                | 944,075           | 2,213,178         | 1,766,905         | (446,273)   |
| <b>Net Change in Fund Balance</b>                            | -                 | (629,619)         | (441,220)         | 188,399   |
| FUND BALANCE - Beginning of Year                             | 989,791           | 989,791           | 989,791           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 989,791</b> | <b>\$ 360,172</b> | <b>\$ 548,571</b> | <b>\$ 188,399</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**TIF Districts Nos. 9 - 22 Capital Projects Fund**  
**For the Year Ended December 31, 2015**

|   | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>                             |                   |                   |                   |   |
| Public charges for services                 | \$ -              | \$ -              | \$ 120            | \$ 120  |
| Investment income                           | -                 | -                 | 499               | 499   |
| <b>Total Revenues</b>                       | <b>-</b>          | <b>-</b>          | <b>619</b>        | <b>619</b>  |
| <b>EXPENDITURES</b>                         |                   |                   |                   |   |
| Current                                     |                   |                   |                   |   |
| Conservation and development                | -                 | 38,000            | 76,277            | (38,277)  |
| Capital outlay                              | -                 | 1,000,000         | 1,007,623         | (7,623)   |
| Debt Service                                |                   |                   |                   |   |
| Interest and fiscal charges                 | -                 | 15,477            | 11,423            | 4,054   |
| <b>Total Expenditures</b>                   | <b>-</b>          | <b>1,053,477</b>  | <b>1,095,323</b>  | <b>(41,846)</b>   |
| Deficiency of Revenues Under Expenditures   | -                 | (1,053,477)       | (1,094,704)       | (41,227)  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                   |                   |                   |   |
| Long-term debt issued                       | -                 | 1,015,477         | 1,000,000         | (15,477)  |
| Premium on debt issued                      | -                 | -                 | 108,819           | 108,819   |
| Transfers out                               | (40)              | -                 | -                 | -   |
| <b>Total Other Financing Sources (Uses)</b> | <b>(40)</b>       | <b>1,015,477</b>  | <b>1,108,819</b>  | <b>93,342</b>   |
| <b>Net Change in Fund Balance</b>           | <b>(40)</b>       | <b>(38,000)</b>   | <b>14,115</b>     | <b>52,115</b>   |
| FUND BALANCE - Beginning of Year            | 155,885           | 155,885           | 155,885           | -   |
| <b>FUND BALANCE - END OF YEAR</b>           | <b>\$ 155,845</b> | <b>\$ 117,885</b> | <b>\$ 170,000</b> | <b>\$ 52,115</b>  |



**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Lot Maintenance Permanent Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget     | Final Budget        | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
| <b>REVENUES</b>  |                     |                     |                     |   |
| Investment income (loss)                                     | \$ 60,000           | \$ 60,000           | \$ (41,814)         | \$ (101,814)  |
| Miscellaneous  | -                   | -                   | 39,794              | 39,794  |
| Total Revenues   | 60,000              | 60,000              | (2,020)             | (62,020)  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Current  |                     |                     |                     |   |
| General government   | 10,000              | 10,000              | 7,157               | 2,843   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 50,000              | 50,000              | (9,177)             | (59,177)  |
| <b>OTHER FINANCING USES</b>                                  |                     |                     |                     |   |
| Transfers out  | (50,000)            | (50,000)            | (18,013)            | 31,987  |
| Net Change in Fund Balance                                   | -                   | -                   | (27,190)            | (27,190)  |
| FUND BALANCE - Beginning of Year                             | 1,208,783           | 1,208,783           | 1,208,783           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 1,208,783</b> | <b>\$ 1,208,783</b> | <b>\$ 1,181,593</b> | <b>\$ (27,190)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Specific Endowment Permanent Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>  |                   |                   |                   |   |
| Investment income (loss)                                     | \$ 24,000         | \$ 24,000         | \$ (41,990)       | \$ (65,990)   |
| Miscellaneous  | -                 | -                 | 22,490            | 22,490  |
| Total Revenues   | 24,000            | 24,000            | (19,500)          | (43,500)  |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Current  |                   |                   |                   |   |
| General government   | 4,000             | 4,000             | 5,443             | (1,443)   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 20,000            | 20,000            | (24,943)          | (44,943)  |
| <b>OTHER FINANCING USES</b>                                  |                   |                   |                   |   |
| Transfers out  | (20,000)          | (20,000)          | (37,266)          | (17,266)  |
| Net Change in Fund Balance                                   | -                 | -                 | (62,209)          | (62,209)  |
| FUND BALANCE - Beginning of Year                             | 950,577           | 950,577           | 950,577           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 950,577</b> | <b>\$ 950,577</b> | <b>\$ 888,368</b> | <b>\$ (62,209)</b>  |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Trust Fund K Permanent Fund**  
**For the Year Ended December 31, 2015**

|  | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>  |                   |                   |                   |   |
| Investment income (loss)                                     | \$ 13,500         | \$ 13,500         | \$ (9,417)        | \$ (22,917)   |
| <b>EXPENDITURES</b>  |                   |                   |                   |   |
| Current  |                   |                   |                   |   |
| General government   | 3,500             | 3,500             | 3,468             | 32  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 10,000            | 10,000            | (12,885)          | (22,885)  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                   |                   |   |
| Transfers in   | -                 | -                 | 5,172             | 5,172   |
| Transfers out  | (10,000)          | (10,000)          | -                 | 10,000  |
| Total Other Financing Sources (Uses)                         | (10,000)          | (10,000)          | 5,172             | 15,172  |
| <b>Net Change in Fund Balance</b>                            | -                 | -                 | (7,713)           | (7,713)   |
| FUND BALANCE - Beginning of Year                             | 369,203           | 369,203           | 369,203           | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$ 369,203</b> | <b>\$ 369,203</b> | <b>\$ 361,490</b> | <b>\$ (7,713)</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Library Endowment Permanent Fund**  
**For the Year Ended December 31, 2015**

|                                   | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                  |                  |                  |   |
| Public charges for services       | \$ 5,000         | \$ 5,000         | \$ 3,764         | \$ (1,236)  |
| Investment income                 | -                | -                | 167              | 167   |
| Miscellaneous                     | 4,000            | 4,000            | 22,672           | 18,672  |
| Total Revenues                    | 9,000            | 9,000            | 26,603           | 17,603  |
| <b>EXPENDITURES</b>               |                  |                  |                  |   |
| Current                           |                  |                  |                  |   |
| Culture and recreation            | 9,000            | 9,000            | 26,742           | (17,742)  |
| Capital outlay                    | -                | -                | 120              | (120)   |
| Total Expenditures                | 9,000            | 9,000            | 26,862           | (17,862)  |
| <b>Net Change in Fund Balance</b> | -                | -                | (259)            | (259)   |
| FUND BALANCE - Beginning of Year  | 39,233           | 39,233           | 39,233           | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b>\$ 39,233</b> | <b>\$ 39,233</b> | <b>\$ 38,974</b> | <b>\$ (259)</b>   |

**CITY OF WAUKESHA, WISCONSIN**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
H. B. Mills Recreation Permanent Fund  
For the Year Ended December 31, 2015**

|                                      | Original Budget  | Final Budget     | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------------|------------------|---|
| <b>REVENUES</b>                      |                  |                  |                  |   |
| Investment income                    | \$ 80            | \$ 80            | \$ -             | \$ (80)   |
| <b>EXPENDITURES</b>                  |                  |                  |                  |   |
| Current                              |                  |                  |                  |   |
| Culture and recreation               | -                | -                | -                | -   |
| Excess of Revenues Over Expenditures | 80               | 80               | -                | (80)  |
| <b>OTHER FINANCING USES</b>          |                  |                  |                  |   |
| Transfers out                        | (80)             | (80)             | -                | 80  |
| <b>Net Change in Fund Balance</b>    | -                | -                | -                | -   |
| FUND BALANCE - Beginning of Year     | 28,396           | 28,396           | 28,396           | -   |
| <b>FUND BALANCE - END OF YEAR</b>    | <b>\$ 28,396</b> | <b>\$ 28,396</b> | <b>\$ 28,396</b> | <b>\$ -</b>   |

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**As of December 31, 2015**

|                                       | Dental/Life/<br>Vision<br>Insurance | Health<br>Insurance | Property and<br>Liability<br>Insurance | Printing          | Totals              |
|---------------------------------------|-------------------------------------|---------------------|--|-------------------|---------------------|
| <b>ASSETS</b>                         |                                     |                     |  |                   |                     |
| Current Assets                        |                                     |                     |  |                   |                     |
| Cash and investments                  | \$ 111,086                          | \$ 8,415,070        | \$ -                                   | \$ 107,626        | \$ 8,633,782        |
| Accounts receivable                   | -                                   | 106,778             | -                                      | -                 | 106,778             |
| Inventories                           | -                                   | -                   | -                                      | 537               | 537                 |
| Prepaid items                         | 10,180                              | 4,071               | 147,080                                | 841               | 162,172             |
| Total Current Assets                  | <u>121,266</u>                      | <u>8,525,919</u>    | <u>147,080</u>                         | <u>109,004</u>    | <u>8,903,269</u>    |
| Equipment                             | -                                   | -                   | -                                      | 442,607           | 442,607             |
| Less: Accumulated depreciation        | -                                   | -                   | -                                      | (222,984)         | (222,984)           |
| Net Equipment                         | <u>-</u>                            | <u>-</u>            | <u>-</u>                               | <u>219,623</u>    | <u>219,623</u>      |
| Total Assets                          | <u>121,266</u>                      | <u>8,525,919</u>    | <u>147,080</u>                         | <u>328,627</u>    | <u>9,122,892</u>    |
| <b>CURRENT LIABILITIES</b>            |                                     |                     |  |                   |                     |
| Accounts payable                      | -                                   | 47,404              | -                                      | 1,437             | 48,841              |
| Claims payable                        | 25,232                              | 842,169             | -                                      | -                 | 867,401             |
| Due to other funds                    | -                                   | -                   | 36,308                                 | -                 | 36,308              |
| Total Current Liabilities             | <u>25,232</u>                       | <u>889,573</u>      | <u>36,308</u>                          | <u>1,437</u>      | <u>952,550</u>      |
| <b>NET POSITION</b>                   |                                     |                     |  |                   |                     |
| Net investment in capital assets      | -                                   | -                   | -                                      | 219,623           | 219,623             |
| Restricted for                        |                                     |                     |  |                   |                     |
| Unpaid claims and restricted deposits | 96,034                              | 7,636,346           | 110,772                                | -                 | 7,843,152           |
| Unrestricted                          | <u>-</u>                            | <u>-</u>            | <u>-</u>                               | <u>107,567</u>    | <u>107,567</u>      |
| <b>TOTAL NET POSITION</b>             | <u>\$ 96,034</u>                    | <u>\$ 7,636,346</u> | <u>\$ 110,772</u>                      | <u>\$ 327,190</u> | <u>\$ 8,170,342</u> |

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2015**

|                                   | Dental/Life/<br>Vision<br>Insurance | Health<br>Insurance | Property and<br>Liability<br>Insurance | Printing          | Totals              |
|-----------------------------------|-------------------------------------|---------------------|--|-------------------|---------------------|
| <b>OPERATING REVENUES</b>         |                                     |                     |  |                   |                     |
| Charges for services              | \$ 629,589                          | \$ 10,776,681       | \$ 1,678,369                           | \$ 129,826        | \$ 13,214,465       |
| Other revenues                    | 16                                  | 3,373               | -                                      | 192               | 3,581               |
| Total Operating Revenues          | 629,605                             | 10,780,054          | 1,678,369                              | 130,018           | 13,218,046          |
| <b>OPERATING EXPENSES</b>         |                                     |                     |  |                   |                     |
| Operation and maintenance         | 647,385                             | 10,280,813          | 1,685,582                              | 77,697            | 12,691,477          |
| Depreciation                      | -                                   | -                   | -                                      | 43,044            | 43,044              |
| Total Operating Expenses          | 647,385                             | 10,280,813          | 1,685,582                              | 120,741           | 12,734,521          |
| Operating Income (Loss)           | (17,780)                            | 499,241             | (7,213)                                | 9,277             | 483,525             |
| Transfers in                      | -                                   | 243,021             | -                                      | -                 | 243,021             |
| <b>CHANGES IN NET POSITION</b>    | (17,780)                            | 742,262             | (7,213)                                | 9,277             | 726,546             |
| NET POSITION - Beginning of Year  | 113,814                             | 6,894,084           | 117,985                                | 317,913           | 7,443,796           |
| <b>NET POSITION - END OF YEAR</b> | <b>\$ 96,034</b>                    | <b>\$ 7,636,346</b> | <b>\$ 110,772</b>                      | <b>\$ 327,190</b> | <b>\$ 8,170,342</b> |

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2015**

|   | Dental/Life/<br>Vision<br>Insurance | Health<br>Insurance | Property<br>and Liability<br>Insurance | Printing          | Total               |
|---|-------------------------------------|---------------------|--|-------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                     |                     |  |                   |                     |
| Cash received from interfund services provided  | \$ 829,805                          | \$ 10,800,082       | \$ 1,678,369                           | \$ 130,018        | \$ 13,238,074       |
| Cash paid to suppliers  | (647,384)                           | (10,852,565)        | (1,678,369)                            | (83,567)          | (13,261,885)        |
| Net Cash Flows from Operating Activities  | (17,779)                            | (52,483)            | -                                      | 46,451            | (23,811)            |
| <b>Cash Flows from Noncapital Financing Activities</b>  |                                     |                     |  |                   |                     |
| Transfers in  | -                                   | 243,021             | -                                      | -                 | 243,021             |
| Net Cash Flows from Noncapital Financing Activities   | -                                   | 243,021             | -                                      | -                 | 243,021             |
| <b>Cash Flows from Capital and Related Financing Activities</b>                               |                                     |                     |  |                   |                     |
| Acquisition of capital assets   | -                                   | -                   | -                                      | (41,270)          | (41,270)            |
| Change in Cash and Cash Equivalents   | (17,779)                            | 190,538             | -                                      | 5,181             | 177,940             |
| Cash and Cash Equivalents - Beginning of Year   | 128,865                             | 8,224,532           | -                                      | 102,445           | 8,455,842           |
| <b>Cash and Cash Equivalents - End of Year</b>  | <b>\$ 111,086</b>                   | <b>\$ 8,415,070</b> | <b>\$ -</b>                            | <b>\$ 107,626</b> | <b>\$ 8,633,782</b> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b> |                                     |                     |  |                   |                     |
| Operating income (loss)   | \$ (17,780)                         | \$ 499,241          | \$ (7,213)                             | \$ 9,277          | \$ 483,525          |
| Adjustments to reconcile operating income (loss) to net cash provided by operations           |                                     |                     |  |                   |                     |
| Depreciation  | -                                   | -                   | -                                      | 43,044            | 43,044              |
| Changes in assets and liabilities   |                                     |                     |  |                   |                     |
| Accounts receivable   | -                                   | 20,028              | -                                      | -                 | 20,028              |
| Inventories   | (127)                               | -                   | -                                      | 471               | 344                 |
| Prepaid items   | -                                   | (1,185)             | 74,777                                 | (841)             | 72,751              |
| Accounts payable  | 128                                 | (570,567)           | -                                      | (5,500)           | (575,939)           |
| Due to other funds  | -                                   | -                   | (67,564)                               | -                 | (67,564)            |
| Net Cash Provided by Operating Activities   | \$ (17,779)                         | \$ (52,483)         | \$ -                                   | \$ 46,451         | \$ (23,811)         |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>           |                                     |                     |  |                   |                     |
| Cash and investments  | \$ 111,086                          | \$ 8,415,070        | \$ -                                   | \$ 107,626        | \$ 8,633,782        |
| <b>CASH AND CASH EQUIVALENTS END OF YEAR</b>  | <b>\$ 111,086</b>                   | <b>\$ 8,415,070</b> | <b>\$ -</b>                            | <b>\$ 107,626</b> | <b>\$ 8,633,782</b> |

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

None