

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INCLUDING AUDITORS' REPORTS

**For the Fiscal Year Ended
DECEMBER 31, 2010**



City of Waukesha, Wisconsin

CITY OF WAUKESHA

**MAYOR: JEFFREY R. SCRIMA
CITY ADMINISTRATOR: LORI CURTIS LUTHER**

COMMON COUNCIL

PRESIDENT: PAUL R. YBARRA

ALDERPERSONS

DISTRICT 1	TERRY D. THIEME
DISTRICT 2	ERIC J. PAYNE
DISTRICT 3	CHRISTOPHER R. HERNANDEZ
DISTRICT 4	JOSEPH M. PIEPER
DISTRICT 5	PAUL R. YBARRA
DISTRICT 6	BRIAN WHITE
DISTRICT 7	JOHN W. KALBLINGER
DISTRICT 8	VANCE SKINNER
DISTRICT 9	KATHLEEN M. CUMMINGS
DISTRICT 10	STEVE G. JOHNSON
DISTRICT 11	ROGER D. PATTON
DISTRICT 12	RICHARD A. HASTINGS
DISTRICT 13	ANDY REILAND
DISTRICT 14	JOAN L. FRANCOEUR
DISTRICT 15	DUANE E. PAULSON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF WAUKESHA, WISCONSIN
INCLUDING AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2010**

**PREPARED BY DEPARTMENT OF FINANCE
STEPHEN NEAMAN, FINANCE MANAGER**

**CITY OF WAUKESHA, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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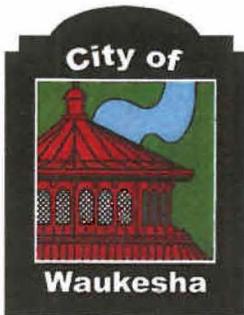
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INTRODUCTORY SECTION



FINANCE DEPARTMENT

201 DELAFIELD STREET
WAUKESHA, WISCONSIN 53188-3633
TELEPHONE 262/524-3560 FAX 262/524-3555

Steve Neaman, Finance Manager
sneaman@ci.waukesha.wi.us

June 30, 2011

City of Waukesha
Common Council Members
Waukesha, Wisconsin

Ladies and Gentlemen:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Waukesha, Wisconsin for fiscal year ending December 31, 2010. Management for the City of Waukesha is responsible for all information presented in the CAFR and, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the City, its component units and its financial transactions.

Baker Tilly Virchow Krause LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Waukesha's financial statements for the year ended December 31, 2010. The independent auditor's report is located in the front of the financial section of this report.

Report Format

The CAFR is presented in three main sections: Introductory, Financial, and Statistical. The **Introductory section** includes this transmittal letter, the City's organizational chart and a list of principal officials. The **Financial section** includes the independent auditors' report, management's discussion and analysis (MD&A), the audited basic financial statements, disclosure notes, required supplementary information, and supporting statements and schedules necessary to fairly present the financial position and the results of operations of the City in conformity with generally accepted accounting principles. The MD&A is prepared by management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The **Statistical section** includes selected financial and demographic information, typically presented on a multi-year comparative basis.

City policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government by a competent certified public accountant. In addition to meeting the financial requirements set forth above, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related U.S. Office of Management and Budget Circular A-133. The independent auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separate issued single audit report.

Reporting Entity

This report includes all of the funds and component units of the City of Waukesha. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the General fund, which accounts for the general administration of the City, and includes Police; Fire; Library; Parks, Recreation and Forestry; and Public Works. Also included are Special Revenue funds relating to festival and recreational activities, grants, lending programs and, impact fees.

The report also includes the City's capital projects, debt service, and enterprise funds that account for water, wastewater, transit and parking utilities, and cemetery. Internal service funds provide information on the operations of the self-insured health insurance and dental programs; property and liability insurance; and the Print Shop.

Financial data for the Business Improvement District and Housing Authority is included in the reporting entity by discrete presentation because they are component units of the City. The downtown Business Improvement District accounts for the collection of special assessments from their members for business promotion within the district. The Housing Authority is a non-profit organization providing low income housing through a variety of resources. Both are considered discretely presented component units because the Mayor appoints and the City Council approves a voting majority of both the Business Improvement District Board and Housing Authority Commission.

Profile of the City of Waukesha

Waukesha is a city that was incorporated in 1896, with an identity of mixed residential housing, and is home to educational programs (public and private) from certified pre-school to college/technical schools. It has large/small company job opportunities, and municipal services from safety to recreation. The mission of the City of Waukesha is to provide quality service delivery at an affordable tax rate. Land use zoning incorporating residential/business/commercial attractive neighborhoods/districts sets the identity of who we are. The seat of Waukesha County government is located within our city boundary, as well as 800 non-profit properties, meeting individual needs whether social or religious. The importance of redevelopment rather than massive raw land development is also a mission of our community. The City of Waukesha's vision started in 1896 and continues into the 21st Century.

The City of Waukesha is located in southeastern Wisconsin, approximately 15 miles west of the City of Milwaukee in Waukesha County. The City encompasses an area of over 25 square miles and the County covers an area of 576 square miles and consists of 8 cities, 18 villages and 12 towns.

The City of Waukesha is the most populous municipality in Waukesha County with an estimated 2010 population of 69,100. The City is easily accessible via Interstate 94 and State Highway 18. The Highway 18 corridor parallels I-94 and has been an area of sustained growth, as commercial establishments of all types have been built along the road. Several other major county and state highways serve the City's transportation needs as well. Milwaukee's General Mitchell International Airport is located approximately 20 minutes from the City and a regional airport, Crites Field, is located in the City.

The City of Waukesha provides its residents with services including police and fire, garbage and refuse collection, a downtown system of on-street and off-street parking, a municipal transit system, water and wastewater system, and general government services. The City is governed under the Mayor-Aldermanic form of government. The fifteen-member Common Council is elected by aldermanic district for three-year staggered terms. The Mayor is elected at-large for a four-year term.

In 1999, the City of Waukesha created the position of City Administrator. The City Administrator is appointed by the Mayor with Common Council confirmation to an indefinite term. The position is responsible to the Common Council for the overall coordination and direction of the day-to-day operations of City government.

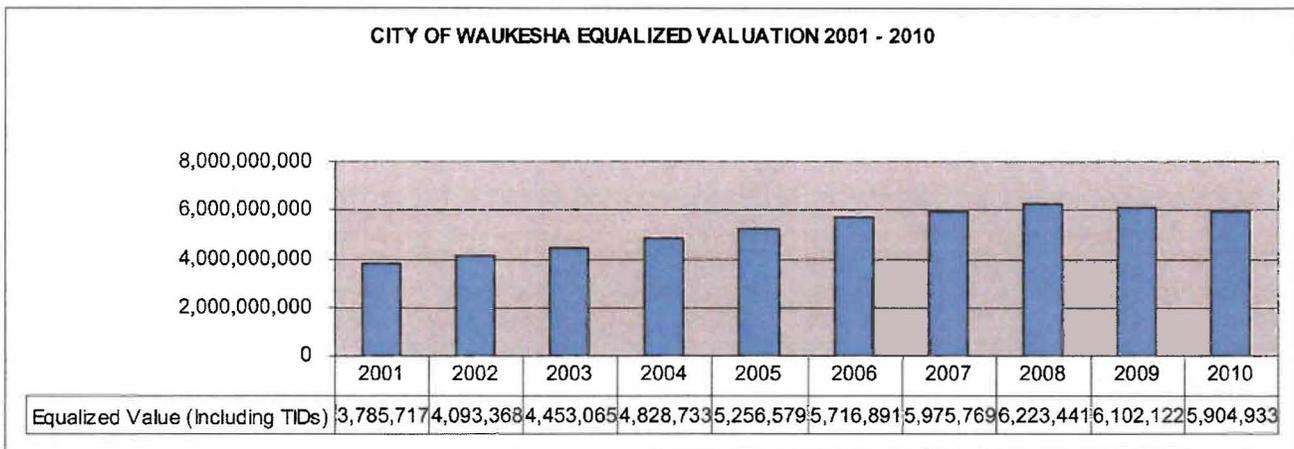
The position is charged with providing the Council policy information and recommendations, implementation of Council policies, preparation of the executive annual budget for Common Council consideration and supervision of department directors and managers.

The day-to-day administration of the City is the responsibility of the various department heads. Members of the administration are appointed to their positions with the exception of the City Attorney, and part-time Judge who are elected to their four-year term positions. In 2009, by council action, the positions of Assessor and Clerk-Treasurer were changed from elected to appointed.

ECONOMIC CONDITIONS AND OUTLOOK

According to the Wisconsin Department of Administration, Demographic Services Center, Waukesha County is the third largest county in the State, with a 2010 population of 383,864 people. The County has the second highest equalized property tax base and per capita income.

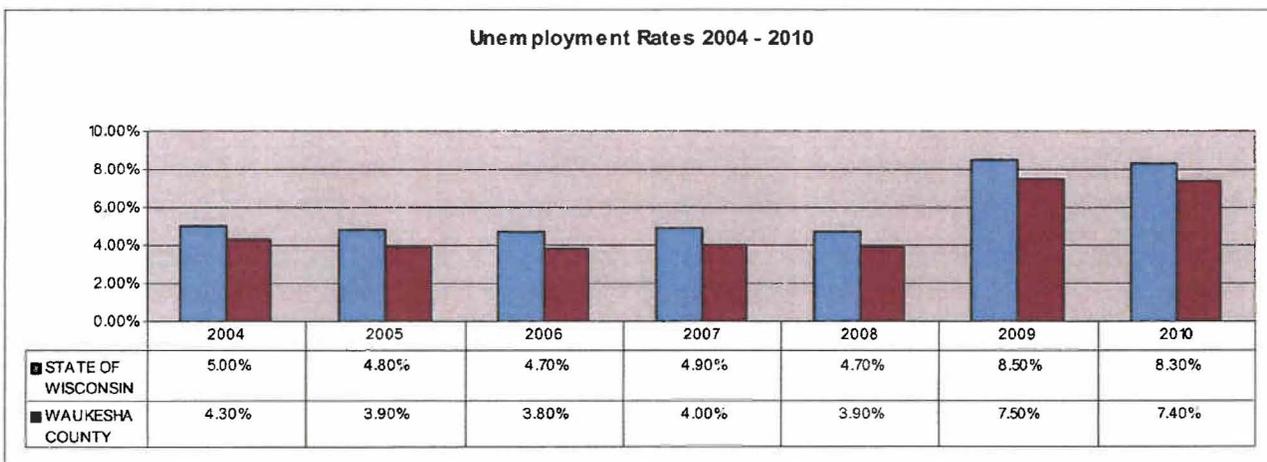
Over the past ten years, the City has experienced excellent growth. In that same ten-year period, the City's equalized property value has grown nearly 56%. Annual increases are shown in the table below:



Wisconsin Department of Revenue, Bureau of Property Tax

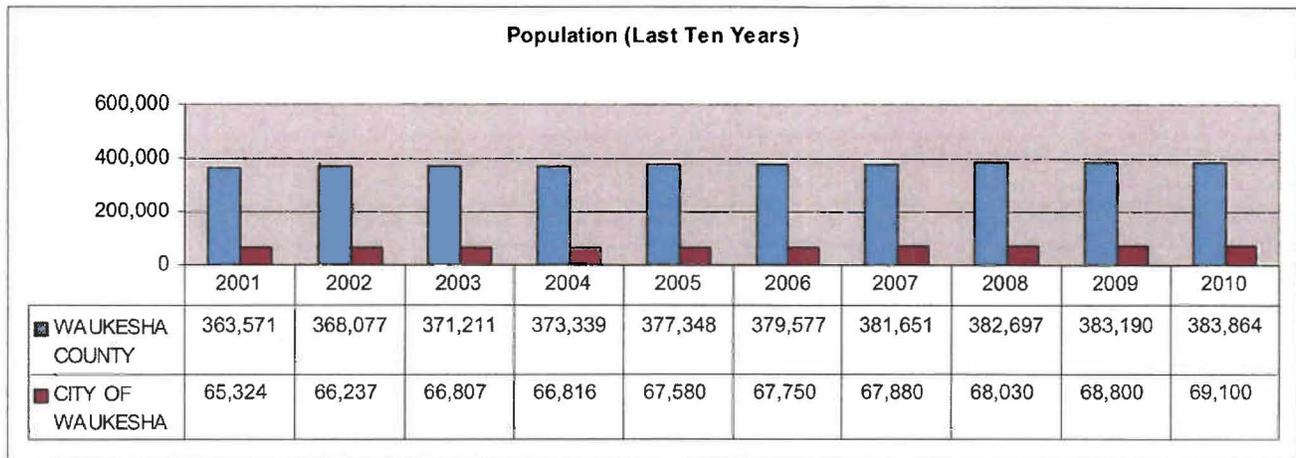
Source:

As the chart below shows, the annual average unemployment rate for Waukesha County is well below the State average.



Source: Wisconsin Department of Workforce Development

Population has continued to increase. The 2010 estimated City population of 69,100 is an increase of over 5.78% from 2001.



Source: Wisconsin Demographic Services Center, Wisconsin Department of Administration

In 2010 the City saw the completion of redevelopment projects that add not only value to the tax base but also additional employment opportunities in the City. Redevelopment projects are extremely important to the City's economic development strategy as it reuses land that has already been developed meaning that additional services will not have to be extended to the development. In addition, these projects add to the tax base as properties are moved from a blighted condition to an economically viable condition, which will have long lasting positive effects on the City's economic development.

The Shoppes at Fox River, a 54-acre , 500,000 square-foot retail redevelopment of a former grocery distribution facility, opened in summer 2009 with additional construction continuing into 2010. Two of the development's anchor tenants, a 132,382 square-foot Target retail store and a 61,045 square-foot Pick 'N Save grocery are the highlights of the completion of Phase I.

In addition, eight retailers opened in Phase I. They include a 14,000 square-foot CVS Pharmacy on a 1.9 acre out-lot, a 5,000 square-foot Chili's restaurant on a 1.3 acre out-lot, Buffalo Wild Wings, Subway, GNC, Verizon, GameStop and Noodles & Company. Also completed and opened in 2010 were a 13,500 square-foot Petco store, Maurice's and Famous Footwear.

With the first phase of the development nearly filled, plans are beginning for a second phase that will add up to 150,000 square feet of retail and another \$25 million in value. The City expects that the assessed valuation of the site will increase from \$7,500,000 to \$62,000,000 upon completion. In addition, a significant number of jobs will be created as the stores and restaurants open for business. Upon completion, the Shoppes will be the sixth largest retail center in the Milwaukee area and the largest in the City.

Another significant retail project completed in 2010 includes an \$8.3 million, 184,100 square-foot Super Wal-Mart at the corner of South West Avenue and Highway 59 on the site of a former concrete manufacturing facility. The combined supermarket and retail center is expected to create 350 jobs, about 210 of which will be full-time positions.

Advanced Auto Parts also began construction on a new store on Summit Avenue. The project was a redevelopment of a blighted commercial site. The vacant building was removed and a new commercial building constructed. The project will add to the tax base and employment base in the area. This redevelopment project will have a positive visual effect on the commercial area along Summit, further adding to the vitality of the commercial district.

The City of Waukesha was also fortunate to have two major manufacturing expansions in 2010. Construction began in 2010 on both projects and is expected to be complete in 2011. Manufacturing expansion brings the

largest increases in tax base as well as the creation of family supporting jobs. The City remains committed to the expansion of manufacturing businesses in the City.

2010 saw the start of a \$70 million expansion to Waukesha Electric Systems. The expansion will add 140,000 square feet to the existing factory at S. Prairie Avenue, increasing its size by about 50%. The expansion will enable the firm to build some of the largest power transformers available, which can cost up to \$10 million each and weigh hundreds of tons. The project will take 18 months to complete and will result in the addition of 100 permanent full-time jobs beginning in late 2011 and about 250 jobs in three years. Currently, the company has 520 employees in Waukesha and 320 at other locations.

Weldall Manufacturing also started construction on an expansion. Weldall is adding 76,000 square feet to their facility along with a railroad spur. Their expansion will also cause them to add over 100 manufacturing employees. The value of the expansion is 6.5 million dollars.

Carroll University was involved in two redevelopment projects. The first is the start of a new 96,000 square foot student center. The center includes student housing as well as commercial space on the first floor. The building is being constructed by a private developer who will retain ownership, meaning the property will remain on the tax roles. In addition to the value created, up to 100 additional jobs will be created as a result of the new commercial spaces and expansion of the university's operations.

The second Carroll University project, the remodeling of an existing building on Davidson Road, accommodates their graduate programs. The building will be owned by the university and the new use will add to the employment base and bring hundreds of additional students into the City.

LONG TERM FINANCIAL PLANNING

In planning for the future, the City annually reviews and approves a five-year capital improvement program. Capital items not identified as major or long-term are part of the debt service program wherein capital expenditures are scheduled to assure that debt service payments remain at a relatively steady level.

Long-term projects identified as major are considered stand-alone projects. Funding for these projects is done with longer-term borrowing and considered to be additions to the planned debt service.

The City has completed a comprehensive five-year strategic plan for the City, with the initial plan covering the years 2009 – 2013. The strategic plan will be used to set organizational direction and guide future decision-making. The strategic plan has been incorporated into the annual budget process and includes performance measures. Multi-year operational budget forecasts will be implemented and will focus on the following objectives – diversify funding sources, enhance existing long-term financial planning, maintain or improve the City's bond rating, maintain sufficient reserve fund, maintain stable debt service payments and maximize the recovery of costs.

MAJOR INITIATIVES

The following were among the many activities that City staff and officials undertook in 2010:

Municipal Facilities

During the year, the City began planning for the construction of two new relocated Fire Stations. The plans are a continuation of a long-range initiative to improve response times for the City's Fire and EMS calls. Land on Pearl Street was acquired during 2009 for the relocation of Fire Station Number 2, which is currently located at 1701 Stardust Drive. Construction began in May 2011.

The City is currently pursuing a suitable site for the relocation of Fire Station Number 3, which is currently located at 1210 Sentry Drive.

City Water Supply

The City's application for a diversion of Great Lakes water is currently being evaluated by the Department of Natural Resources. If approved, the City's application will be forwarded to the governors of the states bordering Lake Michigan for approval. The application process for the diversion is a lengthy process, with approval uncertain. Meanwhile, the City is exploring other options ranging from multiple ground water aquifers to treatment processes.

Redevelopment

In 2009, the City, in partnership with the County, acquired the YWCA building located at 306 N. West Avenue. The YWCA, vacant since it closed six years ago, was acquired using a portion of a \$904,000 federal Neighborhood Stabilization Program. The building was demolished in 2010, using tax incremental financing from Tax Incremental District 17 to cover the \$147,400 cost. The property was divided into 11 lots to be developed for affordable housing. Infrastructure, including sanitary and storm sewer, was installed during 2010. Lots will begin selling in 2011.

Tax Incremental District 19

Tax Incremental District 19 (TID 19) was created to promote industrial growth, increased employment and to broaden the property tax base. In recognizing that the availability of suitable sites is a prime factor in influencing the location and expansion of industry, TID 19 provides development incentives and cash grants for projects that meet the goals of the district.

As previously described, Waukesha Electric, an existing manufacturer in the City was interested in expanding its facility and operations in the City. The expansion allowed the company to produce a new product line and would create over 100 manufacturing and engineering jobs. TIF assistance made expansion in Waukesha possible because expanding the facility in Waukesha is much more costly than building a new facility on a green field in another location. Without TIF assistance, this expansion would not have occurred in Waukesha.

Tax Incremental District 20

Like TID 19, Tax Incremental District 20 (TID 20) was created to promote industrial growth, increased employment and to broaden the property tax base. Weldall Manufacturing, an existing manufacturer in the City of Waukesha, was interested in expanding its facility and operations in the City. The expansion allowed the company to increase production and supply another local manufacturer with the specialized product and services it needs to assemble large-scale electric generators. The expansion is projected to create 75 manufacturing jobs.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The diverse nature of government operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate fund. A fund is defined as a fiscal

accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Budgetary control is maintained through an annual budget ordinance passed by the City Council. Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, and certain Special Revenue Funds, and is adopted on a basis consistent with generally accepted accounting principles. Fixed, long-term budgets on a project basis are used for Capital Project Funds. Flexible annual budgets are approved for proprietary funds to provide for financial management. The City Administrator may authorize transfers of budgeted amounts within departments; however, transfers between departments and additional appropriations to the original budget must be made by Council resolution. The level at which expenditures may not exceed budget is by department or division.

Internal Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

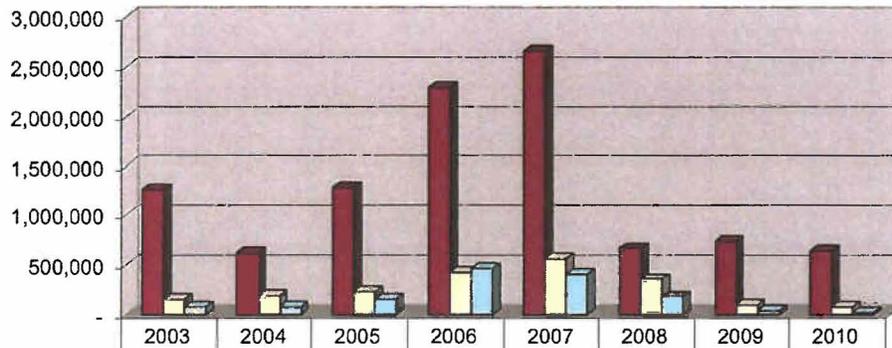
Cash Management

The cash management program consists of two phases. The first phase is a contractual agreement with Waukesha State Bank for services. This contract specifies that the bank will pay interest on account balances based on the Federal Funds daily rate. The banking arrangement links seven checking accounts to an interest bearing sweep account, which ensures that all excess funds are earning interest.

The second phase is a long-term investment program. Funds that are available for 30 days or longer are diversified by security type, institution, and terms of maturity to reduce investment portfolio risk. With the exception of US Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City will maintain at least 10 percent of its total investment portfolio in instruments maturing in 30 days or less.

Collateralization is required on all savings and demand deposits, non-negotiable Certificates of Deposit, and repurchase agreements. The following summary shows investment earnings for the past eight years.

CITY OF WAUKESHA INVESTMENT INCOME



■ Governmental Funds	1,251,26	612,283	1,280,32	2,287,48	2,649,93	666,365	734,567	638,106
□ Waste Water Utility	151,564	185,872	230,295	431,502	563,009	357,679	102,690	78,146
□ Other Business Types	75,646	83,818	151,737	456,492	405,577	181,614	32,224	13,081

Risk Management

On January 1, 2003, the City became a member of Community Insurance Corporation, which has since grown to 114 Cities, Villages, Towns and Special Districts. Community Insurance has provided risk management and liability insurance services since January 1, 2002. Under this program, the City's self-insured retention is \$10,000 per occurrence and \$75,000 annual aggregate. Through a strong risk management program, the City has retained a portion of its self-insured retention levels from January 1, 2003 through December 31, 2010.

The City's workers' compensation coverage is with Liberty Mutual Insurance Company. Through a strong partnership with Liberty's risk management program, the City has maintained a very favorable experience modification factor, which was .71 in 2010. This favorable modification factor saved the City \$271,144 in premiums during 2010.

INDEPENDENT AUDIT

Included in the financial section is the independent auditors' report, which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Baker Tilly Virchow Krause LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unqualified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for year ending December 31, 2010 were also completed by the independent auditors. These reports are available under separate cover.

REPORTING ACHIEVEMENT

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waukesha for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual

financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

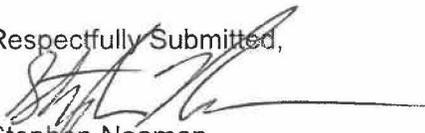
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

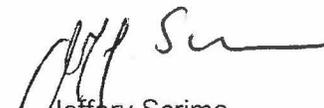
The preparation of this report on a timely basis could not be accomplished without the dedicated services of the Finance Office staff. We would like to express our appreciation to all members of our accounting staff, who assisted in and contributed to the preparation of this report.

We would like to thank the City Council for their support in planning and conducting the financial operations of the City in a responsible manner. Appreciation is also expressed for the excellent assistance received from our independent auditors, Baker Tilly LLP, Certified Public Accountants.

Respectfully Submitted,



Stephen Neaman
Finance Manager



Jeffery Scrima
Mayor



Lori Curtis Luther
City Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Waukesha
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



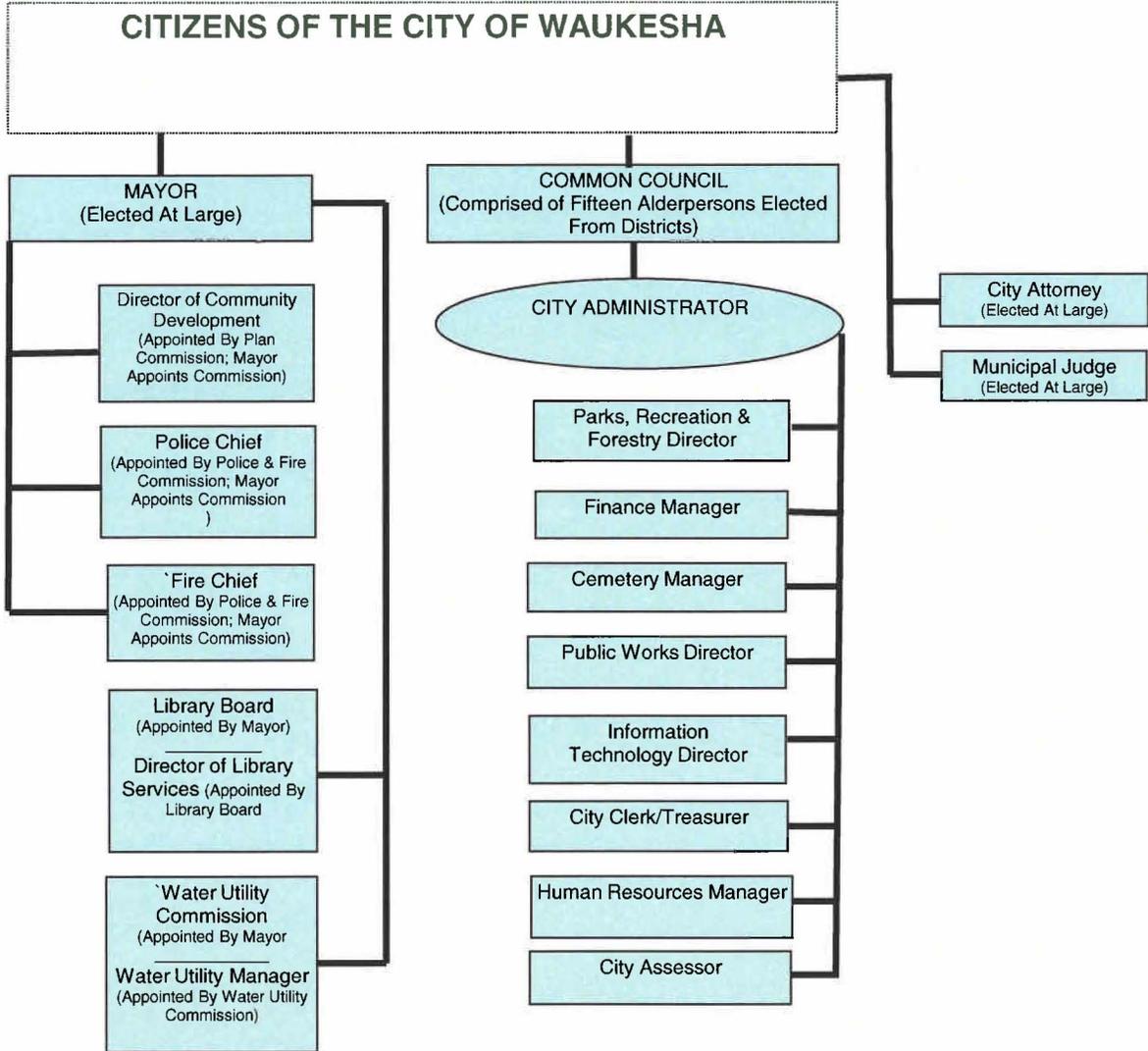
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

ORGANIZATIONAL CHART CITY OF WAUKESHA, WISCONSIN



**CITY OF WAUKESHA, WISCONSIN
ELECTED AND APPOINTED OFFICIALS**

Elected Officials

		Term Begins	Term Expires
District 1	Terry D. Thieme	April 2010	April 2013
District 2	Eric J. Payne	April 2011	April 2014
District 3	Christopher R. Hernandez	April 2011	April 2014
District 4	Joseph M. Pieper	April 2010	April 2013
District 5	Paul R. Ybarra	April 2010	April 2013
District 6	Brian White	April 2011	April 2014
District 7	John W. Kalblinger	April 2011	April 2014
District 8	Vance Skinner	April 2010	April 2013
District 9	Kathleen M. Cummings	April 2010	April 2013
District 10	Steve G. Johnson	April 2011	April 2014
District 11	Roger D. Patton	April 2010	April 2013
District 12	Richard A. Hastings	April 2010	April 2012
District 13	Andy Reiland	April 2011	April 2014
District 14	Joan L. Francoeur	April 2010	April 2013
District 15	Duane E. Paulson	April 2010	April 2013
Mayor	Jeffrey R. Scrima	April 2010	April 2014
Attorney	Curt Meitz	April 2010	April 2014
Municipal Judge	Joseph Cook	April 2010	April 2014

Appointed Officials

Lori Curtis Luther.....	City Administrator
Fred Abadi.....	Director of Public Works
Jane Ameel.....	Library Director
David Brenner.....	Cemetery Director
Steven Crandell.....	Director of Community Development
Ron Grall.....	Director of Parks, Recreation & Forestry
Russell P. Jack.....	Chief of Police
Paul Klauck.....	Assessor
Allen LaConte.....	Chief of Fire Department
Bret Mantey.....	Information Technology Director
Stephen Neaman.....	Finance Manager
Thomas Neill	Clerk/Treasurer

FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT
ON
BASIC FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Waukesha
Waukesha, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waukesha, Wisconsin (the "City"), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Waukesha's management. 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waukesha, Wisconsin, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2011, on our consideration of the City of Waukesha's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the City Council
City of Waukesha

The management's discussion and analysis, budgetary comparison schedules, schedule of funding progress and schedule of employer contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Waukesha, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Bruce Tully Verchow Krause, LLP

Milwaukee, Wisconsin
July 18, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Waukesha, Wisconsin
Management's Discussion and Analysis
(Unaudited)

This discussion and analysis of the City of Waukesha's financial performance is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2010 in comparison with the year ended December 31, 2009. Please consider it in conjunction with the City's financial statements, which begin on page 25, following this narrative.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City of Waukesha's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. These financial statements also contain other supplementary information in addition to the basic financial statements, themselves.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as *governmental activities*, from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges, called *business-type activities*. The governmental activities of the City of Waukesha include general government, public safety, highways and streets, culture and recreation, conservation and development and other interest and fiscal charges. The business-type activities of the City include a water utility, wastewater utility, mass transit, parking utility and the city cemetery.

The government-wide financial statements include not only the City of Waukesha itself (*the primary government*) but also a legally separate Business Improvement District and Housing Authority for which the City is accountable (*component units*). Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25 through 27 of this report.

Fund Financial Statements

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

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

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

The City of Waukesha maintains 34 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, General Debt Service, Combined TIF Debt Service and Capital Projects - TIF Districts, all of which are considered to be major funds or funds for which separate reporting has been determined to be helpful in fulfilling other legal reporting requirements. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental fund financial statements can be found beginning on page 28 of this report.

Proprietary Funds maintained by the City of Waukesha are of two different types: *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report those functions presented as business-type activities in the government-wide financial statements. The City's fund financial statements present separate enterprise fund information for the Water Utility, Wastewater Utility, Transit System Utility, Parking Utility and the city's only non-major enterprise fund (Prairie Home Cemetery). *Internal service funds* are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City of Waukesha uses internal service funds to account for its print shop, dental and life insurance, health insurance, and property, liability and workers compensation insurance. These internal functions are reported in a single, aggregated proprietary fund statement presentation and included with other governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found beginning on page 32 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds would not be available to support the City of Waukesha's own programs. The accounting for fiduciary funds is similar to that used for proprietary funds. The City of Waukesha has no fiduciary funds to report.

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 44 of this report.

Supplementary Information

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information (RSI), additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the non-major governmental and internal service, along with budget to actual comparison schedules for all governmental funds. This supplementary information section of the report begins on page 102.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The Statement of Nets Assets and the Summary Statement of Activities presented below are designed to provide a broad overview of the City's financial position. The information is presented in comparison with the previous year to allow for further analysis.

The City of Waukesha's statement of net assets is summarized in the table below. The City's assets exceeded liabilities by \$199.6 million at the close of 2010. This was a decrease of \$7.9 million over last year. The decrease was due in large part to incentives distributed through two new tax incremental districts established by the City during 2010. These incentives totaled nearly \$12.8 million and were financed with taxable debt. They supported major industrial plant expansions within the City and additional dormitory development for a private college. The signed development agreements guarantee over \$64.7 million in new taxable property values and at least 175 industrial manufacturing jobs, over the life of the districts.

City of Waukesha, Wisconsin Summary Statement of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
	Current and Other Assets	\$ 169,428,125	\$ 162,125,892	\$ 25,046,266	\$ 23,029,456	\$ 194,474,391
Capital Assets (net)	\$ 150,893,720	\$ 150,408,025	\$ 146,907,162	\$ 147,730,616	\$ 297,800,882	\$ 298,138,641
Total Assets	\$ 320,321,845	\$ 312,533,917	\$ 171,953,428	\$ 170,760,072	\$ 492,275,273	\$ 483,293,989
Current Liabilities	\$ 138,387,155	\$ 137,102,658	\$ 5,293,517	\$ 5,446,491	\$ 143,680,672	\$ 142,549,149
Non-current Liabilities	\$ 124,323,847	\$ 107,160,452	\$ 24,624,764	\$ 25,968,361	\$ 148,948,611	\$ 133,128,813
Total Liabilities	\$ 262,711,002	\$ 244,263,110	\$ 29,918,281	\$ 31,414,852	\$ 292,629,283	\$ 275,677,962
Net Assets:						
Invested in Capital, Net of Debt	\$ 76,482,121	\$ 70,596,955	\$ 126,486,722	\$ 124,139,736	\$ 202,968,843	\$ 194,736,691
Restricted	\$ 7,160,693	\$ 3,265,872	\$ 6,954,449	\$ 6,994,934	\$ 14,115,142	\$ 10,260,806
Unrestricted (deficit)	\$ (26,031,971)	\$ (5,592,020)	\$ 8,593,976	\$ 8,210,550	\$ (17,437,995)	\$ 2,618,530
Total Net Assets	\$ 57,610,843	\$ 68,270,807	\$ 142,035,147	\$ 139,345,220	\$ 199,645,990	\$ 207,616,027
Total Net Assets as a %						
of Total Liabilities	22%	28%	475%	444%	68%	75%
Unrestricted Nets Assets as a						
% of Total Liabilities	-10%	-2%	29%	26%	-6%	1%

The vast majority of these net assets, \$202.9 million or 101.7% of the total, reflect the City's investment in capital assets including land, land improvements, buildings, machinery and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets, \$14.1 million (7%) represents resources that are subject to external restrictions as to how they may be used. Those restriction include debt service, developer impact fees and required equipment replacement funding.

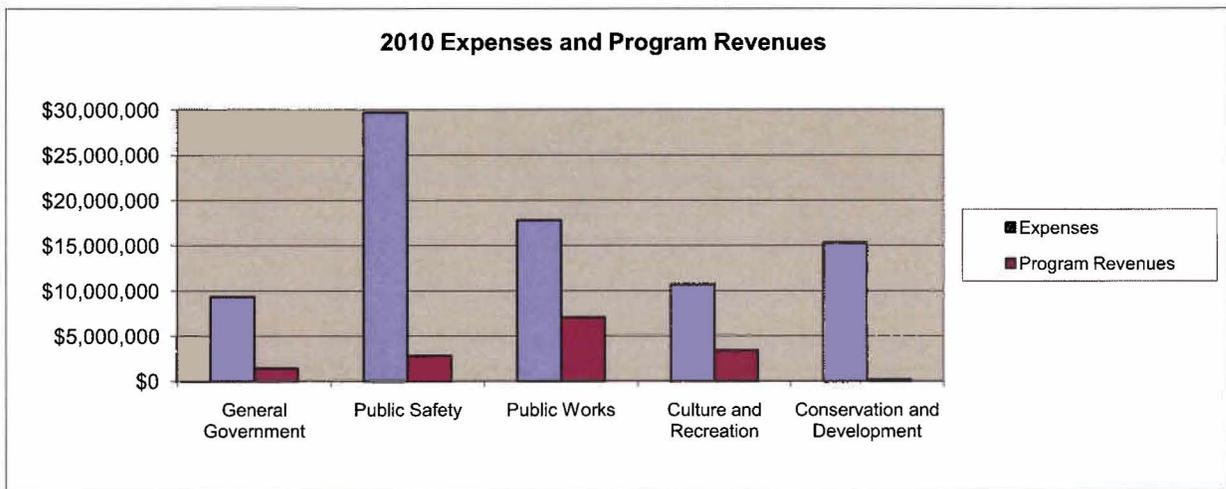
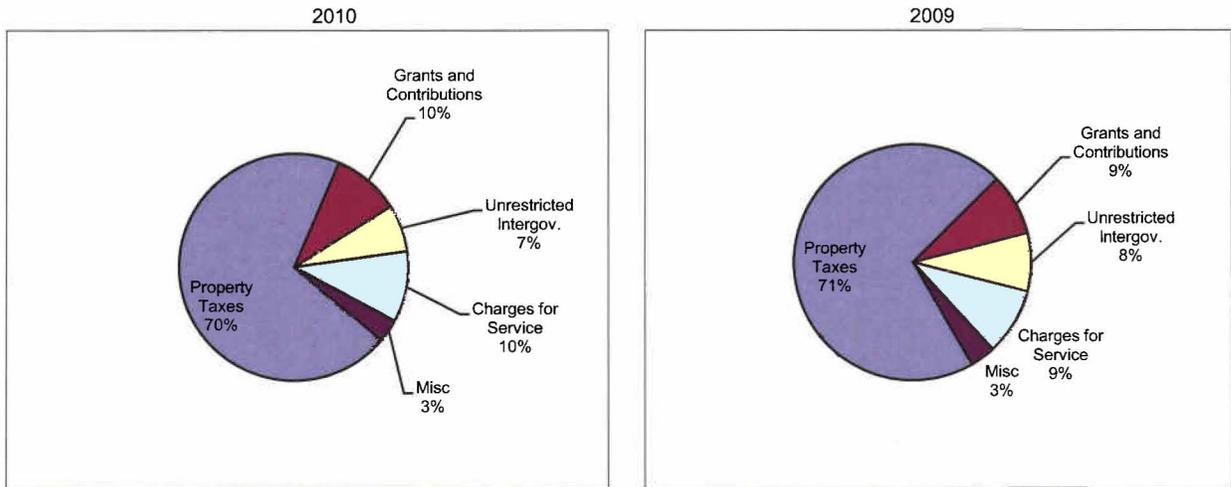
The Unrestricted Net Assets of the Governmental Activities decreased by \$20.4 million from 2009, while unrestricted Net Assets from Business Activities increased by \$383,000 from 2009. The unrestricted net assets represent the amount of assets that are neither related to capital assets nor restricted for specific use.

**City of Waukesha, Wisconsin
Summary Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for service	\$ 7,616,948	\$ 6,488,151	\$ 21,419,146	\$ 21,007,692	\$ 29,036,094	\$ 27,495,843
Operating grants and contributions	\$ 4,768,404	\$ 4,728,248	\$ 6,419,809	\$ 5,258,616	\$ 11,188,213	\$ 9,986,864
Capital grants and contributions	\$ 2,545,068	\$ 1,297,034	\$ 1,576,115	\$ 500,610	\$ 4,121,183	\$ 1,797,644
General Revenues						
Property taxes	\$ 53,220,732	\$ 50,124,296	\$ 2,032,767	\$ 1,798,409	\$ 55,253,499	\$ 51,922,705
Other taxes	\$ 1,704,469	\$ 1,612,652			\$ 1,704,469	\$ 1,612,652
Intergovernmental revenues	\$ 5,096,020	\$ 5,673,564			\$ 5,096,020	\$ 5,673,564
Investment earnings	\$ 638,108	\$ 733,155	\$ 91,227	\$ 134,914	\$ 729,335	\$ 868,069
Miscellaneous	\$ 147,281	\$ 125,940	\$ 18,901	\$ 1,213	\$ 166,182	\$ 127,153
Total Revenues	\$ 75,737,030	\$ 70,783,040	\$ 31,557,965	\$ 28,701,454	\$ 107,294,995	\$ 99,484,494
Expenses						
General government	\$ 9,342,928	\$ 8,756,841			\$ 9,342,928	\$ 8,756,841
Public safety	\$ 29,700,290	\$ 28,903,936			\$ 29,700,290	\$ 28,903,936
Highways and streets	\$ 15,098,057	\$ 16,737,532			\$ 15,098,057	\$ 16,737,532
Sanitation	\$ 2,709,694	\$ 2,463,240			\$ 2,709,694	\$ 2,463,240
Health and human services	\$ 67,530	-			\$ 67,530	-
Culture and recreation	\$ 10,689,378	\$ 10,378,229			\$ 10,689,378	\$ 10,378,229
Conservation and development	\$ 15,356,755	\$ 5,274,651			\$ 15,356,755	\$ 5,274,651
Interest and fiscal charges	\$ 4,072,365	\$ 4,143,242			\$ 4,072,365	\$ 4,143,242
Water			\$ 6,739,396	\$ 7,063,897	\$ 6,739,396	\$ 7,063,897
Wastewater			\$ 9,243,328	\$ 9,627,296	\$ 9,243,328	\$ 9,627,296
Transit			\$ 10,558,930	\$ 10,031,069	\$ 10,558,930	\$ 10,031,069
Parking			\$ 984,468	\$ 929,691	\$ 984,468	\$ 929,691
Cemetery			\$ 701,913	\$ 713,019	\$ 701,913	\$ 713,019
Total Expenses	\$ 87,036,997	\$ 76,657,671	\$ 28,228,035	\$ 28,364,972	\$ 115,265,032	\$ 105,022,643
Changes in Net Assets Before Transfers	\$ (11,299,967)	\$ (5,874,631)	\$ 3,329,930	\$ 336,482	\$ (7,970,037)	\$ (5,538,149)
Transfers	\$ 640,003	\$ 264,483	\$ (640,003)	\$ (264,483)	\$ -	\$ -
Change in Net Assets	\$ (10,659,964)	\$ (5,610,148)	\$ 2,689,927	\$ 71,999	\$ (7,970,037)	\$ (5,538,149)
NET ASSETS - Beginning of Year	\$ 68,270,807	\$ 73,880,955	\$ 139,345,220	\$ 139,273,221	\$ 207,616,027	\$ 213,154,176
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS - End of Year	\$ 57,610,843	\$ 68,270,807	\$ 142,035,147	\$ 139,345,220	\$ 199,645,990	\$ 207,616,027

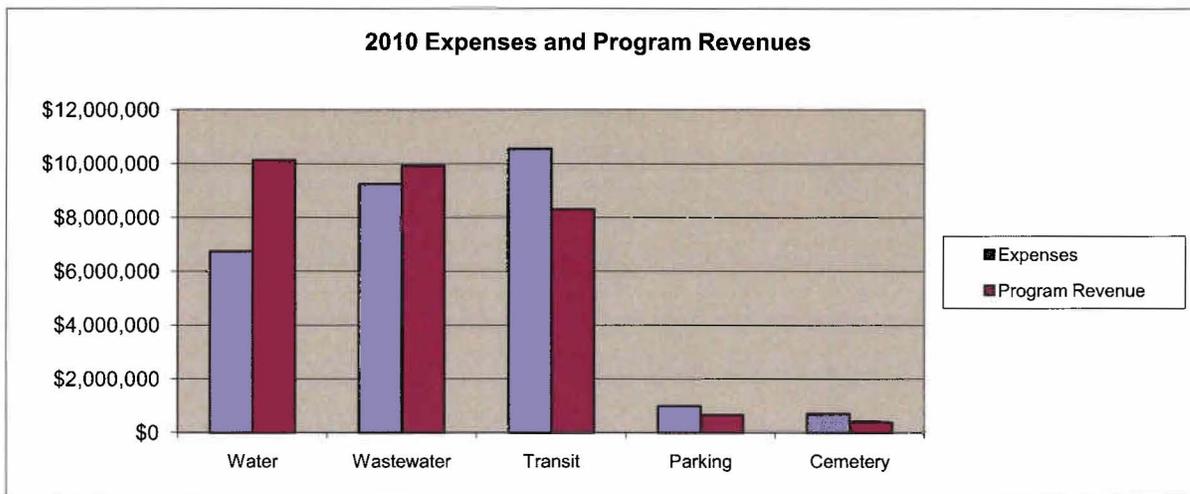
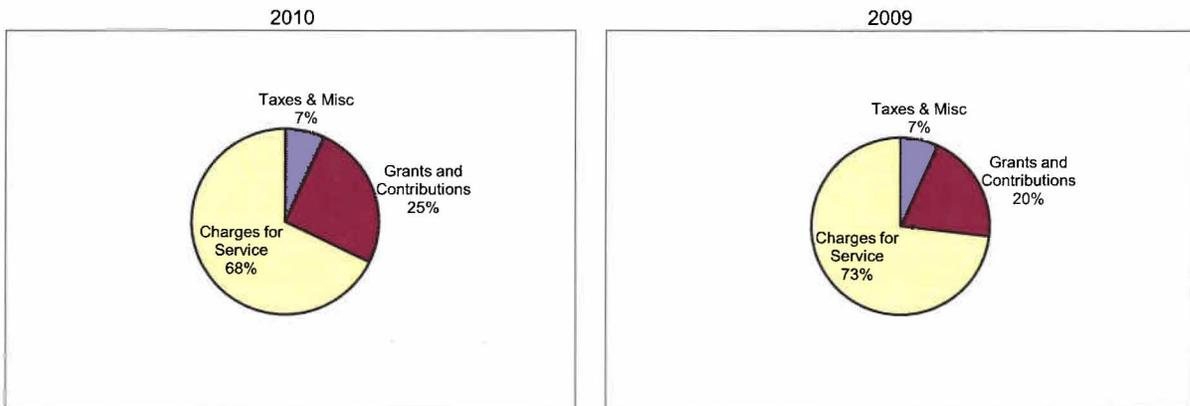
An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following pie charts draw data from the statement of activities. For governmental services, the City is highly dependent upon property taxes for funding, deriving 70% in 2010 and 71% in 2009 of its revenue from this single source. Operating and capital grants and contributions along with unrestricted intergovernmental revenues comprise another 17% in 2010 and 17% in 2009. Charges for services increased to 10% of revenues in 2010 from 9% in 2009.

Governmental Activities
Revenues by Source



In the case of business-type activities, the data shows a considerably different picture. Charges for services (68% 2010, 73% 2009) replace property taxes as the primary revenue. Grants and contributions related to intergovernmental aid for transit operations and developer contributed water and sewer mains were 25% in 2010 and 20% in 2009 of business type revenues. Changes in the amount of developer contributions and transit operating aid from year to year account for most of the changes in revenue percentages.

Business-Type Activities
Revenues by Source



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows and spendable resources. Such information can be useful in assessing the City's financing requirements. In particular, the level of unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2010, the City of Waukesha's governmental funds reported combined ending fund balances of approximately \$27.9 million, an increase of \$5.6 million from the previous year. This was the result of favorable General fund operations (\$1.8 million surplus) and a timing issue with the refunding of a long term debt. The City refinanced an existing State of Wisconsin Trust Fund Loan in December. The payoff of the existing debt did not occur until January of 2011. This resulted in a surplus in the General Debt Service fund of \$3.6 million for 2010. Of the total fund balance for 2010, \$13.4 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$14.5 million available for spending at the discretion of the City's common council. This is a increase of \$821,900 million from 2009 due to favorable operations of the General Fund.

General Fund: The general fund is the primary governmental fund of the city. As of December 31, 2010 the fund balance for the general fund was approximately \$11.8 million. This is an increase of \$1.8 million over the ending fund balance from the previous year. The increase was the result of favorable operations during the year.

During 2010 the City continued the hiring freeze for non-public safety positions was initiated during 2009. This resulted in a \$342,000 savings in the salary and benefits budget. In addition to that the City realized favorable savings in heating, equipment maintenance, fuel, garbage collection and workers compensation insurance. The City also had a programmed replenishment of fund balance of \$215,151 related to costs associated with flooding that occurred during 2008. The City also saw higher than anticipated revenues for fines, public charges for services and interdepartmental charges. During 2010 the city also sold surplus property for \$175,000 that was expected to be sold during 2009.

General Debt Service: The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The ending fund balance for 2010 was \$4,418,754. This was a increase of \$3.6 million from the 2009 balance. This was due to a timing difference related the refinancing of a State Trust Fund Loan. The City settled refinancing debt in December of 2010 and called the loan in January of 2011. The payment made to call the loan was \$3.7 million. The City had anticipated a draw down of the debt service fund balance of \$178,000 during 2010 prior to this refinance.

Tax Incremental Financing Debt Service: The TIF debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the eleven open tax incremental districts of the city. The TIF debt service fund balance grew in aggregate by \$1,250,105 from the previous year to a balance of \$1,020,575. The increase was due to capitalized interest associated with debt issued for two new districts created during 2010.

Capital Projects - TIF Districts: The Capital Projects - TIF Districts funds account for the accumulation of resources for the cost of infrastructure improvements or economic incentives associated with the eleven open tax incremental districts of the city. The fund balance fell in aggregate by \$209,639 from the previous year to a balance of \$750,008.

Other Governmental Funds: The aggregated other governmental funds column includes various special revenue, revolving loan, grant, endowment and capital project funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The accumulated fund balances of these funds fell by \$850,000 during 2010 primarily as a result of expenditures for capital construction or acquisition of assets.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. The net assets of the enterprise-type proprietary funds at the end of 2010 totaled \$142 million, which is an increase over last year of \$2.7 million.

The net assets of the City's internal service-type proprietary funds fell during the year by \$87,952. The decrease was attributable to the City's self insured health insurance program. Claims exceeded revenues during the year by \$239,017.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the "Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund", the original 2010 general fund budget authorized expenditures and transfers out of approximately \$57.2 million, funded by anticipated revenues and transfers in of \$57.4 million. During the year, the Common Council increased expenditure appropriations by \$161,745 to accommodate carryovers from the previous year and additional capital grants. The revenue budget was increased by \$18,926 for additional revenues associated with new grants.

The City ended the year with a favorable general fund budget variance for both expenses and revenues. Revenues were \$813,114 or 1.45% above the final amended budget while expenditures came in \$929,994 or 1.64% below the final budget amount. Overall the General Fund ended the year on a positive note, with revenues and transfers in exceeding expenditures and transfers out by \$1,815,212.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

In accordance with the implementation requirements of GASB #34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported net investment in capital assets for governmental and business type activities as of December 31, 2010 totaled over \$297 million.

Total accumulated depreciation at the end of the year was \$207.7 million, or approximately 41% of the historical asset cost.

City of Waukesha, Wisconsin Capital Assets, Net of Accumulated Depreciation

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Land	\$ 27,532,421	\$ 27,326,729	\$ 2,933,848	\$ 2,933,098	\$ 30,466,269	\$ 30,259,827
Intangible Assets	\$ 112,421	\$ -	\$ 80,925	\$ -	\$ 193,346	\$ -
Improvements	\$ 5,501,382	\$ 5,154,145	\$ -	\$ -	\$ 5,501,382	\$ 5,154,145
Plant In Service	\$ -	\$ -	\$ 92,418,707	\$ 88,870,303	\$ 92,418,707	\$ 88,870,303
Buildings	\$ 51,667,068	\$ 51,690,282	\$ 69,378,118	\$ 69,281,798	\$ 121,045,186	\$ 120,972,080
Machinery and Equipment	\$ 37,355,957	\$ 37,314,997	\$ 27,339,041	\$ 28,250,854	\$ 64,694,998	\$ 65,565,851
Infrastructure	\$ 159,589,272	\$ 155,443,488	\$ 29,781,660	\$ 28,324,860	\$ 189,370,932	\$ 183,768,348
Construction in Progress	\$ 729,590	\$ 522,762	\$ 1,076,031	\$ 2,810,659	\$ 1,805,621	\$ 3,333,421
Sub-total	\$ 282,488,111	\$ 277,452,403	\$ 223,008,330	\$ 220,471,572	\$ 505,496,441	\$ 497,923,975
Less: Accumulated Depreciation	\$ (131,594,391)	\$ (127,044,378)	\$ (76,101,168)	\$ (72,740,956)	\$ (207,695,559)	\$ (199,785,334)
Net Capital Assets	\$ 150,893,720	\$ 150,408,025	\$ 146,907,162	\$ 147,730,616	\$ 297,800,882	\$ 298,138,641

Some of the most significant additions to the City's capital assets during 2010 included:

• Street network additions	\$4.0 million
• Traffic Signal Additions	\$0.5 million
• Water mains and distribution assets	\$4.7 million
• Storm sewer collection system additions	\$0.6 million
• Sanitary sewer collection system additions	\$1.5 million
• Fleet and heavy Equipment	\$0.6 million

Additional information related to the City of Waukesha's capital assets is reported in Note III.G. – capital assets following the financial statements.

Long-Term Debt

On December 31, 2010, the City of Waukesha had \$135,235,017 of long-term notes, bonds, bond anticipation and note anticipation notes outstanding and revenue bonds, as summarized in the following table:

City of Waukesha, Wisconsin Notes and Bonds Outstanding

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
	General Obligation Bonds and Notes	\$ 111,288,011	\$ 95,804,000	\$ 8,512,805	\$ 6,141,602	\$ 119,800,816
Revenue Bonds	\$ -	\$ -	\$ 15,434,201	\$ 19,354,626	\$ 15,434,201	\$ 19,354,626
Total	\$ 111,288,011	\$ 95,804,000	\$ 23,947,006	\$ 25,496,228	\$ 135,235,017	\$ 121,300,228

It is anticipated that the outstanding bond anticipation notes will be refinanced with long-term bonds sometime over the next two years.

Under Wisconsin State Statutes, the outstanding long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The net applicable debt of the City totaled \$117,324,814 which is 40.5% of the maximum legal limit of \$295,246,655. This is an increase of 7.5% of maximum legal limit over 2009. Part of the increase was due to the fact that the City's equalized property values fell for the second year in a row by 3.2%. During 2010, the City issued new debt for the following amounts and purposes:

City of Waukesha, Wisconsin Long-Term Debt Issued during 2010

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>	Moody's <u>Rating</u>
2/9/2010	General Obligation Refunding Bonds	\$ 5,460,000	Aa1
8/10/2010	General Obligation Promissory Notes	\$ 6,165,000	Aa1
12/1/2010	Taxable General Obligation Bonds	\$ 19,015,000	Aa1
		\$ 30,640,000	

For more information on the city's long-term obligations refer to Note III.F. – long-term obligations.

CURRENTLY KNOWN FACTS

The adoption of the 2011 general fund budget resulted in an expenditure increase of 0.85% over the previous year. The general fund property tax levy increased by 0.24%, while other revenue sources grew by 2.3%. A large portion of the increase in other revenue is a result of anticipated increases in anticipated fine revenue. The tax levy increase for all funds in 2010 remained the same as it was for 2010.

REQUESTS FOR INFORMATION

This report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to provide accountability for the financial resources it receives. If you have questions about the information contained in this report or need additional financial information concerning the City of Waukesha, please contact the City Finance Office, 201 Delafield St., Room 111, Waukesha, Wisconsin, 53188. Our telephone number is 262-524-3560 and our e-mail address is Finance@ci.waukesha.wi.us.

BASIC FINANCIAL STATEMENTS

CITY OF WAUKESHA, WISCONSIN
Statement of Net Assets
December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 95,248,921	\$ 5,386,397	\$ 100,635,318	\$ 1,696,195
Receivables (net of allowance for uncollectibles)				
Taxes	64,662,246	-	64,662,246	22,942
Accounts	1,187,609	6,818,884	8,006,493	17,338
Special assessments	119,152	-	119,152	110,640
Accrued interest	66,924	-	66,924	3,701
Long-Term loans	4,700,521	-	4,700,521	-
Prepaid items and inventories	556,741	1,624,756	2,181,497	376,110
Other assets	756,766	1,218,712	1,975,478	-
Internal balances	212,321	(212,321)	-	-
Due from other governmental units	2,141,883	-	2,141,883	376,874
Restricted Assets				
Cash and investments	1,439,730	8,534,777	9,974,507	988,355
Interest receivable	-	10,372	10,372	-
Advances	(1,664,689)	1,664,689	-	-
Capital Assets				
Land	27,532,421	2,933,848	30,466,269	1,950,378
Construction in progress	729,590	1,076,031	1,805,621	808,376
Intangible asset - easements	112,421	80,925	193,346	-
Buildings	51,667,068	218,917,526	270,584,594	13,941,337
Improvements other than buildings	5,501,382	-	5,501,382	1,219,532
Machinery and equipment	37,355,957	-	37,355,957	350,180
Infrastructure	159,589,272	-	159,589,272	-
Less: Accumulated depreciation/amortization	(131,594,391)	(76,101,168)	(207,695,559)	(10,147,086)
Total Assets	320,321,845	171,953,428	492,275,273	11,714,872
LIABILITIES				
Accounts payable and accrued expenses	6,249,429	4,850,636	11,100,065	149,267
Due to other governmental units	74,817,004	-	74,817,004	123,040
Unearned revenues	57,089,291	338,206	57,427,497	783,755
Deposits	231,431	104,675	336,106	-
Liabilities payable from restricted assets				
Tenant deposits	-	-	-	134,804
Noncurrent Liabilities				
Due within one year	18,512,363	4,781,545	23,293,908	319,552
Due in more than one year	105,811,484	19,843,219	125,654,703	-
Total Liabilities	262,711,002	29,918,281	292,629,283	1,510,418
NET ASSETS				
Invested in capital assets, net of related debt	76,482,121	126,486,722	202,968,843	7,803,165
Restricted				
Debt service	4,204,263	2,348,476	6,552,739	-
Impact fees	622,103	-	622,103	-
Escrow agreement	-	-	-	30,021
Housing assistance payments	-	-	-	273,573
Trust donations	382,869	-	382,869	-
Library	76,568	-	76,568	-
Cemetery	1,874,890	-	1,874,890	-
Equipment replacement	-	4,605,973	4,605,973	-
Unrestricted (deficit)	(26,031,971)	8,593,976	(17,437,995)	2,097,695
TOTAL NET ASSETS	\$ 57,610,843	\$ 142,035,147	\$ 199,645,990	\$ 10,204,454

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

CITY OF WAUKESHA, WISCONSIN
Statement of Activities
Year Ended December 31, 2010

<u>Functions/Programs</u>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 9,342,928	\$ 1,457,308	\$ -	\$ -
Public safety	29,700,290	2,184,436	612,615	10,483
Highways and streets	15,098,057	1,591,773	2,749,547	2,523,067
Sanitation	2,709,694	18,262	191,330	-
Health and human services	67,530	-	-	-
Culture and recreation	10,689,378	2,184,192	1,214,912	11,518
Conservation and development	15,356,755	180,977	-	-
Interest and fiscal charges	4,072,365	-	-	-
Total Governmental Activities	87,036,997	7,616,948	4,768,404	2,545,068
Business-type Activities				
Water Utility	6,739,396	8,893,173	-	1,242,312
Wastewater Utility	9,243,328	9,582,996	-	333,803
Transit System Utility	10,558,930	1,884,769	6,419,809	-
Parking Utility	984,468	658,252	-	-
Cemetery	701,913	399,956	-	-
Total Business-type Activities	28,228,035	21,419,146	6,419,809	1,576,115
Total Primary Government	\$ 115,265,032	\$ 29,036,094	\$ 11,188,213	\$ 4,121,183
Component Units				
Business Improvement District	\$ 235,563	\$ 262,055	\$ -	\$ -
Housing Authority of the City of Waukesha	6,123,964	971,646	5,824,904	-
Total Component Units	\$ 6,359,527	\$ 1,233,701	\$ 5,824,904	\$ -

General Revenue

Taxes

Property taxes levied for general purposes
Property taxes levied for debt service
Property taxes levied for TIF
Franchise fees and other taxes

Intergovernmental revenues not restricted for
specific programs

Investment income

Miscellaneous

Transfers

Total General Revenue and Transfers

Change in Net Assets

NET ASSETS - Beginning of Year

NET ASSETS - End of Year

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

Government Activities	Business-type Activities	Totals	Component Units
\$ (7,885,620)	\$ -	\$ (7,885,620)	\$ -
(26,892,756)	-	(26,892,756)	-
(8,233,670)	-	(8,233,670)	-
(2,500,102)	-	(2,500,102)	-
(67,530)	-	(67,530)	-
(7,278,756)	-	(7,278,756)	-
(15,175,778)	-	(15,175,778)	-
(4,072,365)	-	(4,072,365)	-
(72,106,577)	-	(72,106,577)	-
-	3,396,089	3,396,089	-
-	673,471	673,471	-
-	(2,254,352)	(2,254,352)	-
-	(326,216)	(326,216)	-
-	(301,957)	(301,957)	-
-	1,187,035	1,187,035	-
(72,106,577)	1,187,035	(70,919,542)	-
-	-	-	26,492
-	-	-	672,586
-	-	-	699,078
40,347,707	2,032,767	42,380,474	-
9,882,649	-	9,882,649	-
2,990,376	-	2,990,376	-
1,704,469	-	1,704,469	-
5,096,020	-	5,096,020	-
638,108	91,227	729,335	11,066
147,281	18,901	166,182	138,659
640,003	(640,003)	-	-
61,446,613	1,502,892	62,949,505	149,725
(10,659,964)	2,689,927	(7,970,037)	848,803
68,270,807	139,345,220	207,616,027	9,355,651
\$ 57,610,843	\$ 142,035,147	\$ 199,645,990	\$ 10,204,454

CITY OF WAUKESHA, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2010

	General	Debt Service - General	Debt Service- TIF Districts	Capital Projects - TIF Districts	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 74,524,391	\$ 4,075,391	\$ 2,129,274	\$ 906,690	\$ 10,909,902	\$ 92,545,648
Receivables						
Taxes	51,211,115	9,602,359	3,711,472	-	137,300	64,662,246
Accounts	807,043	118,363	11,323	-	223,022	1,159,751
Special assessments	14,734	-	-	-	104,418	119,152
Loans	-	225,000	-	198,996	4,276,525	4,700,521
Accrued interest	64,750	-	-	-	2,174	66,924
Other	-	-	-	-	-	-
Due from other governmental units	1,630,630	-	-	119	511,134	2,141,883
Due from other funds	1,853,868	-	-	-	-	1,853,868
Premium on investments	8,686	-	-	-	-	8,686
Inventories	218,169	-	-	-	-	218,169
Prepaid items	36,113	-	-	-	228,034	264,147
TOTAL ASSETS	\$ 130,369,499	\$ 14,021,113	\$ 5,852,069	\$ 1,105,805	\$ 16,392,509	\$ 167,740,995
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 901,013	\$ -	\$ 2,831	\$ 284,860	\$ 866,742	\$ 2,055,446
Other accrued liabilities	1,475,127	-	-	-	4,462	1,479,589
Compensated absences	647,531	-	-	-	-	647,531
Due to other governmental units	74,817,004	-	-	-	-	74,817,004
Due to other funds	273,855	-	1,117,191	70,937	176,448	1,638,431
Deposits	37,211	-	-	-	194,220	231,431
Advance due to other funds	-	-	-	-	1,664,689	1,664,689
Deferred revenue	40,424,206	9,602,359	3,711,472	-	3,470,407	57,208,444
Total Liabilities	118,575,947	9,602,359	4,831,494	355,797	6,376,968	139,742,565
Fund Balances						
Reserved	254,282	4,418,754	1,020,575	198,996	7,470,852	13,363,459
Unreserved and designated	107,107	-	-	-	-	107,107
Unreserved and undesignated, reported in:						
General Fund	11,432,163	-	-	-	-	11,432,163
Debt Service Fund	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	458,618	458,618
Capital Projects Funds	-	-	-	551,012	2,086,071	2,637,083
Total Fund Balances	11,793,552	4,418,754	1,020,575	750,008	10,015,541	27,998,430
TOTAL LIABILITIES AND FUND BALANCES	\$ 130,369,499	\$ 14,021,113	\$ 5,852,069	\$ 1,105,805	\$ 16,392,509	\$ 167,740,995

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
Year Ended December 31, 2010

	General	Debt Service- General	Debt Service - TIF Districts	Capital Projects - TIF Districts	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 41,147,809	\$ 9,882,649	\$ 3,011,828	\$ -	\$ -	\$ 54,042,286
Intergovernmental	8,453,843	11,517	43,353	41,779	1,930,522	10,481,014
Licenses and permits	1,711,073	-	-	-	690	1,711,763
Fines, forfeitures and penalties	707,453	-	-	-	10,000	717,453
Public charges for services	3,148,338	-	-	-	1,529,495	4,677,833
Interdepartmental charges	1,114,075	-	-	-	-	1,114,075
Special assessments	-	-	-	-	103,324	103,324
Investment income	310,621	16,823	1,635	6,464	302,563	638,106
Miscellaneous	330,984	-	-	8,403	154,339	493,726
Total Revenues	56,924,196	9,910,989	3,056,816	56,646	4,030,933	73,979,580
EXPENDITURES						
Current						
General government	7,700,566	-	24,005	343,244	15,750	8,083,565
Public safety	28,108,621	-	-	-	22,551	28,131,172
Highways and streets	8,210,419	-	-	-	-	8,210,419
Sanitation	2,845,114	-	-	-	65,702	2,910,816
Culture and recreation	8,966,360	-	-	-	852,105	9,818,465
Conservation and development	-	-	-	-	299,427	299,427
Capital Outlay	-	-	-	15,037,734	7,686,247	22,723,981
Debt Service						
Principal retirement	-	6,428,787	1,723,344	-	-	8,152,131
Interest and fiscal charges	-	3,380,431	1,678,315	41,019	38,650	5,138,415
Total Expenditures	55,831,080	9,809,218	3,425,664	15,421,997	8,980,432	93,468,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,093,116	101,771	(368,848)	(15,365,351)	(4,949,499)	(19,488,811)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	15,505,456	3,615,000	19,120,456
Refunding bonds issued	-	5,328,759	18,787,819	-	-	24,116,578
Premium on bonds	-	104,340	171,836	-	38,650	314,826
Principal retirement	-	(1,575,000)	-	-	-	(1,575,000)
Payment to refunding escrow agent	-	-	(17,690,446)	-	-	(17,690,446)
Sale of City property	-	-	-	-	191,464	191,464
Transfers in	1,307,017	132,041	349,744	-	1,059,355	2,848,157
Transfers out	(584,921)	(468,449)	-	(349,744)	(805,039)	(2,208,153)
Total Other Financing Sources (Uses)	722,096	3,521,691	1,618,953	15,155,712	4,099,430	25,117,882
Net Changes in Fund Balances	1,815,212	3,623,462	1,250,105	(209,639)	(850,069)	5,629,071
FUND BALANCES - Beginning of Year	9,978,340	795,292	(229,530)	959,647	10,865,610	22,369,359
FUND BALANCES - End of Year	\$ 11,793,552	\$ 4,418,754	\$ 1,020,575	\$ 750,008	\$ 10,015,541	\$ 27,998,430

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
December 31, 2010

Net change in fund balances - from previous page \$ 5,629,071

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 assets 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	\$ 22,723,981	
Some capital outlay is not capitalized	(17,200,787)	
Depreciation reported in the government-wide statements	(6,439,324)	
Capital assets contributed	1,962,601	
Net book value of assets retired	<u>(560,776)</u>	485,695

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. (44,634)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt issued	\$ (43,237,034)	
Principal repaid	<u>27,753,023</u>	(15,484,011)

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	\$ (134,006)	
Long-term disability	21,048	
OPEB liability	(1,460,953)	
Accrued interest on debt	<u>83,132</u>	(1,490,779)

Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses). However, in the statement of net assets, these are deferred and reported as other assets. These are allocated over the period the debt is outstanding in the statement of activities and are reported as amortization expense.

Debt discount/premium and issuance costs	\$ 199,081	
Amortization	<u>133,565</u>	332,646

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. (87,952)

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (10,659,964)

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

CITY OF WAUKESHA, WISCONSIN
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
ASSETS			
Current Assets			
Cash and investments	\$ 2,532,259	\$ 2,239,764	\$ -
Restricted Assets			
Redemption account	447,317	-	-
Accounts receivable	3,077,133	461,875	1,657,203
Unbilled revenue	1,182,916	-	-
Due from other funds	-	2,081,853	273,855
Inventories	372,836	-	113,912
Prepaid items	105,624	-	301,710
Total Current Assets	<u>7,718,085</u>	<u>4,783,492</u>	<u>2,346,680</u>
Noncurrent Assets			
Restricted Assets			
Revenue bond redemption	-	2,091,337	-
Revenue bond reserve	1,390,135	-	-
Depreciation	15	-	-
Equipment replacement	-	4,605,973	-
Interest receivable	-	10,372	-
Total Restricted Assets	<u>1,390,150</u>	<u>6,707,682</u>	<u>-</u>
Utility Plant			
Land	456,319	31,107	1,683,701
Utility plant in service (at cost)	92,418,707	93,784,401	21,138,262
Construction work in progress	846,511	229,520	-
Total Utility Plant	<u>93,721,537</u>	<u>94,045,028</u>	<u>22,821,963</u>
Intangible assets	80,925	-	-
Equipment	-	-	-
Less: Accumulated depreciation	(22,491,366)	(38,853,488)	(9,287,335)
Net Plant/Equipment	<u>71,311,096</u>	<u>55,191,540</u>	<u>13,534,628</u>
Other Assets			
Preliminary survey and investigation	1,082,615	-	-
Unamortized debt issuance costs	39,980	39,310	-
Premium on investments	-	12,567	-
Advance to other funds	-	1,664,689	-
Total Other Assets	<u>1,122,595</u>	<u>1,716,566</u>	<u>-</u>
Total Noncurrent Assets	<u>73,823,841</u>	<u>63,615,788</u>	<u>13,534,628</u>
Total Assets	<u>81,541,926</u>	<u>68,399,280</u>	<u>15,881,308</u>

(Continued)

Parking Utility	Non-Major Prairie Home Cemetery	Totals	Governmental Activities - Internal Service Funds
\$ 276,412	\$ 337,962	\$ 5,386,397	\$ 4,143,003
-	-	447,317	-
65,936	373,821	5,635,968	27,858
-	-	1,182,916	-
-	44,132	2,399,840	-
-	730,674	1,217,422	16,591
-	-	407,334	57,834
342,348	1,486,589	16,677,194	4,245,286
-	-	2,091,337	-
-	-	1,390,135	-
-	-	15	-
-	-	4,605,973	-
-	-	10,372	-
-	-	8,097,832	-
668,744	93,977	2,933,848	-
10,936,641	639,515	218,917,526	-
-	-	1,076,031	-
11,605,385	733,492	222,927,405	-
-	-	80,925	-
-	-	-	308,971
(5,061,953)	(407,026)	(76,101,168)	(90,493)
6,543,432	326,466	146,907,162	218,478
-	-	1,082,615	-
27,666	16,574	123,530	-
-	-	12,567	-
-	-	1,664,689	-
27,666	16,574	2,883,401	-
6,571,098	343,040	157,888,395	218,478
6,913,446	1,829,629	174,565,589	4,463,764

CITY OF WAUKESHA, WISCONSIN
Statement of Net Assets (Continued)
Proprietary Funds
December 31, 2010

	<u>Business-type Enterprise Funds</u>		
	Water Utility	Wastewater Utility	Transit System Utility
LIABILITIES			
Current Liabilities			
Accounts payable	606,581	279,804	426,743
Accrued liabilities	1,550,401	46,058	70,733
Claims payable	-	-	-
Accrued interest	-	-	-
Current portion of long-term debt	-	281,555	-
Due to other funds	1,715,048	-	366,805
Unearned revenue	-	-	-
Compensated absences	-	587,285	539,529
Other current liabilities	-	-	105,056
Current liabilities payable from restricted assets			
Current portion of revenue bonds	955,000	3,129,202	-
Accrued interest	136,405	64,160	-
Total Current Liabilities	<u>4,963,435</u>	<u>4,388,064</u>	<u>1,508,866</u>
Noncurrent Liabilities			
Revenue bonds	11,350,000	-	-
Unamortized debt (discount)/premium	62,943	42,435	-
Customer advances for construction	104,675	-	-
OPEB liability	330,720	146,253	-
General obligation debt	-	4,835,602	-
Total Noncurrent Liabilities	<u>11,848,338</u>	<u>5,024,290</u>	<u>-</u>
Total Liabilities	<u>16,811,773</u>	<u>9,412,354</u>	<u>1,508,866</u>
NET ASSETS			
Invested in capital assets net of related debt	60,333,288	48,541,756	13,534,628
Restricted For:			
Equipment replacement	-	4,605,973	-
Debt service	310,927	2,037,549	-
Unpaid claims and restricted deposits	-	-	-
Unrestricted (Deficit)	<u>4,085,938</u>	<u>3,801,648</u>	<u>837,814</u>
TOTAL NET ASSETS	<u>\$ 64,730,153</u>	<u>\$ 58,986,926</u>	<u>\$ 14,372,442</u>

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

Parking Utility	Non-Major Prairie Home Cemetery	Totals	Governmental Activities Internal Service Funds
35,348	211,327	1,559,803	8,031
1,338	6,082	1,674,612	-
-	-	-	796,210
31,060	8,314	39,374	-
322,106	93,682	697,343	-
-	530,308	2,612,161	3,116
-	338,206	338,206	-
56,078	88,334	1,271,226	27,556
-	-	105,056	-
-	-	4,084,202	-
-	-	200,565	-
445,930	1,276,253	12,582,548	834,913
-	-	11,350,000	-
85,200	10,206	200,784	-
-	-	104,675	-
-	-	476,973	-
2,413,208	566,652	7,815,462	-
2,498,408	576,858	19,947,894	-
2,944,338	1,853,111	32,530,442	834,913
3,750,584	326,466	126,486,722	218,478
-	-	4,605,973	-
-	-	2,348,476	-
-	-	-	3,224,566
218,524	(349,948)	8,593,976	185,807
\$ 3,969,108	\$ (23,482)	\$ 142,035,147	\$ 3,628,851

CITY OF WAUKESHA, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2010

	<u>Business-type Enterprise Funds</u>		
	Water Utility	Wastewater Utility	Transit System Utility
OPERATING REVENUES			
Charges for services	\$ 8,432,379	\$ 9,548,610	\$ 1,706,928
Parking fines	-	-	-
Sales of crypts and niches	-	-	-
Sales of lots	-	-	-
Other revenue	460,794	34,386	177,841
Total Operating Revenues	<u>8,893,173</u>	<u>9,582,996</u>	<u>1,884,769</u>
OPERATING EXPENSES			
Operation and maintenance	4,197,029	6,556,660	9,503,339
Depreciation	2,085,736	2,428,815	1,053,669
Total Operating Expenses	<u>6,282,765</u>	<u>8,985,475</u>	<u>10,557,008</u>
Operating Income (Loss)	<u>2,610,408</u>	<u>597,521</u>	<u>(8,672,239)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	15,141	78,146	-
Miscellaneous	544	4,948	-
Interest and fiscal charges	(455,211)	(245,979)	-
General property taxes	-	-	2,032,767
Amortization of debt discount	(1,420)	(11,874)	-
Sale of capital assets	-	11,888	(1,922)
Intergovernmental revenue	-	-	6,419,809
Total Nonoperating	<u>(440,946)</u>	<u>(162,871)</u>	<u>8,450,654</u>
Income (Loss) Before Transfers and Contributions	<u>2,169,462</u>	<u>434,650</u>	<u>(221,585)</u>
Transfers in	-	-	-
Transfers out	(1,306,846)	-	(125,975)
Capital contributions	1,187,787	333,803	-
Capital contributions - municipality	54,525	-	-
	<u>(64,534)</u>	<u>333,803</u>	<u>(125,975)</u>
Changes in Net Assets	2,104,928	768,453	(347,560)
TOTAL NET ASSETS - Beginning of Year	<u>62,625,225</u>	<u>58,218,473</u>	<u>14,720,002</u>
TOTAL NET ASSETS - End of Year	<u>\$ 64,730,153</u>	<u>\$ 58,986,926</u>	<u>\$ 14,372,442</u>

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

			Governmental Activities - Internal Service Funds
Parking Utility	Nonmajor Prairie Home Cemetery	Totals Current Year	
\$ 235,424	\$ 245,263	\$ 20,168,604	\$ 11,245,871
422,828	-	422,828	-
-	78,579	78,579	-
-	76,114	76,114	-
-	-	673,021	795,097
658,252	399,956	21,419,146	12,040,968
595,419	651,215	21,503,662	12,203,920
277,447	23,710	5,869,377	38,222
872,866	674,925	27,373,039	12,242,142
(214,614)	(274,969)	(5,953,893)	(201,174)
1,703	(3,763)	91,227	-
971	-	6,463	113,222
(107,806)	(24,555)	(833,551)	-
-	-	2,032,767	-
(3,796)	(2,433)	(19,523)	-
258	292	10,516	-
-	-	6,419,809	-
(108,670)	(30,459)	7,707,708	113,222
(323,284)	(305,428)	1,753,815	(87,952)
400,000	392,818	792,818	-
-	-	(1,432,821)	-
-	-	1,521,590	-
-	-	54,525	-
400,000	392,818	936,112	-
76,716	87,390	2,689,927	(87,952)
3,892,392	(110,872)	139,345,220	3,716,803
\$ 3,969,108	\$ (23,482)	\$ 142,035,147	\$ 3,628,851

CITY OF WAUKESHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2010

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 8,866,767	\$ 9,712,889	\$ 2,486,259
Cash received from interfund services provided	-	-	-
Cash paid to suppliers for goods and services	(2,125,603)	(5,952,446)	(7,765,397)
Cash payments to employees	(1,847,612)	(601,666)	(2,208,677)
Net Cash Flows From Operating Activities	4,893,552	3,158,777	(7,487,815)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
General property taxes	-	-	1,137,298
Operating grants received	-	-	6,385,511
Repayments of advances	-	7,334	-
Tax equivalent paid	(1,031,847)	-	-
Transfers in	-	-	-
Transfers out	-	-	(125,976)
Net Cash Flows From Non-Capital Financing Activities	(1,031,847)	7,334	7,396,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (loss)	15,141	55,537	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	-	2,500,000	-
Refunding debt issued	-	276,172	-
Principal payments	(920,000)	(3,214,209)	-
Interest paid	(581,811)	(257,324)	-
Debt issuance costs	-	(31,343)	-
Salvage on retirement of plant	283,996	-	-
Capital contributions	531,664	-	374,895
Acquisition and construction of capital assets	(3,250,614)	(1,680,946)	(283,913)
Net Cash Flows From Capital and Financing Activities	(3,936,765)	(2,407,650)	90,982
Net Increase (Decrease) in Cash and Cash Equivalents	(59,919)	813,998	-
CASH AND CASH EQUIVALENTS - Beginning of Year	4,429,645	8,123,076	-
CASH AND CASH EQUIVALENTS - End of Year	\$ 4,369,726	\$ 8,937,074	\$ -

(Continued)

	Parking Utility	Nonmajor Prairie Home Cemetery	Totals	Governmental Activities - Internal Service Funds
\$	607,832	\$ 517,527	\$ 22,191,274	\$ -
	-	-	-	12,051,949
	(433,796)	(744,817)	(17,022,059)	(12,070,207)
	(171,704)	(128,573)	(4,958,232)	(45,602)
	2,332	(355,863)	210,983	(63,860)
	-	-	1,137,298	-
	-	-	6,385,511	-
	-	-	7,334	-
	-	-	(1,031,847)	-
	400,000	392,818	792,818	113,222
	-	-	(125,976)	-
	400,000	392,818	7,165,138	113,222
	1,703	(3,763)	68,618	-
	-	50,000	2,550,000	-
	30,665	51,585	358,422	-
	(280,860)	(42,574)	(4,457,643)	-
	(109,880)	(24,483)	(973,498)	-
	(454)	(1,417)	(33,214)	-
	-	-	283,996	-
	-	-	906,559	-
	-	(53,133)	(5,268,606)	(52,700)
	(360,529)	(20,022)	(6,633,984)	(52,700)
	43,506	13,170	810,755	(3,338)
	232,906	324,792	13,110,419	4,146,341
\$	276,412	\$ 337,962	\$ 13,921,174	\$ 4,143,003

CITY OF WAUKESHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds (Continued)
Year Ended December 31, 2010

	Business - Type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 2,610,408	\$ 597,521	\$ (8,672,239)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Nonoperating income			
Miscellaneous	544	16,836	-
Depreciation	2,085,736	2,428,815	1,053,669
Depreciation charged to operating accounts	187,103	-	-
Changes in Assets and Liabilities			
Accounts receivable	(182,772)	64,040	231,190
Due from other funds	-	36,041	370,300
Inventories	(33,974)	-	(2,917)
Prepaid items	(14,666)	1,866	(239,826)
Deferred debits	-	12,976	-
Accounts payable	67,150	(93,975)	(223,672)
Unearned revenue	-	-	-
Due to other funds	57,156	-	303,427
Customer deposits	(13,463)	-	-
OPEB liability	158,417	58,692	-
Other current liabilities	(28,087)	35,965	(307,747)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 4,893,552	\$ 3,158,777	\$ (7,487,815)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS			
Cash and investments	\$ 2,532,259	\$ 2,239,764	\$ -
Restricted cash and investments	1,837,467	6,697,310	-
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 4,369,726	\$ 8,937,074	\$ -
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Change in capital grant receivables	\$ -	\$ -	\$ 15,773
Change in operating grant receivables	\$ -	\$ -	\$ 539,099
Contributed property and equipment	\$ 672,771	\$ 333,803	\$ -

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

Parking Utility	Non-Major Prairie Home Cemetery	Totals Current Year	Governmental Activities - Internal Service Funds
\$ (214,614)	\$ (274,969)	\$ (5,953,893)	\$ (201,174)
1,229	292	18,901	-
277,447	23,710	5,869,377	38,222
-	-	187,103	-
(32,346)	149,841	229,953	10,981
-	(44,132)	362,209	-
-	34,785	(2,106)	(2,066)
609	-	(252,017)	(15,058)
(19,303)	(1,161)	(7,488)	-
(8,449)	15,586	(243,360)	126,780
-	-	-	-
-	(283,435)	77,148	(21,938)
-	12,731	(732)	-
-	-	217,109	-
(2,241)	10,889	(291,221)	393
\$ 2,332	\$ (355,863)	\$ 210,983	\$ (63,860)
\$ 276,412	\$ 337,962	\$ 5,386,397	\$ 4,143,003
-	-	8,534,777	-
\$ 276,412	\$ 337,962	\$ 13,921,174	\$ 4,143,003
\$ -	\$ -	\$ 15,773	\$ -
\$ -	\$ -	\$ 539,099	\$ -
\$ -	\$ -	\$ 1,006,574	\$ -

CITY OF WAUKESHA, WISCONSIN
Statement of Net Assets
Component Units
December 31, 2010

	Business Improvement District	Housing Authority of the City of Waukesha	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 216,281	\$ 924,666	\$ 1,140,947
Investments	-	555,248	555,248
Receivables			
Taxes	22,942	-	22,942
Special assessments	110,640	-	110,640
Intergovernmental		376,874	376,874
Tenant	-	13,788	13,788
Other	2,275	1,275	3,550
Prepaid items	-	376,110	376,110
Accrued interest	-	3,701	3,701
Restricted assets - cash and cash equivalents	-	408,334	408,334
Total Current Assets	352,138	2,659,996	3,012,134
Noncurrent Assets			
Restricted assets			
Investments	-	580,021	580,021
Capital Assets			
Land	-	1,950,378	1,950,378
Construction in progress	-	808,376	808,376
Buildings	-	13,941,337	13,941,337
Furniture, equipment and machinery			
Dwellings	-	74,749	74,749
Administrative	-	275,431	275,431
Leasehold improvements		1,219,532	1,219,532
Accumulated depreciation	-	(10,147,086)	(10,147,086)
Total Noncurrent Assets	-	8,702,738	8,702,738
TOTAL ASSETS	\$ 352,138	\$ 11,362,734	\$ 11,714,872
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 41	\$ 99,983	\$ 100,024
Accrued wages	-	31,147	31,147
Accrued compensated absences	-	18,096	18,096
Line of credit	-	319,552	319,552
Intergovernmental payables	-	123,040	123,040
Unearned revenue	181,840	601,915	783,755
Liabilities payable from restricted assets - tenant deposits	-	134,804	134,804
Total Current Liabilities	181,881	1,328,537	1,510,418
NET ASSETS			
Invested in capital assets net of related debt	-	7,803,165	7,803,165
Restricted for housing assistance payments	-	273,573	273,573
Restricted for escrow agreement	-	30,021	30,021
Unrestricted	170,257	1,927,438	2,097,695
Total Net Assets	170,257	10,034,197	10,204,454
TOTAL LIABILITIES AND NET ASSETS	\$ 352,138	\$ 11,362,734	\$ 11,714,872

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

CITY OF WAUKESHA, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Assets
Component Units
Year Ended December 31, 2010

	Business Improvement District	Housing Authority of the City of Waukesha	Totals
OPERATING REVENUES			
Taxes	\$ 22,942	\$ -	\$ 22,942
Special assessments	167,483	-	167,483
Dwelling rental	-	961,052	961,052
Tenant revenue - other	-	10,594	10,594
Grants and donations	67,727	-	67,727
Miscellaneous	3,903	-	3,903
Total Operating Revenues	<u>262,055</u>	<u>971,646</u>	<u>1,233,701</u>
OPERATING EXPENSES			
Operation and maintenance	<u>235,563</u>	<u>6,123,964</u>	<u>6,359,527</u>
Operating Income (Loss)	<u>26,492</u>	<u>(5,152,318)</u>	<u>(5,125,826)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,092	9,974	11,066
HUD grants	-	5,824,904	5,824,904
Fraud recovery	-	1,182	1,182
Miscellaneous	(826)	138,303	137,477
Total Nonoperating Revenue (Expenses)	<u>266</u>	<u>5,974,363</u>	<u>5,974,629</u>
Changes in Net Assets	26,758	822,045	848,803
NET ASSETS - Beginning of Year	<u>143,499</u>	<u>9,212,152</u>	<u>9,355,651</u>
NET ASSETS - End of Year	<u>\$ 170,257</u>	<u>\$ 10,034,197</u>	<u>\$ 10,204,454</u>

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

CITY OF WAUKESHA, WISCONSIN

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December 31, 2010

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CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Waukesha, Wisconsin, 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 of Waukesha, Wisconsin. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the primary government.

Discretely Presented Component Units

Housing Authority of the City of Waukesha

The government-wide financial statements include the Housing Authority of the City of Waukesha ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the mayor and city common council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note III.H. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended September 30, 2010. Separately issued financial statements of the Housing Authority of the City of Waukesha may be obtained from the Housing Authority's office.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

Business Improvement District (BID)

The government-wide financial statements include the Business Improvement District (BID) ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the city common council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. See Note III.H. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2010. Separately issued financial statements of the Business Improvement District (BID) may be obtained from the BID's office.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2007, the GASB issued statement No. 51 - *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and reporting requirements for intangible assets to reduce inconsistencies among governments, thereby enhancing the comparability of such assets among state and local governments.

The City made the decision to implement this standard effective January 1, 2010.

Government-Wide Financial Statements

The statement of net assets 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 December 31, 2010

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

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

Fund Financial Statements

Financial statements of the reporting entity 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, liabilities, net assets/fund equity, revenues, and expenditure/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, liabilities, 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 all financial resources except those required to be accounted for in another fund.
- General Debt service fund - accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.
- TIF Debt service funds - accounts for resources accumulated and payments made for principal and interest on long-term debt other than principal and interest payments on TID debt.
- TIF Capital projects funds - used to account for expenditures outlined in the TID project plans and related revenues and proceeds from long-term borrowing..

The City reports the following major enterprise funds:

- Wastewater Utility - accounts for operations of the wastewater system.
- Water Utility - accounts for operations of the water 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

December 31, 2010

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 the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Lighted Dome	Home Rental Rehab
Festival and Special Activities	Energy Rental Rehab
Police Crime Prevention	Cemetery Trust Fund C
Community Development Block Grant	Crime Prevention Grant
WHEDA Loan Program	Confiscated Property
Housing Development Grant	Paramedics
Public Works Impact Fees	WP & L
Public Works DNR Grant	Lead Abatement Grant
Park Development Impact Fees	Byrne/Stimulus Grant
Park and Recreation Sponsorship Program	Civic Band Donation
Library Cafe	

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

General Improvement Fund	Public Works Improvements
Municipal Facilities	Fleet Replacement

Permanent Funds - used to report resources that are legally 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	Cemetery Specific Endowment
Cemetery Trust Fund K	Library Endowment
H.B. Mills Recreation	

Enterprise Fund - may be used to 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 December 31, 2010

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 are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets 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 unearned revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Fund Financial Statements

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

Property taxes are recorded in the year levied as receivables and deferred revenues. 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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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

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

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

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Fund Financial Statements (cont.)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS 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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- 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.

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

No policy exists for the following risks:

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

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, 2010, 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 general fund balance sheet.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2010 tax roll:

Lien date and levy date	December 2010
Tax bills mailed	December 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	March 31, 2011
Third installment due	May 31, 2011
Personal property taxes in full	January 31, 2011
Tax sale - 2010 delinquent real estate taxes	October 2013

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.

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 assets. 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 fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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 not been reduced by an allowance for uncollectible accounts.

It is the City's policy to record deferred 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 designated 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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

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 assets.

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. \$117,621 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 assets. 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:

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. 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, 2010, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. 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 deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

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 \$30,857,474, made up of 6 issues.

9. Claims and Judgments

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. There were no significant claims or judgments at year end.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

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.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

A. BUDGETARY INFORMATION (cont.)

A budget has been adopted for the general fund, all special revenue funds except Home Rental Rehab and Energy Rental Rehab, all debt service funds, and all capital projects funds. Budgets have not been formally adopted for all other funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

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 \$107,107. Budgets are adopted at the department level of expenditure.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Special Revenue Fund - Lead Abatement Grant Fund	\$ -	\$ 65,702	\$ 65,702
Special Revenue Fund - Park and Recreation Sponsorship Program	328,624	391,668	63,044
Special Revenue Fund - Public Works Impact Fees	300,000	493,445	193,445
Special Revenue Fund - Civic Band Donation Fund	-	13,978	13,978
Special Revenue Fund - WPL Special Projects Fund	-	110,217	110,217
Special Revenue Fund - Festival and Special Activities	34,912	47,090	12,178
Special Revenue Fund - Police Crime Prevention	-	3,932	3,932
Special Revenue Fund - Byrne/Stimulus Grant Fund	-	65,472	65,472
Special Revenue Fund - WHEDA Loan	-	61,562	61,562
Special Revenue Fund - Confiscated Property	53,500	126,799	73,299
Debt Service - General	10,200,266	11,852,667	1,652,401
Debt Service - TIF Districts	3,060,195	21,116,110	18,055,915
Capital Projects Fund - General Improvements Fund	1,698,727	1,700,959	2,232
Capital Projects - TIF Districts	12,899,178	15,771,741	2,872,563

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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

C. DEFICIT BALANCES

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

As of December 31, 2010, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Prairie Home Cemetery	\$ 23,482	Excess expenses over revenue in prior years

D. LIMITATIONS ON THE CITY'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that 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 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Demand Deposits	\$ 66,279,253	\$ 66,594,152	Custodial credit risk
Certificate of deposit	31,360	31,360	Custodial credit risk
Money markets	30,878	30,878	Custodial credit risk
Repurchase agreement	6,919,569	6,919,569	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk, highly sensitive
US Treasuries	677,937	677,937	Custodial credit risk, interest rate risk, highly sensitive
US Agencies	1,431,634	1,431,634	Custodial credit risk, credit risk, interest rate risk, highly sensitive
Equity securities/stocks	1,477,558	1,477,558	Custodial credit risk, concentration of credit risk
Mortgage backed securities	22,555,482	22,555,482	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk, highly sensitive
Mutual Funds	968,682	968,682	Credit risk, interest rate risk
LGIP	10,229,586	10,229,586	Credit risk, interest rate risk
Petty cash	7,886	-	N/A
Total Deposits and Investments	\$ 110,609,825	\$ 110,916,838	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 100,635,318		
Restricted cash and investments	9,974,507		
Total Deposits and Investments	\$ 110,609,825		

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2010, the banks had pledged various government securities in the amount of \$53,285,581 to secure the City's deposits.

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, 2010, \$13,524,257 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>13,524,257</u>
Total	\$ <u><u>13,524,257</u></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.

US Treasuries

Neither insured nor registered and held by counterparty	\$ <u>677,937</u>
---------------------------------------------------------	-------------------

US Agencies

Neither insured nor registered and held by counterparty	\$ <u>1,431,634</u>
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Equity securities/stocks

Neither insured nor registered and held by counterparty	\$ <u>1,477,558</u>
---------------------------------------------------------	---------------------

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 \$ 22,555,482

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, 2010, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>	<u>Not Rated</u>
US Treasuries	AAA	Aaa	
US Agencies	AAA	AAA	
Mortgage back securities	AAA	Aaa	
Mutual funds			X
Repurchase agreement	AAA	Aaa	

The City also held investments in the following external pools which are 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, 2010, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Various	Repurchase agreement	20.30%
Various	Mortgage backed securities	66.20%

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 - 5	5 or more
US Treasuries	\$ 677,937	\$ 677,937	\$ -	\$ -
US agencies	1,431,634	671,524	760,111	-
Mortgage backed securities	22,555,482	3,520,500	9,301,176	7,756,873
Mutual funds	968,682	471,816	497,365	-
Repurchase agreement	6,919,569	-	1,140,757	5,778,812
Totals	\$ 32,553,304	\$ 5,341,777	\$ 11,699,409	\$ 13,535,685

Investment Type	Fair Value	Weighted Average Maturity
LGIP	\$ 10,229,586	73

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2010, the City held \$22,555,482 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 the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. The market value of this investment at December 31, 2010, was \$22,555,482.

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

B. RECEIVABLES (cont.)

Governmental funds report *deferred 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 53,798,136	\$ 53,798,136
Special assessments not yet due	119,153	-	119,153
Revenues received in advance	-	3,291,155	3,291,155
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 119,153	 \$ 57,089,291	 \$ 57,208,444

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.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Equipment Replacement Account

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

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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2010:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Assets
	<u>Assets</u>	<u>Assets</u>	<u>Assets</u>
Bond redemption account	\$ 2,549,026	\$ 200,565	\$ 2,348,461
Bond reserve account	1,390,135	1,390,135	
Bond depreciation account	15	-	15
Equipment replacement account	4,605,973	-	4,605,973
Impact fees	<u>1,439,730</u>	<u>817,627</u>	<u>622,103</u>
 Total Restricted Assets	 <u>\$ 9,984,879</u>	 <u>\$ 2,408,327</u>	 <u>\$ 7,576,552</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
	<u>Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental Activities					
Capital assets not being depreciated/ amortized					
Land	\$ 27,258,374	\$ -	\$ 274,047	\$ -	\$ 27,532,421
Construction in progress	522,762	-	411,233	204,405	729,590
Intangible asset - easements	<u>68,355</u>	-	<u>44,066</u>	-	<u>112,421</u>
Total Capital Assets Not Being Depreciated/ Amortized	<u>27,849,491</u>	-	<u>729,346</u>	<u>204,405</u>	<u>28,374,432</u>
Capital assets being depreciated/ amortized					
Buildings	\$ 51,690,282	\$ -	\$ 176,786	\$ 200,000	\$ 51,667,068
Improvements other than buildings	5,154,145	-	347,237	-	5,501,382
Machinery and equipment	37,314,997	-	1,247,268	1,206,308	37,355,957
Infrastructure	<u>155,443,488</u>	-	<u>5,165,878</u>	<u>1,020,094</u>	<u>159,589,272</u>
Total Capital Assets Being Depreciated/ Amortized	<u>249,602,912</u>	-	<u>6,937,169</u>	<u>2,426,402</u>	<u>254,113,679</u>
Total Capital Assets	<u>277,452,403</u>	-	<u>7,666,515</u>	<u>2,630,807</u>	<u>282,488,111</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities (cont.)					
Less: Accumulated depreciation/ amortization for					
Buildings	(15,738,050)	-	(1,138,520)	157,800	(16,718,770)
Improvements other than buildings	(2,280,485)	-	(208,592)	-	(2,489,077)
Machinery and equipment	(25,405,088)	-	(2,236,509)	849,829	(26,791,768)
Infrastructure	(83,620,755)	7,334,007	(10,189,710)	881,682	(85,594,776)
Total Accumulated Depreciation/ Amortization	127,044,378	7,334,007	(13,773,331)	1,889,311	(131,594,391)
Net Capital Assets Being Depreciated/ Amortized	122,558,534	7,334,007	(6,836,162)	537,091	122,519,288
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/ Amortization	\$150,408,025	\$ 7,334,007	\$ (6,106,816)	\$ 741,496	\$ 150,893,720

The adjustment column reflects a correction to accumulated depreciation for adherence to the City's internal policy related to not fully depreciating an asset vs. allowing 20% of the cost to remain as a salvage value.

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General Government	\$ 664,498
Public Safety	1,316,530
Public Works	541,401
Culture and Recreation	1,056,492
Infrastructure	2,864,910
Conservation and Development	4,700
Total Governmental Activities Depreciation/Amortization Expense	\$ 6,448,531

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated / amortized				
Land	\$ 455,569	\$ 750	\$ -	\$ 456,319
Construction in progress	2,771,159	632,184	2,556,832	846,511
Intangible assets - easements	-	80,925	-	80,925
Total Capital Assets Not Being Depreciated / Amortized	<u>3,226,728</u>	<u>713,859</u>	<u>2,556,832</u>	<u>1,383,755</u>
Capital assets being depreciated / amortized				
Source of supply	\$ 3,402,296	\$ 76,697	\$ -	\$ 3,478,993
Pumping	9,411,759	239,138	118,286	9,532,611
Water treatment	5,200,511	7,629	9,743	5,198,397
Transmission and distribution	65,808,743	4,393,299	909,629	69,292,413
General	<u>5,046,994</u>	<u>286,284</u>	<u>416,985</u>	<u>4,916,293</u>
Total Capital Assets Being Depreciated / Amortized	<u>88,870,303</u>	<u>5,003,047</u>	<u>1,454,643</u>	<u>92,418,707</u>
Total Capital Assets	<u>92,097,031</u>	<u>5,716,906</u>	<u>4,011,475</u>	<u>93,802,462</u>
Less: Accumulated depreciation / amortization for				
Source of supply	(985,351)	(98,157)	-	(1,083,508)
Pumping	(2,689,730)	(657,571)	118,286	(3,229,015)
Water treatment	(667,432)	(228,585)	9,743	(886,274)
Transmission and distribution	(13,648,750)	(1,301,286)	940,523	(14,009,513)
General	<u>(3,430,984)</u>	<u>(271,232)</u>	<u>419,160</u>	<u>(3,283,056)</u>
Total Accumulated Depreciation / Amortization	<u>(21,422,247)</u>	<u>(2,556,831)</u>	<u>1,487,712</u>	<u>(22,491,366)</u>
Net Capital Assets Being Depreciated/ Amortized	<u>67,448,056</u>	<u>2,446,216</u>	<u>(33,069)</u>	<u>69,927,341</u>
Net Water Plant	<u>\$ 70,674,784</u>	<u>\$ 3,160,075</u>	<u>\$ 2,523,763</u>	<u>\$ 71,311,096</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated / amortized				
Land	\$ 31,107	\$ -	\$ -	\$ 31,107
Construction in Progress	39,500	190,020	-	229,520
Total Capital Assets Not Being Depreciated / Amortized	<u>70,607</u>	<u>190,020</u>	<u>-</u>	<u>260,627</u>
Capital assets being depreciated / amortized				
Buildings and improvements	\$ 46,119,651	\$ -	\$ -	\$ 46,119,651
Machinery and equipment	18,609,244	216,397	942,551	17,883,090
Infrastructure	<u>28,324,860</u>	<u>1,608,332</u>	<u>151,532</u>	<u>29,781,660</u>
Total Capital Assets Being Depreciated / Amortized	<u>93,053,755</u>	<u>1,824,729</u>	<u>1,094,083</u>	<u>93,784,401</u>
Total Capital Assets	<u>93,124,362</u>	<u>2,014,749</u>	<u>1,094,083</u>	<u>94,045,028</u>
Less: Accumulated depreciation / amortization for				
Buildings and improvements	(17,104,640)	(1,128,476)	-	(18,233,116)
Machinery and equipment	(12,807,109)	(709,536)	942,551	(12,574,094)
Infrastructure	<u>(7,607,007)</u>	<u>(590,803)</u>	<u>151,532</u>	<u>(8,046,278)</u>
Total Accumulated Depreciation / Amortization	<u>(37,518,756)</u>	<u>(2,428,815)</u>	<u>1,094,083</u>	<u>(38,853,488)</u>
Net Capital Assets Being Depreciated/ Amortized	<u>55,534,999</u>	<u>(604,086)</u>	<u>-</u>	<u>54,930,913</u>
Net Sewer Plant	<u>\$ 55,605,606</u>	<u>\$ (414,066)</u>	<u>\$ -</u>	<u>\$ 55,191,540</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Transit</u>				
Capital assets not being depreciated / amortized				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Total Capital Assets Not Being Depreciated / Amortized	<u>1,683,701</u>	<u>-</u>	<u>-</u>	<u>1,683,701</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Transit (cont.)</u>				
Capital assets being depreciated / amortized				
Buildings and improvements	\$ 12,002,530	\$ 120,150	\$ 76,964	\$ 12,045,716
Machinery and equipment	9,278,205	144,541	330,200	9,092,546
Total Capital Assets Being Depreciated / Amortized	<u>21,280,735</u>	<u>264,691</u>	<u>407,164</u>	<u>21,138,262</u>
Total Capital Assets	<u>22,964,436</u>	<u>264,691</u>	<u>407,164</u>	<u>22,821,963</u>
Less: Accumulated depreciation / amortization for				
Buildings and improvements	(2,657,922)	(361,698)	76,964	(2,942,656)
Machinery and equipment	(5,974,209)	(691,472)	321,002	(6,344,679)
Total Accumulated Depreciation / Amortization	<u>(8,632,131)</u>	<u>(1,053,170)</u>	<u>397,966</u>	<u>(9,287,335)</u>
Net Capital Assets Being Depreciated/ Amortized	<u>12,648,604</u>	<u>(788,479)</u>	<u>9,198</u>	<u>11,850,927</u>
Net Transit Plant	<u>\$ 14,332,305</u>	<u>\$ (788,479)</u>	<u>\$ 9,198</u>	<u>\$ 13,534,628</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Parking</u>				
Capital assets not being depreciated / amortized				
Land	\$ 668,744	\$ -	\$ -	\$ 668,744
Total Capital Assets Not Being Depreciated / Amortized	<u>668,744</u>	<u>-</u>	<u>-</u>	<u>668,744</u>
Capital assets being depreciated / amortized				
Buildings and improvements	\$ 10,580,938	\$ -	\$ -	\$ 10,580,938
Improvements other than buildings	290,947	-	-	290,947
Machinery and equipment	64,756	-	-	64,756
Total Capital Assets Being Depreciated / Amortized	<u>10,936,641</u>	<u>-</u>	<u>-</u>	<u>10,936,641</u>
Total Capital Assets	<u>11,605,385</u>	<u>-</u>	<u>-</u>	<u>11,605,385</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Parking (cont.)</u>				
Less: Accumulated depreciation / amortization for				
Buildings and improvements	(4,573,501)	(266,310)	-	(4,839,811)
Improvements other than buildings	(179,953)	(3,766)	-	(183,719)
Machinery and equipment	(31,052)	(7,371)	-	(38,423)
Total Accumulated Depreciation / Amortization	(4,784,506)	(277,447)	-	(5,061,953)
Net Capital Assets Being Depreciated/ Amortized	6,152,135	(277,447)	-	5,874,688
Net Other Enterprise Plant	\$ 6,820,879	\$ (277,447)	\$ -	\$ 6,543,432
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Cemetery</u>				
Capital assets not being depreciated / amortized				
Land	\$ 93,977	\$ -	\$ -	\$ 93,977
Total Capital Assets Not Being Depreciated / Amortized	93,977	-	-	93,977
Capital assets being depreciated / amortized				
Buildings and improvements	\$ 144,056	\$ 53,133	\$ -	\$ 197,189
Improvements other than buildings	143,677	-	-	143,677
Machinery and equipment	298,649	-	-	298,649
Total Capital Assets Being Depreciated / Amortized	586,382	53,133	-	639,515
Total Capital Assets	680,359	53,133	-	733,492

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Other Enterprise (cont.)</u>				
Less: Accumulated depreciation / amortization for				
Buildings and improvements	(91,574)	(2,345)	-	(93,919)
Improvements other than buildings	(97,555)	(5,046)	-	(102,601)
Machinery and equipment	(194,187)	(16,319)	-	(210,506)
Total Accumulated Depreciation / Amortization	(383,316)	(23,710)	-	(407,026)
Net Capital Assets Being Depreciated / Amortized	203,066	29,423	-	232,489
Net Other Enterprise Plant	\$ 297,043	\$ 29,423	\$ -	\$ 326,466
Business-type Capital Assets, Net of Accumulated Depreciation / Amortization	\$ 147,730,617	\$ 1,709,506	\$ 2,532,961	\$ 146,907,162

Depreciation / amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 2,556,831
Sewer	2,428,815
Transit	1,053,170
Parking	277,447
Cemetery	23,710
 Total Business-type Activities Depreciation / Amortization Expense	 \$ 6,339,973

Depreciation expense is different from additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets. Accumulated depreciation deletions may exceed capital asset deletions due to cost of removal.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Component Units				
Capital assets not being				
Land	\$ 1,950,378	\$ -	\$ -	\$ 1,950,378
Construction in progress	-	808,376	-	808,376
Total Capital Assets Not Being	1,950,378	808,376	-	2,758,754
Capital assets being depreciated / amortized				
Leasehold improvements	1,219,532	-	-	1,219,532
Buildings	13,533,776	407,561	-	13,941,337
Machinery and equipment	294,478	59,213	3,511	350,180
Total Capital Assets Being Depreciated / Amortized	15,047,786	466,774	3,511	15,511,049
Total Capital Assets	16,998,164	1,275,150	3,511	18,269,803
Less: Accumulated depreciation / amortization for				
Leasehold improvements	(1,129,511)	(35,131)	-	(1,164,642)
Buildings	(8,240,117)	(473,605)	-	(8,713,722)
Machinery and equipment	(259,237)	(12,996)	3,511	(268,722)
Total Accumulated Depreciation / Amortization	(9,628,865)	(521,732)	3,511	(10,147,086)
Net Capital Assets Being Depreciated / Amortized	5,418,921	(54,958)	-	5,363,963
Total Component Units Capital Assets, Net of Accumulated Depreciation / Amortization	\$ 7,369,299	\$ 753,418	\$ -	\$ 8,122,717

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	CDBG Fund	\$ 132,316	\$ -
General Fund	Prairie Home Cemetery Fund	530,308	-
General Fund	Insurance Funds	3,116	-
General Fund	TIF Debt Service Fund	1,117,191	-
General Fund	TIF Capital Projects Fund	70,937	-
Wastewater	Water	1,728,010	-
Prairie Home Cemetery Fund	Specific Endowment Fund	4,132	-
Prairie Home Cemetery Fund	Cemetery Lot Maintenance		
	Fund	40,000	-
Transit Utility Fund	General Fund	<u>273,855</u>	-
Total - Fund Financial Statements		3,899,865	
Less: Fund eliminations		<u>(3,687,544)</u>	
Total Internal Balances - Government-Wide Statement of Net Assets		<u><u>\$ 212,321</u></u>	

The principal purpose of these interfunds is to clear any fund deficit. 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 assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Advances

The wastewater utility is advancing funds to the fleet replacement fund. No repayment schedule has been established.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

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

Advances (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Wastewater Fund	Fleet Replacement	<u>\$ 1,664,689</u>	\$ 1,664,689
Total		<u><u>\$ 1,664,689</u></u>	

For the statement of net assets, 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
December 31, 2010

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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility	\$ 1,306,846	Transfer for tax equivalent.
General Fund	H.B. Mills Trust	171	Transfer of interest income earned on donation.
General improvements fund	General Fund	44,267	Carryover transfer
Prairie Home Cemetery	General Fund	206,490	Transfer for operations.
Festival and special activities fund	General Fund	15,000	Transfer of funds contributed by the city for winter activities.
Municipal improvements fund	General Fund	20,657	Transfer for operations
Fleet replacement fund	General Fund	298,507	Transfer for operations
Debt Service - General	Public works improvements fund	6,065	To close out capital projects
Parking Fund	Debt Service - General	400,000	Transfer to pay for debt service costs.
Prairie Home Cemetery	Debt Service - General	68,449	Transfer to pay for debt service costs.
Debt Service - TIFs	Capital Projects - TIFs	349,744	Transfer of taxable refund
Municipal improvements fund	Library endowment fund	73,665	Transfer CIP expenses
Public works improvement fund	Public works impact fee fund	493,445	Transfer to recognize subdivider funds used for capital projects.
Municipal improvements fund	WPL special projects fund	90,747	Transfer CIP expenses
Municipal improvements fund	Park development impact fees	23,067	Transfer to record use of parkland dedication funds.
Prairie Home Cemetery	Cemetery Trust Fund C	1,816	Transfer of investment income.
Prairie Home Cemetery	Cemetery Lot Maintenance	85,497	Transfer of investment income.
Prairie Home Cemetery	Cemetery Specific Endowment	21,186	Transfer of investment income.
Prairie Home Cemetery	Cemetery Trust Fund K	9,380	Transfer of investment income earned on donation.
Debt Service - General	Transit Utility	<u>125,976</u>	Transfer of grant funds
Total - Fund Financial Statements		<u>3,640,975</u>	

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

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

Transfers (cont.)

Less: Fund eliminations	<u>(3,000,972)</u>
 Total Transfers - Government-Wide Statement of Activities	 <u>\$ 640,003</u>
 <u>Fund Transferred To</u> <u>Fund Transferred From</u> <u>Amount</u>	
Governmental Activities	Business-type Activities \$ 640,003
Business-type Activities	Governmental Activities <u>(640,003)</u>
 Total Government-wide Financial Statements	 <u><u>\$ -</u></u>

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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 92,418,454	\$ 27,731,578	\$ 13,868,023	\$ 106,282,009	\$ 13,217,471
Note anticipation notes	2,530,000	13,885,000	13,885,000	2,530,000	2,530,000
Promissory note	855,546	1,620,456	-	2,476,002	-
Unamortized premium	968,917	314,825	209,352	1,074,390	215,522
Sub-totals	<u>96,772,917</u>	<u>43,551,859</u>	<u>27,962,375</u>	<u>112,362,401</u>	<u>15,962,993</u>
 Other Liabilities					
Vested compensated absences	6,514,321	3,044,204	2,910,198	6,648,327	2,522,514
Long-term disability	548,714	-	21,048	527,666	26,856
OPEB liability	3,324,500	2,326,499	865,546	4,785,453	-
Total Other Liabilities	<u>10,387,535</u>	<u>5,370,703</u>	<u>3,796,792</u>	<u>11,961,446</u>	<u>2,549,370</u>
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 107,160,452</u>	 <u>\$ 48,922,562</u>	 <u>\$ 31,759,167</u>	 <u>\$ 124,323,847</u>	 <u>\$ 18,512,363</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 6,141,602	\$ 2,908,422	\$ 537,219	\$ 8,512,805	\$ 697,344
Revenue bonds	19,354,626	-	3,920,425	15,434,201	4,084,201
Unamortized premium	212,269	-	11,484	200,785	-
Sub-totals	25,708,497	2,908,422	4,469,128	24,147,791	4,781,545
Other Liabilities					
OPEB liability	259,863	320,977	103,867	476,973	-
Total Other Liabilities	259,863	320,977	103,867	476,973	-
Total Business-type Activities Long-Term Liabilities	\$ 25,968,360	\$ 3,229,399	\$ 4,572,995	\$ 24,624,764	\$ 4,781,545

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, 2010, was \$295,246,655. Total general obligation debt outstanding at year end was \$117,324,814.

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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2010</u>
GO Debt	3/15/01	10/1/17	4.125%- 5.00%	\$ 12,935,000	\$ 4,755,000
GO Debt	6/1/01	10/1/20	4.125%- 5.10%	4,425,000	305,000
GO Debt	3/1/03	10/1/12	2.50%- 4.00%	900,000	225,000
GO Debt	3/1/03	10/1/13	2.00%- 3.75%	3,085,000	1,075,000
GO Debt	1/28/04	3/15/23	5.25%	4,920,885	3,531,102
GO Debt	12/15/04	10/1/19	2.375%- 5.00%	21,925,000	14,330,000
GO Debt	7/1/04	4/1/14	3.00%- 4.20%	2,750,000	1,340,000
GO Debt	2/15/04	10/1/18	3.10%- 4.10%	3,500,000	2,830,000

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities General Obligation Debt (cont.)	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/10
GO Debt	4/1/05	4/1/16	3.50%- 5.00%	4,220,000	2,260,000
GO Debt	5/1/05	10/1/14	3.25%- 4.00%	4,770,000	3,070,000
GO Debt	5/1/05	10/1/23	3.625%- 4.375%	1,700,000	1,700,000
GO Debt	3/15/06	10/1/21	4.00%- 4.25%	8,900,000	7,395,000
GO Debt	6/30/06	10/1/15	4.00%- 4.50%	6,975,000	5,310,000
GO Debt	5/21/07	10/1/16	3.75%- 4.25%	7,950,000	6,495,000
GO Debt	5/21/07	10/1/21	4.00%- 4.75%	5,885,000	5,840,000
GO Debt	8/5/08	10/1/17	3.00%- 4.00%	2,310,000	2,064,329
GO Debt	8/5/08	10/1/17	4.65%- 5.40%	3,860,000	3,860,000
GO Debt	7/28/09	10/1/18	2.00%- 3.75%	6,980,000	4,900,000
GO Debt	7/28/09	10/1/23	3.50%- 4.10%	6,260,000	6,260,000
GO Debt	7/28/09	10/1/28	1.85%- 6.10%	1,865,000	1,815,000
GO Debt	2/9/10	10/1/20	2.00%- 4.00%	5,460,000	4,650,000
GO Debt	8/10/10	10/1/19	.60%-2.50%	6,165,000	3,615,000
GO Debt	12/1/10	10/1/30	1.10%- 5.70%	19,015,000	<u>18,656,578</u>
Total Governmental Activities - General Obligation Debt					<u>\$106,282,009</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010
GO Debt	1/28/04	3/15/23	5.25% 3.00%-	\$ 4,920,885	\$ 338,712
GO Debt	4/1/05	4/1/21	5.00% 3.00%-	4,220,000	490,000
GO Debt	5/1/05	10/1/14	4.00% 2.00%-	4,770,000	20,000
GO Debt	12/15/04	10/1/19	5.00% 3.00%-	21,925,000	2,630,000
GO Debt	8/5/08	10/1/17	4.00% 2.00%-	2,310,000	45,671
GO Debt	7/28/09	10/1/18	3.75%	6,980,000	2,080,000
GO Debt	8/10/10	10/1/19	60%-2.50% 1.10%-	6,165,000	2,550,000
GO Debt	12/1/10	10/1/30	5.70%	19,015,000	<u>358,422</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 8,512,805</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2011	\$ 13,217,471	\$ 4,289,079	\$ 697,344	\$ 268,535
2012	9,889,207	3,885,313	2,450,793	232,008
2013	10,310,123	3,512,346	2,884,877	176,098
2014	10,304,224	3,108,621	400,776	107,918
2015	9,651,495	2,724,300	413,505	93,861
2016-2020	34,835,768	8,361,269	1,514,232	193,070
2021-2025	11,523,721	3,227,823	151,278	10,670
2026-2030	<u>6,550,000</u>	<u>1,140,205</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 106,282,009</u>	<u>\$ 30,248,956</u>	<u>\$ 8,512,805</u>	<u>\$ 1,082,160</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
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

The city has pledged future water and wastewater revenues, net of specified operating expenses, to repay \$15,434,202 in revenue bonds issued in 1999-2008. Proceeds from the bonds provided financing for the capital projects and refunding of old revenue bonds. The bonds are payable solely from water and wastewater revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 12% of net revenues from water and 33% of net revenues from wastewater. The total principal and interest remaining to be paid on the bonds is \$19,803,643. Principal and interest paid for the current year and total customer net revenues were \$4,700,657 and \$7,833,147, respectively.

Business-type Activities Revenue Debt

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2011	\$ 4,084,201	\$ 612,771
2012	990,000	508,094
2013	915,000	468,780
2014	955,000	430,732
2015	1,000,000	387,694
2016-2020	3,765,000	1,394,519
2021-2025	3,195,000	540,350
2026-	530,000	26,500
Totals	<u>\$ 15,434,201</u>	<u>\$ 4,369,440</u>

Note Anticipation Notes

Bond anticipation notes at December 31, 2010, consist of the following:

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2010
Bond Anticipation Notes	8/5/08	10/1/11	4.65%	\$ 2,530,000	\$ 2,530,000
					<u>\$ 2,530,000</u>
Total Governmental Activities Bond Anticipation Notes					<u>\$ 2,530,000</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

***Bond Anticipation Notes* (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Bond Anticipation Notes	
	Principal	Interest
2011	\$ 2,530,000	\$ 117,645
Totals	<u>\$ 2,530,000</u>	<u>\$ 117,645</u>

Other Debt Information

Estimated payments of compensated absences and OPEB liability are not included in the debt service requirement schedules. The compensated absences 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 developer agrees to pay to the city 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, 2010 is \$2,476,002.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Advance Refunding

On 2/9/2010, the City issued \$5,460,000 in general obligation bonds with an average interest rate of 3.00% to advance refund \$3,470,000 of outstanding bonds with an average interest rate of 4.60%. The net proceeds of \$3,779,141 (after payment of \$71,094 in underwriting fees, insurance and other issuance costs and \$203,084 reoffering premium) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$4,743,550 from 2012 through 2020. The cash flow requirements on the refunding bonds are \$6,376,623 from 2010 through 2020. 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 \$262,190.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

Current Refunding

On 2/9/2010, the City issued \$5,460,000 in general obligation bonds with an average interest rate of 3.00% to current refund \$1,785,000 of outstanding notes with an average interest rate of 3.60%. The net proceeds of \$1,812,849 (after payment of \$71,094 in underwriting fees, insurance and other issuance costs and \$203,084 reoffering premium) were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$1,898,900 from 2010 through 2011. The cash flow requirements on the refunding bonds are \$- from 2010 through 2020. 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 \$262,190.

On 12/1/2010, the City issued \$19,015,000 in general obligation bonds with an average interest rate of 3.00% to current refund \$3,869,815 of outstanding notes with an average interest rate of 5.25%. The net proceeds of \$4,033,460 (after payment of \$271,935 in underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$5,437,685 from 2011 through 2023. The cash flow requirements on the refunding bonds are \$5,246,088 from 2011 through 2023. 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 \$231,146.

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the 2001-2008 revenue bonds:

Insurance

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. 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.

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 1.5 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 2010 as follows:

Operating revenues	\$	8,893,173
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CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

Investment income	15,141
Miscellaneous non-operating income	544
Less: Operation and maintenance expenses	<u>(4,197,029)</u>
 Net Defined Earnings	 <u><u>\$ 4,711,829</u></u>
 Minimum Required Earnings per Resolution:	
2001 revenue bonds subsequent year debt service	\$ 347,450
2006 revenue bonds subsequent year debt service	557,950
2008 revenue bonds subsequent year debt service	<u>595,219</u>
Subtotal	1,500,619
Coverage factor	<u>1.25</u>
 Minimum Required Earnings	 <u><u>\$ 1,875,774</u></u>
 Actual Debt Coverage	 <u><u>3.14</u></u>

Debt Coverage - Wastewater

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 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 not met as follows:

	<u>2010</u>
Operating revenues	\$ 9,582,996
Investment income	78,146
Miscellaneous non-operating income	4,948
Less: Operation and maintenance expenses	<u>(6,556,660)</u>
 Net Defined Earnings	 <u><u>\$ 3,109,430</u></u>
 Minimum Required Earnings per Resolution:	
Highest annual debt service	\$ 3,196,355
Coverage factor	<u>1.10</u>
 Minimum Required Earnings	 <u><u>\$ 3,519,031</u></u>
 Actual Debt Coverage	 <u><u>0.97</u></u>

Number of Customers - Water

The utility has the following number of customers and billed volumes for 2010:

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

	Customers	Sales (000 gals)
	2010	2010
Residential	17,237	1,016,670
Commercial	2,178	801,714
Industrial	150	326,289
Public authority	124	93,491
 Totals	 19,689	 2,238,164

The city is not in compliance with the debt coverage ratio requirements for the wastewater utility. The city has raised the rates twice in the last two years, however, customer revenues continue to fall short of projections with the remaining shortfall coming from lower than expected interest income, connection fees and special revenues. The slow down in construction and decrease in interest earnings has had a large impact on the utility. Rates were reviewed in late 2009 and have been increased in 2010 by an average of 2.18%. The city plans to evaluate the rates annually until the appropriate level of revenue is obtained.

G. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2010, includes the following:

Governmental Activities

Invested in Capital Assets, Net of Related Debt		
Land	\$	27,532,421
Construction in progress		729,590
Intangible asset		112,421
Buildings and Improvements		57,168,450
Machinery and Equipment		37,355,957
Infrastructure		159,589,272
Other capital assets, net of accumulated depreciation		(131,594,391)
Less: Long-term debt outstanding		(108,812,009)
Plus: Unspent capital related debt proceeds		6,395,977
Plus: Non-capital debt proceeds		28,330,743
Unamortized Debt Premium		(1,074,390)
Unamortized Debt Discount		748,080
Total Invested in Capital Assets, Net of Related Debt	\$	76,482,121

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2010, include the following:

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

G. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Reserved	
Major Funds	
General Fund	
Prepaid items	\$ 36,113
Inventories	<u>218,169</u>
Total	<u>\$ 254,282</u>
Debt Service Funds	
General	\$ 4,418,754
TIF	<u>1,020,575</u>
Total	<u>\$ 5,439,329</u>
Capital Projects Fund	
Reserved for loans	<u>\$ 198,996</u>
Total	<u>\$ 198,996</u>
Nonmajor Fund	
Special Revenue Funds	
Loans receivable	\$ 4,276,525
Prepaid items	121,730
Impact fees	622,103
Donor restrictions	<u>9,863</u>
Sub-Total	<u>5,030,221</u>
Capital Project Funds	
Prepaid items	<u>106,304</u>
Permanent Funds	
Trust Donations	382,869
Library	76,568
Cemetery	<u>1,874,890</u>
Sub-Total	<u>2,334,327</u>
Total Nonmajor Funds	<u>\$ 7,470,852</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

G. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (designated)

Major Funds	
General Fund	
Carryovers	\$ 107,107
	<u> </u>
Total	\$ <u>107,107</u>

Unreserved (undesignated) (deficit)

Major Funds	
General fund	\$ 11,432,163
Capital Projects - TIF Districts	<u>551,012</u>
Total	\$ <u>11,983,175</u>

Nonmajor Funds

Special Revenue Funds	
Lighted dome	\$ 6,560
Festival and special activities	7,310
Police crime prevention	2,800
Community development block grant	(143,964)
WHEDA loan program	192,883
Housing development grant	56,960
Public works DNR grant	11,145
Park and recreation sponsorship program	66,120
Library CAFE	(29,193)
Home rental rehab	18,556
Energy rental rehab	21,400
Cemetery Trust Fund C	34,320
Crime prevention fund	10
Confiscated property	124,553
Paramedics	9,544
WP&L	2,074
Lead abatement grant	<u>77,540</u>
Total	\$ <u>458,618</u>

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

G. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (deficit) (cont.)

Non-Major Funds (cont.)

Capital Projects Funds

General improvement projects	\$ 474,710
Public works improvements	411,529
Municipal facilities	731,180
Fleet replacement	<u>468,652</u>

Total	<u><u>\$ 2,086,071</u></u>
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Business-type Activities

Invested in capital assets, net of related debt

Land	\$ 2,933,848
Construction in progress	1,076,031
Utility plant in service	142,897,283
Less: Long-term debt outstanding	(23,286,673)
Plus: Unspent capital related debt proceeds	2,989,835
0	<u>(123,602)</u>
Total Invested in Capital Assets, Net of Related Debt	<u><u>126,486,722</u></u>

Restricted

Reserved for equipment replacement	4,605,973
Debt service	<u>2,348,476</u>
Total Restricted	<u><u>6,954,449</u></u>

Unrestricted

8,593,976

Total Business-type Activities Net Assets	<u><u>\$ 142,035,147</u></u>
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CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

H. COMPONENT UNITS

HOUSING AUTHORITY OF THE CITY OF WAUKESHA

This report contains the Housing Authority of the City of Waukesha (Housing Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Housing Authority follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 1,719,686	\$ 1,753,268	Custodial credit risk
Certificates of deposit	748,483	748,483	Custodial credit risk
Petty cash	<u>100</u>	<u>-</u>	N/A
 Total Deposits and Investments	 <u>\$ 2,468,269</u>	 <u>\$ 2,501,751</u>	

Custodial Credit Risk

Deposits

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

The Housing Authority does not have any deposits exposed to custodial credit risk.

Investments

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

The Housing Authority does not have any investments exposed to custodial credit risk.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

H. COMPONENT UNIT (cont.)

HOUSING AUTHORITY OF THE CITY OF WAUKESHA (cont.)

b. Deposits and Investments (cont.)

The Authority has entered into a Public Deposits Security Agreement with Waukesha State Bank (Bank) which provides that the Bank will grant the Authority a security interest in certain collateral to secure payment of public deposits deposited in the Bank by the Authority to the extent the amount of such deposits exceeds federal deposit insurance plus \$400,000. The par (face) value and approximate market values of the securities held as collateral at September 30, 2010 was \$1,690,000 and \$1,566,114, respectively.

BUSINESS IMPROVEMENT DISTRICT (BID)

This report contains the Business Improvement District (BID) (BID), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$216,281 and is part of the City's commingled cash. See Note III. A.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for City employees covered by the system for the year ended December 31, 2010 was \$33,400,318; the employer's total payroll was \$34,963,913. The total required contribution for the year ended December 31, 2010 was \$5,036,776 or 15.1% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2009 and 2008 were \$4,958,588 and \$3,891,710, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2010 there was no pension related debt for the City.

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 liability and health care of its employees 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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

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. \$777,998 was designated for that reserve at year end, and is included in unreserved net assets of the internal service fund.

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

	Dental	Health	Totals
Unpaid Claims - December 31, 2008	\$ 15,913	\$ 683,499	\$ 699,412
Current year claims and changes in estimates	441,617	7,484,916	7,926,533
Claim payments	(436,928)	(7,512,270)	(7,949,198)
Unpaid claims - December 31, 2009	20,602	656,145	676,747
Current year claims and changes in estimates	450,074	8,791,688	9,241,762
Claim payments	(452,464)	(8,669,835)	(9,122,299)
Unpaid Claims - December 31, 2010	\$ 18,212	\$ 777,998	\$ 796,210

C. COMMITMENTS AND CONTINGENCIES

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.

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the City.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

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).

This matter has been resolved by stipulation and order. The utility, as part of its settlement, agreed to pay forfeitures for past violation including penalty assessments, in the amount of \$20,000. The utility did not admit any liability or risk relative to the current level of radionuclides in its water supply. As part of the stipulation, the Wisconsin Department of Natural Resources agreed to hold off enforcement of this matter until such times as the Environmental Protection Agency (EPA) establishes a new standard for the above radionuclides.

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 has 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-complaint 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.

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

A settlement was successfully negotiated and was filed with the Clerk of Circuit Court in Waukesha County on March 30, 2009. The agreement requires 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.

In anticipation of applying for Great Lakes water to resolve the radionuclide issue, the City of Waukesha has begun the process of developing the application and having public meetings to discuss this application. The city anticipates filing its application in 2011.

D. OTHER POSTEMPLOYMENT BENEFITS

The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

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.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) 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:

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Annual required contribution	\$	2,504,101
Interest on net OPEB obligation		143,375
Adjustment to annual required contribution		<u>-</u>
Annual OPEB cost		2,647,476
Contributions made		<u>(969,413)</u>
Increase in net OPEB obligation		1,678,063
Net OPEB Obligation - Beginning of Year		<u>3,584,363</u>
Net OPEB Obligation - End of Year	\$	<u><u>5,262,426</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding year(s) were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$ 2,500,904	26%	\$ 1,959,314
December 31, 2009	2,506,296	35%	3,584,363
December 31, 2010	2,647,476	37%	5,262,426

The funded status of the plan as of January 1, 2009, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	27,138,384
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>27,138,384</u></u>
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	\$	35,261,000
UAAL as a percentage of covered payroll		77%

CITY OF WAUKESHA, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE IV - OTHER INFORMATION (cont.)

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 is 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, 2009 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 9% initially, reduced by decrements to an ultimate rate of 1% after 2 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, 2010, was 30 years.

E. SUBSEQUENT EVENTS

During 2010, the City condemned an apartment building owned by Habrle Enterprise LLC. The apartment building was located partially on top of an old landfill within the City. The building was deemed unsafe by the City because it was sinking into the landfill and splitting in two. The City had purchased several apartment buildings located in and around the landfill in 2005. At that time, legal issues were raised about the City allowing these buildings to be built on top of the landfill. The Common Council at that time decided that purchasing the buildings would be in the City's best interest. When the Habrle building was condemned the Council, on advice from the City Attorney, felt again that it would be better to purchase the building. The original offers made by the City were rejected and Habrle files suit against the city. In July of 2011, the City reached an agreement with Habrle to purchase the building for \$800,000.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Application of these standards may restate portions of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUKESHA, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 41,017,116	\$ 41,017,116	\$ 41,147,809	\$ 130,693
Intergovernmental	8,386,291	8,405,217	8,453,843	48,626
Licenses and permits	1,642,950	1,642,950	1,711,073	68,123
Fines, forfeitures and penalties	600,000	600,000	707,453	107,453
Public charges for services	3,052,033	3,052,033	3,148,338	96,305
Interdepartmental charges	985,892	985,892	1,114,075	128,183
Investment income	300,000	300,000	310,621	10,621
Miscellaneous	107,874	107,874	330,984	223,110
Total Revenues	56,092,156	56,111,082	56,924,196	813,114
EXPENDITURES				
Current				
General government	7,825,708	7,895,171	7,700,566	194,605
Public safety	28,479,499	28,486,574	28,108,621	377,953
Highways and streets	8,425,453	8,426,153	8,210,419	215,734
Sanitation	2,930,089	2,930,089	2,845,114	84,975
Culture and recreation	8,982,847	9,023,087	8,966,360	56,727
Total Expenditures	56,643,596	56,761,074	55,831,080	929,994
Excess (deficiency) of Revenues Over (Under) Expenditures	(551,440)	(649,992)	1,093,116	1,743,108
OTHER FINANCING SOURCES (USES)				
Transfers in	1,307,245	1,307,245	1,307,017	(228)
Transfers out	(540,654)	(584,921)	(584,921)	-
Total Other Financing Sources (Uses)	766,591	722,324	722,096	(228)
Net Changes in Fund Balance	215,151	72,332	1,815,212	1,742,880
FUND BALANCE - Beginning of Year	9,978,340	9,978,340	9,978,340	-
FUND BALANCE - End of Year	\$ 10,193,491	\$ 10,050,672	\$ 11,793,552	\$ 1,742,880

See notes to required supplementary information and auditors' report.

CITY OF WAUKESHA, WISCONSIN
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFIT PLAN
December 31, 2010

Actuarial Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Unit Credit	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 21,542,350	0.00%	\$ 21,542,350	\$ 32,206,133	67%
2009	\$ -	\$ 27,138,384	0.00%	\$ 27,138,384	\$ 35,261,000	77%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

For the plan year beginning January 1, 2009 there several changes made to the assumptions from the prior valuation done. The changes include a change in the discount rate from 4.5% to 4.0%, turnover and mortality rates previously used were based on WRS 2000 to 2002 experience study and current rates are based on the WRS 2003 to 2005 experience study, retirement rates for general employees were changed, annual benefits costs have decreased for

See notes to required supplementary information and auditors' report.

CITY OF WAUKESHA, WISCONSIN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFIT PLAN
 December 31, 2010

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 541,590	\$ 2,500,904	22%
2009	881,247	2,504,101	35%
2010	969,414	2,504,101	39%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

See notes to required supplementary information and auditors' report.

CITY OF WAUKESHA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

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 1. C.

The City adopts annual budgets for the general, select special revenue, select debt service and select capital project funds. These annual appropriations lapse at year end, unless specifically authorized by the city common council to be carried forward to the succeeding year's budget. A comparison of budget to actual for the General Fund is presented in the basic financial statements. A comparison of budget to actual for all other budgeted funds is not a required part of the basic financial statements, and is presented in the supplemental information accompanying this report.

See Auditors' Report.

SUPPLEMENTAL INFORMATION

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES				
General property taxes	\$ 40,228,571	\$ 40,228,571	\$ 40,347,707	\$ 119,136
Omitted taxes	1,000	1,000	5,504	4,504
Delinquent taxes and interest	120,000	120,000	174,667	54,667
Mobile home taxes	15,000	15,000	13,897	(1,103)
Occupancy (room) tax	545,000	545,000	530,076	(14,924)
Payment in lieu of taxes	107,545	107,545	75,958	(31,587)
Total Taxes	41,017,116	41,017,116	41,147,809	130,693
INTERGOVERNMENTAL REVENUES				
State shared taxes	2,780,345	2,780,345	2,671,775	(108,570)
State fire insurance tax	179,291	179,291	180,681	1,390
State payment for municipal services	271,808	271,808	258,432	(13,376)
State and federal aid - law enforcement	7,000	7,000	71,714	64,714
State aid - general highway	2,720,211	2,720,211	2,669,587	(50,624)
State aid - connecting streets	76,339	76,339	74,555	(1,784)
State aid - ambulance	13,700	13,700	111,241	97,541
State aid - exempt computer	592,052	592,052	592,496	444
State aid - park development	-	18,926	-	(18,926)
County aid - library	1,124,938	1,124,938	1,124,938	-
County aid - hazardous materials	145,000	145,000	218,388	73,388
County aid - recycling	269,000	269,000	265,354	(3,646)
County library system	78,819	78,819	89,974	11,155
School liaison	60,000	60,000	30,000	(30,000)
Other grants	67,788	67,788	94,708	26,920
Total Intergovernmental Revenues	8,386,291	8,405,217	8,453,843	48,626
LICENSES AND PERMITS				
Licenses	132,000	132,000	172,153	40,153
Nonbusiness licenses	15,700	15,700	16,576	876
Building permits and inspection fees	628,000	628,000	550,434	(77,566)
Cable TV franchise fee	827,250	827,250	882,915	55,665
Property tax exemption fees	1,500	1,500	1,085	(415)
Other permits and inspection fees	38,500	38,500	87,910	49,410
Total Licenses and Permits	1,642,950	1,642,950	1,711,073	68,123
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	600,000	600,000	707,453	107,453

(Continued)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues and Other Financing Sources - Budget and Actual (Continued)
General Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PUBLIC CHARGES FOR SERVICES				
General government	41,900	41,900	34,142	(7,758)
Law enforcement fees	27,000	27,000	65,317	38,317
Fire department fees	32,000	32,000	48,801	16,801
Ambulance	1,245,130	1,245,130	1,227,873	(17,257)
Hazardous incidents	5,000	5,000	22,838	17,838
Safety inspections	185,000	185,000	207,536	22,536
Public works	4,000	4,000	1,086	(2,914)
Drop-Off site permits	60,326	60,326	-	(60,326)
Engineering	55,000	55,000	132,107	77,107
Snow and ice control	7,500	7,500	9,739	2,239
Planning and zoning	70,000	70,000	44,458	(25,542)
Library	196,459	196,459	159,112	(37,347)
Recreation	1,046,873	1,046,873	1,142,660	95,787
Weed control	1,500	1,500	4,340	2,840
Trees	25,345	25,345	11,557	(13,788)
Other public charges	49,000	49,000	36,772	(12,228)
Total Public Charges for Services	<u>3,052,033</u>	<u>3,052,033</u>	<u>3,148,338</u>	<u>96,305</u>
INTERDEPARTMENTAL CHARGES				
General government services	413,392	413,392	365,878	(47,514)
Public works	135,000	135,000	168,958	33,958
Engineering	437,500	437,500	579,239	141,739
Total Interdepartmental Charges	<u>985,892</u>	<u>985,892</u>	<u>1,114,075</u>	<u>128,183</u>
INVESTMENT INCOME				
Investment income	300,000	300,000	310,621	10,621
MISCELLANEOUS REVENUES				
Insurance recoveries	56,334	56,334	51,175	(5,159)
Property rental	21,107	21,107	30,385	9,278
Sale of city property	13,333	13,333	182,176	168,843
Donations	4,050	4,050	18,760	14,710
Miscellaneous	13,050	13,050	48,488	35,438
Total Miscellaneous	<u>107,874</u>	<u>107,874</u>	<u>330,984</u>	<u>223,110</u>
TOTAL REVENUES	<u>56,092,156</u>	<u>56,111,082</u>	<u>56,924,196</u>	<u>813,114</u>
OTHER FINANCING SOURCES				
Transfers in	1,307,245	1,307,245	1,307,017	(228)
Total Other Financing Sources	<u>1,307,245</u>	<u>1,307,245</u>	<u>1,307,017</u>	<u>(228)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 57,399,401</u>	<u>\$ 57,418,327</u>	<u>\$ 58,231,213</u>	<u>\$ 812,886</u>

CITY OF WAUKESHA, WISCONSIN
Schedule of Expenditures and Other Financing Uses - Budget and Actual
General Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
City council	\$ 104,064	\$ 104,064	\$ 103,667	\$ 397
Municipal court	330,637	330,637	325,884	4,753
Mayor's office	181,646	181,646	182,781	(1,135)
City administrator	217,729	217,729	211,598	6,131
Landmarks commission	4,035	4,035	2,380	1,655
Elections	49,275	51,660	55,451	(3,791)
Human resources	143,087	146,087	142,888	3,199
Labor relations	99,329	99,329	98,794	535
Unallocated benefits	491,361	491,361	468,600	22,761
Clerk/Treasurer	561,187	561,187	551,718	9,469
Assessor	554,691	554,691	523,384	31,307
Finance	537,724	537,724	530,787	6,937
City attorney	593,104	593,104	604,069	(10,965)
City hall	187,956	201,334	192,727	8,607
Planning and zoning	738,488	739,188	788,203	(49,015)
Information systems	1,899,102	1,899,102	1,902,581	(3,479)
Redevelopment authority	1,350	51,350	1,035	50,315
Property and liability insurance	931,608	931,608	809,944	121,664
Bad debts and refunds	30,000	30,000	67,512	(37,512)
Other general government	144,335	144,335	136,563	7,772
Contingency	25,000	25,000	-	25,000
Total General Government	<u>7,825,708</u>	<u>7,895,171</u>	<u>7,700,566</u>	<u>194,605</u>
PUBLIC SAFETY				
Police department	15,988,357	15,995,432	15,649,314	346,118
Emergency government	25,988	25,988	17,139	8,849
Fire department	11,565,567	11,565,567	11,569,298	(3,731)
Police and fire commission	42,861	42,861	43,703	(842)
Building inspections	686,553	686,553	664,666	21,887
Other	170,173	170,173	164,501	5,672
Total Public Safety	<u>28,479,499</u>	<u>28,486,574</u>	<u>28,108,621</u>	<u>377,953</u>

(Continued)

CITY OF WAUKESHA, WISCONSIN
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)
General Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
HIGHWAYS AND STREETS				
Roadway and streets maintenance	294,200	294,200	298,011	(3,811)
Engineering	2,749,938	2,750,638	2,627,803	122,835
General public works	3,735,476	3,735,476	3,536,500	198,976
Storm sewers	21,850	21,850	23,636	(1,786)
Snow and ice removal	388,865	388,865	444,798	(55,933)
Fleet maintenance	632,124	632,124	698,530	(66,406)
Street lighting	595,000	595,000	578,056	16,944
Weed cutting	8,000	8,000	3,085	4,915
Total Highways and Streets	<u>8,425,453</u>	<u>8,426,153</u>	<u>8,210,419</u>	<u>215,734</u>
SANITATION				
Solid waste disposal	<u>2,930,089</u>	<u>2,930,089</u>	<u>2,845,114</u>	<u>84,975</u>
CULTURE AND RECREATION				
Public library	3,659,124	3,659,124	3,624,410	34,714
Pools	384,096	384,096	356,226	27,870
Recreation programs	955,393	955,393	963,482	(8,089)
Forestry	771,762	771,762	774,826	(3,064)
Parks administration	519,788	531,823	550,454	(18,631)
Parks maintenance	2,555,325	2,583,530	2,568,083	15,447
Cable TV	119,759	119,759	111,336	8,423
Festivals	17,600	17,600	17,543	57
Total Culture and Recreation	<u>8,982,847</u>	<u>9,023,087</u>	<u>8,966,360</u>	<u>56,727</u>
TOTAL EXPENDITURES	<u>56,643,596</u>	<u>56,761,074</u>	<u>55,831,080</u>	<u>929,994</u>
OTHER FINANCING USES				
Transfers out	<u>540,654</u>	<u>584,921</u>	<u>584,921</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 57,184,250</u>	<u>\$ 57,345,995</u>	<u>\$ 56,416,001</u>	<u>\$ 929,994</u>

CITY OF WAUKESHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	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
ASSETS							
Cash and investments	\$ 6,560	\$ 10,824	\$ 2,800	\$ 25	\$ 192,883	\$ 56,960	\$ 595,714
Accounts receivable	-	-	-	5,326	-	-	-
Taxes receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Loans receivable	-	-	-	1,763,768	1,186,373	1,280,384	-
Due from other governmental units	-	-	-	153,341	-	-	-
Prepaid items	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,560	\$ 10,824	\$ 2,800	\$ 1,922,460	\$ 1,379,256	\$ 1,337,344	\$ 595,714
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ 3,514	\$ -	\$ 4,864	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	132,316	-	-	-
Deposits	-	-	-	-	-	-	-
Advance due to other funds	-	-	-	-	-	-	-
Deferred revenues	-	-	-	165,476	-	-	256,830
Total Liabilities	-	3,514	-	302,656	-	-	256,830
Fund Balances (Deficits)							
Reserved for							
Loans receivable	-	-	-	1,763,768	1,186,373	1,280,384	-
Prepaid items	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	338,884
Donor restrictions	-	-	-	-	-	-	-
Unreserved							
Undesignated (deficit)							
Special revenue funds	6,560	7,310	2,800	(143,964)	192,883	56,960	-
Capital projects funds	-	-	-	-	-	-	-
Total Fund Balances	6,560	7,310	2,800	1,619,804	1,379,256	1,337,344	338,884
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,560	\$ 10,824	\$ 2,800	\$ 1,922,460	\$ 1,379,256	\$ 1,337,344	\$ 595,714

CITY OF WAUKESHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Special Revenue Funds (Continued)							
	Public Works DNR Grants	Park Development Impact Fees	Park and Recreation Sponsorship Program	Library Café	Home Rental Rehab	Energy Rental Rehab	Cemetery Trust Fund C	Crime Prevention Grant
ASSETS								
Cash and investments	\$ 31,669	\$ 844,016	\$ 73,882	\$ 389,237	\$ 18,556	\$ 21,400	\$ 34,289	\$ 2,858
Accounts receivable	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	31	-
Loans receivable	-	-	-	-	45,000	1,000	-	-
Due from other governmental units	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	121,730	-	-	-	-
TOTAL ASSETS	\$ 31,669	\$ 844,016	\$ 73,882	\$ 510,967	\$ 63,556	\$ 22,400	\$ 34,320	\$ 2,858
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ -	\$ -	\$ 4,775	\$ 12,576	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	2,987	1,475	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Advance due to other funds	-	-	-	-	-	-	-	-
Deferred revenues	20,524	560,797	-	404,379	-	-	-	2,848
Total Liabilities	20,524	560,797	7,762	418,430	-	-	-	2,848
Fund Balances (Deficits)								
Reserved for								
Loans receivable	-	-	-	-	45,000	1,000	-	-
Prepaid items	-	-	-	121,730	-	-	-	-
Impact fees	-	283,219	-	-	-	-	-	-
Donor restrictions	-	-	-	-	-	-	-	-
Unreserved								
Undesignated (deficit)								
Special revenue funds	11,145	-	66,120	(29,193)	18,556	21,400	34,320	10
Capital projects funds	-	-	-	-	-	-	-	-
Total Fund Balances	11,145	283,219	66,120	92,537	63,556	22,400	34,320	10
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,669	\$ 844,016	\$ 73,882	\$ 510,967	\$ 63,556	\$ 22,400	\$ 34,320	\$ 2,858

(Continued)

(Continued)

CITY OF WAUKESHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

Special Revenue Funds (Continued)						
	Confiscated Property	Paramedics	WP&L	Lead Abatement Grant	Byrne/Stimulus Grant	Civic Band Donation Fund
ASSETS						
Cash and investments	\$ 124,553	\$ 9,544	\$ 2,074	\$ 100,192	\$ -	\$ 8,863
Accounts receivable	-	-	-	-	-	1,000
Taxes receivable	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
TOTAL ASSETS	\$ 124,553	\$ 9,544	\$ 2,074	\$ 100,192	\$ -	\$ 9,863
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ -	\$ 22,652	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Advance due to other funds	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Total Liabilities	-	-	-	22,652	-	-
Fund Balances (Deficits)						
Reserved for						
Loans receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Donor restrictions	-	-	-	-	-	9,863
Unreserved						
Undesignated (deficit)						
Special revenue funds	124,553	9,544	2,074	77,540	-	-
Capital projects funds	-	-	-	-	-	-
Total Fund Balances	124,553	9,544	2,074	77,540	-	9,863
TOTAL LIABILITIES AND FUND BALANCES	\$ 124,553	\$ 9,544	\$ 2,074	\$ 100,192	\$ -	\$ 9,863

CITY OF WAUKESHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Capital Projects Funds				Permanent Funds					Total Nonmajor Governmental Funds
	General Improvement Fund	Public Works Improvements	Municipal Facilities	Fleet Replacement	Cemetery Lot Maintenance	Cemetery Specific Endowment	Cemetery Trust Fund K	Library Endowment	H. B. Mills Recreation	
ASSETS										
Cash and investments	\$ 84,843	\$ 2,524,982	\$ 1,073,935	\$ 2,318,219	\$ 1,187,798	\$ 729,468	\$ 354,065	\$ 81,276	\$ 28,417	\$ 10,909,902
Accounts receivable	64,100	152,596	-	-	-	-	-	-	-	223,022
Taxes receivable	-	-	-	137,300	-	-	-	-	-	137,300
Special assessments	72,300	32,118	-	-	-	-	-	-	-	104,418
Accrued interest	-	-	-	-	1,051	705	387	-	-	2,174
Loans receivable	-	-	-	-	-	-	-	-	-	4,276,525
Due from other governmental units	357,793	-	-	-	-	-	-	-	-	511,134
Prepaid items	106,304	-	-	-	-	-	-	-	-	228,034
TOTAL ASSETS	\$ 685,340	\$ 2,709,696	\$ 1,073,935	\$ 2,455,519	\$ 1,188,849	\$ 730,173	\$ 354,452	\$ 81,276	\$ 28,417	\$ 16,392,509
LIABILITIES AND FUND BALANCES										
Accounts payable	\$ 32,026	\$ 485,564	\$ 111,185	\$ 184,878	\$ -	\$ -	\$ -	\$ 4,708	\$ -	\$ 866,742
Other accrued liabilities	-	-	-	-	-	-	-	-	-	4,462
Due to other funds	-	-	-	-	40,000	4,132	-	-	-	176,448
Deposits	-	194,220	-	-	-	-	-	-	-	194,220
Advance due to other funds	-	-	-	1,664,689	-	-	-	-	-	1,664,689
Deferred revenues	72,300	1,618,383	231,570	137,300	-	-	-	-	-	3,470,407
Total Liabilities	104,326	2,298,167	342,755	1,986,867	40,000	4,132	-	4,708	-	6,376,968
Fund Balances (Deficits)										
Reserved for										
Loans receivable	-	-	-	-	-	-	-	-	-	4,276,525
Prepaid items	106,304	-	-	-	-	-	-	-	-	228,034
Impact fees	-	-	-	-	-	-	-	-	-	622,103
Donor restrictions	-	-	-	-	1,148,849	726,041	354,452	76,568	28,417	2,344,190
Unreserved										
Undesignated (deficit)										
Special revenue funds	-	-	-	-	-	-	-	-	-	458,618
Capital projects funds	474,710	411,529	731,180	468,652	-	-	-	-	-	2,086,071
Total Fund Balances	581,014	411,529	731,180	468,652	1,148,849	726,041	354,452	76,568	28,417	10,015,541
TOTAL LIABILITIES AND FUND BALANCES	\$ 685,340	\$ 2,709,696	\$ 1,073,935	\$ 2,455,519	\$ 1,188,849	\$ 730,173	\$ 354,452	\$ 81,276	\$ 28,417	\$ 16,392,509

(Continued)

CITY OF WAUKESHA, WISCONSIN
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2010

	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
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 129,574	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-
Public charges for services	-	33,855	-	-	-	-	493,445
Special assessments	-	-	-	-	-	-	-
Investment income	39	-	-	532	6,011	4,544	6,443
Miscellaneous	-	-	3,511	-	-	-	-
Total Revenues	39	33,855	3,511	130,106	6,011	4,544	499,888
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	3,932	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	47,090	-	-	-	-	-
Conservation and development	-	-	-	237,865	61,562	-	-
Capital Outlay	-	-	-	30,000	-	-	-
Debt Service							
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	47,090	3,932	267,865	61,562	-	-
Excess (Deficiency) of Revenues Over Expenditures	39	(13,235)	(421)	(137,759)	(55,551)	4,544	499,888
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-
Sale of city property	-	-	-	-	151,500	-	-
Transfers in	-	15,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(493,445)
Total Other Financing Sources (Uses)	-	15,000	-	-	151,500	-	(493,445)
Net Changes in Fund Balances	39	1,765	(421)	(137,759)	95,949	4,544	6,443
FUND BALANCES (DEFICIT) - Beginning of Year	6,521	5,545	3,221	1,757,563	1,283,307	1,332,800	332,441
FUND BALANCES (DEFICIT) - End of Year	\$ 6,560	\$ 7,310	\$ 2,800	\$ 1,619,804	\$ 1,379,256	\$ 1,337,344	\$ 338,884

CITY OF WAUKESHA, WISCONSIN
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2010

Special Revenue Funds (Continued)								
	Public Works DNR Grants	Park Development Impact Fees	Park and Recreation Sponsorship Program	Library Café	Home Rental Rehab	Energy Rental Rehab	Cemetery Trust Fund C	Crime Prevention Grant
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,085
Licenses and permits	-	-	690	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Public charges for services	-	23,067	415,366	402,171	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment income	190	5,041	-	61	-	-	3,943	14
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	190	28,108	416,056	402,232	-	-	3,943	18,099
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	198	-
Public safety	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	391,668	370,621	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	18,141
Debt Service								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	-	-	391,668	370,621	-	-	198	18,141
Excess (Deficiency) of Revenues Over Expenditures	190	28,108	24,388	31,611	-	-	3,745	(42)
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-
Sale of city property	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(23,067)	-	-	-	-	(1,816)	-
Total Other Financing Sources (Uses)	-	(23,067)	-	-	-	-	(1,816)	-
Net Changes in Fund Balances	190	5,041	24,388	31,611	-	-	1,929	(42)
FUND BALANCES (DEFICIT) - Beginning of Year	10,955	278,178	41,732	60,926	63,556	22,400	32,391	52
FUND BALANCES (DEFICIT) - End of Year	\$ 11,145	\$ 283,219	\$ 66,120	\$ 92,537	\$ 63,556	\$ 22,400	\$ 34,320	\$ 10

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CITY OF WAUKESHA, WISCONSIN
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2010

Special Revenue Funds (Continued)						
	Confiscated Property	Paramedics	WP&L	Lead Abatement Grant	Byrne/Stimulus Grant	Civic Band Donation Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 96,002	\$ -
Licenses and permits	-	-	-	-	-	-
Fines, forfeitures and penalties	10,000	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	1,072	54	264	824	-	67
Miscellaneous	-	1,510	1,950	-	-	23,774
Total Revenues	11,072	1,564	2,214	824	96,002	23,841
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	18,619	-
Sanitation	-	-	-	65,702	-	-
Culture and recreation	-	-	-	-	-	13,978
Conservation and development	-	-	-	-	-	-
Capital Outlay	126,799	-	19,470	-	46,853	-
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	126,799	-	19,470	65,702	65,472	13,978
Excess (Deficiency) of Revenues Over Expenditures	(115,727)	1,564	(17,256)	(64,878)	30,530	9,863
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-
Sale of city property	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(90,747)	-	-	-
Total Other Financing Sources (Uses)	-	-	(90,747)	-	-	-
Net Changes in Fund Balances	(115,727)	1,564	(108,003)	(64,878)	30,530	9,863
FUND BALANCES (DEFICIT) -						
Beginning of Year	240,280	7,980	110,077	142,418	(30,530)	-
FUND BALANCES (DEFICIT) -						
End of Year	\$ 124,553	\$ 9,544	\$ 2,074	\$ 77,540	\$ -	\$ 9,863

CITY OF WAUKESHA, WISCONSIN
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2010

	Capital Projects Funds				Permanent Funds					Total Nonmajor Governmental Funds
	General Improvement Fund	Public Works Improvements	Municipal Facilities	Fleet Replacement	Cemetery Lot Maintenance	Cemetery Specific Endowment	Cemetery Trust Fund K	Library Endowment	H. B. Mills Recreation	
REVENUES										
Intergovernmental	\$ 1,549,250	\$ 5,405	\$ 132,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,930,522
Licenses and permits	-	-	-	-	-	-	-	-	-	690
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	10,000
Public charges for services	154,981	-	-	-	-	-	6,610	-	-	1,529,495
Special assessments	86,097	17,227	-	-	-	-	-	-	-	103,324
Investment income	6,321	13,061	4,943	13,758	130,217	79,355	24,961	677	171	302,563
Miscellaneous	-	4,200	27,665	-	32,028	19,303	-	40,398	-	154,339
Total Revenues	1,796,649	39,893	164,814	13,758	162,245	98,658	24,961	47,685	171	4,030,933
EXPENDITURES										
Current										
General government	-	-	-	-	6,993	3,998	4,561	-	-	15,750
Public safety	-	-	-	-	-	-	-	-	-	22,551
Sanitation	-	-	-	-	-	-	-	-	-	65,702
Culture and recreation	-	-	-	-	-	-	-	28,748	-	852,105
Conservation and development	-	-	-	-	-	-	-	-	-	299,427
Capital Outlay	1,700,959	4,294,855	745,517	677,606	-	-	-	26,047	-	7,686,247
Debt Service										
Interest and fiscal charges	-	38,650	-	-	-	-	-	-	-	38,650
Total Expenditures	1,700,959	4,333,505	745,517	677,606	6,993	3,998	4,561	54,795	-	8,980,432
Excess (Deficiency) of Revenues Over Expenditures	95,690	(4,293,612)	(580,703)	(663,848)	155,252	94,660	20,400	(7,110)	171	(4,949,499)
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	-	2,937,703	564,004	113,293	-	-	-	-	-	3,615,000
Premium on debt issued	-	38,650	-	-	-	-	-	-	-	38,650
Sale of city property	-	-	-	39,964	-	-	-	-	-	191,464
Transfers in	44,267	493,445	208,136	298,507	-	-	-	-	-	1,059,355
Transfers out	-	(6,065)	-	-	(85,497)	(21,186)	(9,380)	(73,665)	(171)	(805,039)
Total Other Financing Sources (Uses)	44,267	3,463,733	772,140	451,764	(85,497)	(21,186)	(9,380)	(73,665)	(171)	4,099,430
Net Changes in Fund Balances	139,957	(829,879)	191,437	(212,084)	69,755	73,474	11,020	(80,775)	-	(850,069)
FUND BALANCES (DEFICIT) - Beginning of Year	441,057	1,241,408	539,743	680,736	1,079,094	652,567	343,432	157,343	28,417	10,865,610
FUND BALANCES (DEFICIT) - End of Year	\$ 581,014	\$ 411,529	\$ 731,180	\$ 468,652	\$ 1,148,849	\$ 726,041	\$ 354,452	\$ 76,568	\$ 28,417	\$ 10,015,541

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CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Lighted Dome Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 39	\$ 39
EXPENDITURES				
Culture and recreation	-	-	-	-
Net Change in Fund Balance	-	-	39	39
FUND BALANCE - Beginning of Year	6,521	6,521	6,521	-
FUND BALANCE - End of Year	\$ 6,521	\$ 6,521	\$ 6,560	\$ 39

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Festival and Special Activities Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Public charges for services	\$ 16,912	\$ 16,912	\$ 33,855	\$ 16,943
EXPENDITURES				
Culture and recreation	34,912	34,912	47,090	(12,178)
Excess (Deficiency) of Revenues Over Expenditures	(18,000)	(18,000)	(13,235)	4,765
OTHER FINANCING SOURCES				
Transfers in	15,000	15,000	15,000	-
Net Change in Fund Balance	(3,000)	(3,000)	1,765	4,765
FUND BALANCE - Beginning of Year	5,545	5,545	5,545	-
FUND BALANCE - End of Year	\$ 2,545	\$ 2,545	\$ 7,310	\$ 4,765

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Police Crime Prevention Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,511	\$ 3,511
EXPENDITURES				
Public safety	-	-	3,932	(3,932)
Net Change in Fund Balance	-	-	(421)	(421)
FUND BALANCE - Beginning of Year	3,221	3,221	3,221	-
FUND BALANCE - End of Year	\$ 3,221	\$ 3,221	\$ 2,800	\$ (421)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 498,385	\$ 129,574	\$ (368,811)
Investment income	-	-	532	532
Miscellaneous	-	-	-	-
Total Revenues	-	498,385	130,106	(368,279)
EXPENDITURES				
Conservation and development	74,281	548,122	237,865	310,257
Capital outlay	-	50,000	30,000	20,000
Total Expenditures	74,281	598,122	267,865	330,257
Net Change in Fund Balance	(74,281)	(99,737)	(137,759)	(698,536)
FUND BALANCE - Beginning of Year	1,757,563	1,757,563	1,757,563	-
FUND BALANCE - End of Year	\$ 1,683,282	\$ 1,657,826	\$ 1,619,804	\$ (698,536)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WHEDA Loan Program Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 6,011	\$ 6,011
EXPENDITURES				
Conservation and development	-	-	61,562	(61,562)
Excess of Revenues Over Expenditures	-	-	(55,551)	(55,551)
OTHER FINANCING USES				
Sale of City property	-	-	151,500	151,500
Net Change in Fund Balance	-	-	95,949	95,949
FUND BALANCE - Beginning of Year	1,283,307	1,283,307	1,283,307	-
FUND BALANCE - End of Year	\$ 1,283,307	\$ 1,283,307	\$ 1,379,256	\$ 95,949

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing Development Grant
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	4,544	4,544
Total Revenues	-	-	4,544	4,544
EXPENDITURES				
Conservation and development	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	4,544	4,544
FUND BALANCE - Beginning of Year	1,332,800	1,332,800	1,332,800	-
FUND BALANCE - End of Year	\$ 1,332,800	\$ 1,332,800	\$ 1,337,344	\$ 4,544

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Works Impact Fees Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Public charges for services	\$ 275,000	\$ 275,000	\$ 493,445	\$ 218,445
Investment income	10,000	10,000	6,443	(3,557)
Total Revenues	285,000	285,000	499,888	214,888
EXPENDITURES				
Public works	-	-	-	-
Excess of Revenues Over Expenditures	285,000	285,000	499,888	214,888
OTHER FINANCING USES				
Transfers out	(300,000)	(300,000)	(493,445)	(193,445)
Net Change in Fund Balance	(15,000)	(15,000)	6,443	21,443
FUND BALANCE - Beginning of Year	332,441	332,441	332,441	-
FUND BALANCE - End of Year	\$ 317,441	\$ 317,441	\$ 338,884	\$ 21,443

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Works DNR Grant Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 250	\$ 250	\$ 190	\$ (60)
EXPENDITURES				
Public works	-	-	-	-
Net Change in Fund Balance	250	250	190	(60)
FUND BALANCE - Beginning of Year	10,955	10,955	10,955	-
FUND BALANCE - End of Year	\$ 11,205	\$ 11,205	\$ 11,145	\$ (60)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park Development Impact Fees Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Public charges for services	\$ 365,000	\$ 365,000	\$ 23,067	\$ (341,933)
Investment income	6,000	6,000	5,041	(959)
Total Revenues	371,000	371,000	28,108	(342,892)
EXPENDITURES				
Culture and recreation	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	371,000	371,000	28,108	(342,892)
OTHER FINANCING USES				
Transfers out	(365,000)	(365,000)	(23,067)	341,933
Net Change in Fund Balance	6,000	6,000	5,041	(959)
FUND BALANCE - Beginning of Year	278,178	278,178	278,178	-
FUND BALANCE - End of Year	\$ 284,178	\$ 284,178	\$ 283,219	\$ (959)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park and Recreation Sponsorship Program Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits	\$ 1,760	\$ 1,760	\$ 690	\$ (1,070)
Public charges for services	326,361	326,361	415,366	89,005
Total Revenues	328,121	328,121	416,056	87,935
EXPENDITURES				
Culture and recreation	308,624	308,624	391,668	(83,044)
Capital outlay	20,000	20,000	-	20,000
Total Expenditures	328,624	328,624	391,668	(63,044)
Net Change in Fund Balance	(503)	(503)	24,388	24,891
FUND BALANCE - Beginning of Year	41,732	41,732	41,732	-
FUND BALANCE - End of Year	\$ 41,229	\$ 41,229	\$ 66,120	\$ 24,891

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Library Cafe Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Public charges for services	\$ 389,473	\$ 389,473	\$ 402,171	\$ 12,698
Investment income (loss)	-	-	61	61
Total Revenues	389,473	389,473	402,232	12,759
EXPENDITURES				
Culture and recreation	387,755	387,755	370,621	17,134
Net Change in Fund Balance	1,718	1,718	31,611	29,893
FUND BALANCE - Beginning of Year	60,926	60,926	60,926	-
FUND BALANCE - End of Year	\$ 62,644	\$ 62,644	\$ 92,537	\$ 29,893

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Cemetery Trust Fund C Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 11,000	\$ 11,000	\$ 3,943	\$ (7,057)
EXPENDITURES				
General government	1,000	1,000	198	802
Excess of Revenues Over Expenditures	10,000	10,000	3,745	(6,255)
OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(1,816)	8,184
Net Change in Fund Balance	-	-	1,929	1,929
FUND BALANCE - Beginning of Year	32,391	32,391	32,391	-
FUND BALANCE - End of Year	\$ 32,391	\$ 32,391	\$ 34,320	\$ 1,929

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Crime Prevention Grant Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 18,822	\$ 18,085	\$ (737)
Investment income	-	-	14	14
Total Revenues	-	18,822	18,099	(723)
EXPENDITURES				
Capital outlay	-	18,822	18,141	681
Net Change in Fund Balance	-	-	(42)	(42)
FUND BALANCE - Beginning of Year	52	52	52	-
FUND BALANCE - End of Year	\$ 52	\$ 52	\$ 10	\$ (42)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Confiscated Property Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Fines, forfeitures and penalties	\$ 20,000	\$ 20,000	\$ 10,000	\$ (10,000)
Investment income	-	-	1,072	1,072
Total Revenues	20,000	20,000	11,072	(8,928)
EXPENDITURES				
Capital outlay	53,500	53,500	126,799	(73,299)
Net Change in Fund Balance	(33,500)	(33,500)	(115,727)	(82,227)
FUND BALANCE - Beginning of Year	240,280	240,280	240,280	-
FUND BALANCE - End of Year	\$ 206,780	\$ 206,780	\$ 124,553	\$ (82,227)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Paramedics Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 100	\$ 100	\$ 54	\$ (46)
Miscellaneous	-	-	1,510	1,510
Total Revenues	100	100	1,564	1,464
EXPENDITURES				
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	100	100	1,564	1,464
FUND BALANCE - Beginning of Year	7,980	7,980	7,980	-
FUND BALANCE - End of Year	\$ 8,080	\$ 8,080	\$ 9,544	\$ 1,464

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WP & L Special Revenue Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 264	\$ 264
Miscellaneous	-	-	1,950	1,950
Total Revenues	-	-	2,214	2,214
EXPENDITURES				
Capital outlay	-	-	19,470	(19,470)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(17,256)	(17,256)
OTHER FINANCING USES				
Transfers out	-	-	(90,747)	(90,747)
Net Change in Fund Balance	-	-	(108,003)	(108,003)
FUND BALANCE - Beginning of Year	110,077	110,077	110,077	-
FUND BALANCE - End of Year	\$ 110,077	\$ 110,077	\$ 2,074	\$ (108,003)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Lead Abatement Grant Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 108,000	\$ -	\$ (108,000)
Investment income	-	-	824	824
Total Revenues	-	108,000	824	(107,176)
EXPENDITURES				
Sanitation	-	-	65,702	(65,702)
Net Change in Fund Balance	-	108,000	(64,878)	(172,878)
FUND BALANCE - Beginning of Year	142,418	142,418	142,418	-
FUND BALANCE - End of Year	\$ 142,418	\$ 250,418	\$ 77,540	\$ (172,878)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Byrne/Stimulus Grant Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 96,002	\$ 96,002
Investment income	-	-	-	-
Total Revenues	-	-	96,002	96,002
EXPENDITURES				
Public safety	-	-	18,619	(18,619)
Capital outlay	-	-	46,853	(46,853)
Total Expenditures	-	-	65,472	(65,472)
Net Change in Fund Balance	-	-	30,530	30,530
FUND BALANCE (DEFICIT)- Beginning of Year	(30,530)	(30,530)	(30,530)	-
FUND BALANCE (DEFICIT) - End of Year	\$ (30,530)	\$ (30,530)	\$ -	\$ 30,530

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Civic Band Donation Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 67	67
Miscellaneous	-	-	23,774	23,774
Total Revenues	-	-	23,841	23,841
EXPENDITURES				
Culture and recreation	-	-	13,978	(13,978)
Total Expenditures	-	-	13,978	(13,978)
Net Change in Fund Balance	-	-	9,863	9,863
FUND BALANCE - Beginning of Year	-	-	-	-
FUND BALANCE - End of Year	\$ -	\$ -	\$ 9,863	\$ 9,863

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Debt Service Fund (Major Fund)
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 9,882,649	\$ 9,882,649	\$ 9,882,649	\$ -
Intergovernmental	119,463	119,463	11,517	(107,946)
Investment income	20,000	20,000	16,823	(3,177)
Total Revenues	10,022,112	10,022,112	9,910,989	(111,123)
EXPENDITURES				
Principal retirement	7,078,023	7,078,023	8,339,233	(1,261,210)
Interest and fiscal charges	2,653,794	2,653,794	3,044,985	(391,191)
Total Expenditures	9,731,817	9,731,817	11,384,218	(1,652,401)
Excess (Deficiency) of Revenues Over (Under) Expenditures	290,295	290,295	(1,473,229)	(1,763,524)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	5,328,759	5,328,759
Premium on debt issued	-	-	104,340	104,340
Transfers in	-	-	132,041	132,041
Transfers out	(468,449)	(468,449)	(468,449)	-
Total Other Financing Sources (Uses)	(468,449)	(468,449)	5,096,691	5,565,140
Net Change in Fund Balance	(178,154)	(178,154)	3,623,462	3,801,616
FUND BALANCE - Beginning of Year	795,292	795,292	795,292	-
FUND BALANCE - End of Year	\$ 617,138	\$ 617,138	\$ 4,418,754	\$ 3,801,616

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
TIF District Debt Service Fund (Major Fund)
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,961,344	\$ 2,961,344	\$ 3,011,828	\$ 50,484
Intergovernmental	41,409	41,409	43,353	1,944
Investment income	6,275	6,275	1,635	(4,640)
Total Revenues	3,009,028	3,009,028	3,056,816	47,788
EXPENDITURES				
Current				
General government	17,472	17,472	24,005	(6,533)
Debt Service				
Principal	1,510,000	1,510,000	1,723,344	(213,344)
Interest and fiscal charges	1,482,430	1,482,430	1,678,315	(195,885)
Total Expenditures	3,009,902	3,009,902	3,425,664	(415,762)
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(874)	(874)	(368,848)	(367,974)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	18,787,819	18,787,819
Premium on debt issued	-	-	171,836	171,836
Payment to refunding bond escrow agent	(50,293)	(50,293)	(17,690,446)	(17,640,153)
Transfers in	-	18,428	349,744	331,316
Total Other Financing Sources (Uses)	(50,293)	(31,865)	1,618,953	1,650,818
Net Change in Fund Balance	(51,167)	(32,739)	1,250,105	1,282,844
FUND BALANCE - Beginning of Year	(229,530)	(229,530)	(229,530)	-
FUND BALANCE (DEFICIT) - End of Year	\$ (280,697)	\$ (262,269)	\$ 1,020,575	\$ 1,282,844

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Improvement Capital Projects Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,030,281	\$ 1,030,281	\$ 1,549,250	\$ 518,969
Public charges for services	100,000	100,000	154,981	54,981
Special assessments	120,000	120,000	86,097	(33,903)
Investment income	-	-	6,321	6,321
Total Revenues	1,250,281	1,250,281	1,796,649	546,368
EXPENDITURES				
Capital outlay	1,250,281	1,698,727	1,700,959	(2,232)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(448,446)	95,690	544,136
OTHER FINANCING SOURCES				
Transfers in	-	44,267	44,267	-
Total Other Financing Sources	-	44,267	44,267	-
Net Change in Fund Balance	-	(404,179)	139,957	544,136
FUND BALANCE - Beginning of Year	441,057	441,057	441,057	-
FUND BALANCE - End of Year	\$ 441,057	\$ 36,878	\$ 581,014	\$ 544,136

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Works Improvements Capital Projects Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 178,360	\$ 1,003,453	\$ 5,405	\$ (998,048)
Special assessments	50,000	50,000	17,227	(32,773)
Public charges for services	500,000	500,000	-	(500,000)
Investment income	-	-	13,061	13,061
Miscellaneous	-	-	4,200	4,200
Total Revenues	728,360	1,553,453	39,893	(1,513,560)
EXPENDITURES				
Capital outlay	4,432,341	8,186,296	4,294,855	3,891,441
Debt Service				-
Interest and fiscal charges	-	-	38,650	(38,650)
Total Expenditures	4,432,341	8,186,296	4,333,505	3,852,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,703,981)	(6,632,843)	(4,293,612)	2,339,231
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	3,703,981	5,448,340	2,937,703	(2,510,637)
Premium on debt issued	-	-	38,650	38,650
Transfers in	-	-	493,445	493,445
Transfer out	-	-	(6,065)	(6,065)
Total Other Financing Sources (Uses)	3,703,981	5,448,340	3,463,733	(1,984,607)
Net Change in Fund Balance	-	(1,184,503)	(829,879)	354,624
FUND BALANCE - Beginning of Year	1,241,408	1,241,408	1,241,408	-
FUND BALANCE - End of Year	\$ 1,241,408	\$ 56,905	\$ 411,529	\$ 354,624

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Municipal Facilities Capital Projects Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,452,481	\$ 2,576,481	\$ 132,206	\$ (2,444,275)
Public charges for services	-	719,697	-	(719,697)
Investment income	-	-	4,943	4,943
Miscellaneous	-	-	27,665	27,665
Total Revenues	2,452,481	3,296,178	164,814	(3,131,364)
EXPENDITURES				
Capital outlay	4,395,674	6,348,775	745,517	5,603,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,943,193)	(3,052,597)	(580,703)	2,471,894
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	1,943,193	2,195,322	564,004	(1,631,318)
Transfers in	20,657	20,657	208,136	187,479
Total Other Financing Sources (Uses)	1,963,850	2,215,979	772,140	(1,443,839)
Net Change in Fund Balance	20,657	(836,618)	191,437	1,028,055
FUND BALANCE - Beginning of Year	539,743	539,743	539,743	-
FUND BALANCE (DEFICIT) - End of Year	\$ 560,400	\$ (296,875)	\$ 731,180	\$ 1,028,055

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Fleet Replacement Capital Projects Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 25,000	\$ 25,000	\$ 13,758	\$ (11,242)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>13,758</u>	<u>(11,242)</u>
EXPENDITURES				
Capital outlay	<u>511,800</u>	<u>851,101</u>	<u>677,606</u>	<u>173,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(486,800)</u>	<u>(826,101)</u>	<u>(663,848)</u>	<u>162,253</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	113,293	113,293	113,293	-
Sale of City property	75,000	75,000	39,964	(35,036)
Transfers in	298,507	298,507	298,507	-
Total Other Financing Sources (Uses)	<u>486,800</u>	<u>486,800</u>	<u>451,764</u>	<u>(35,036)</u>
Net Change in Fund Balance	-	(339,301)	(212,084)	127,217
FUND BALANCE - Beginning of Year	<u>680,736</u>	<u>680,736</u>	<u>680,736</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ 680,736</u>	<u>\$ 341,435</u>	<u>\$ 468,652</u>	<u>\$ 127,217</u>

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
TIF Districts Nos. 9 - 20 Capital Projects Fund (Major Fund)
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 41,779	\$ 41,779
Investment income	-	-	6,464	6,464
Miscellaneous	-	-	8,403	8,403
Total Revenues	-	-	56,646	56,646
EXPENDITURES				
Current				
General government	3,864	178,864	343,244	(164,380)
Capital outlay	-	12,667,306	15,037,734	(2,370,428)
Debt Service				
Interest and fiscal charges	-	34,580	41,019	(6,439)
Total Expenditures	3,864	12,880,750	15,421,997	(2,534,808)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,864)	(12,880,750)	(15,365,351)	(2,478,162)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	12,909,936	15,505,456	2,595,520
Transfers out	-	(18,428)	(349,744)	(331,316)
Total Other Financing Sources (Uses)	-	12,891,508	15,155,712	2,264,204
Net Change in Fund Balance	(3,864)	10,758	(209,639)	(213,958)
FUND BALANCE - Beginning of Year	959,647	959,647	959,647	-
FUND BALANCE - End of Year	\$ 955,783	\$ 970,405	\$ 750,008	\$ (213,958)

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Cemetery Lot Maintenance Permanent Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 55,000	\$ 55,000	\$ 130,217	\$ 75,217
Miscellaneous	-	-	32,028	32,028
Total Revenues	55,000	55,000	162,245	107,245
EXPENDITURES				
General government	10,000	10,000	6,993	3,007
Excess of Revenues Over Expenditures	45,000	45,000	155,252	110,252
OTHER FINANCING USES				
Transfers out	(45,000)	(45,000)	(85,497)	(40,497)
Net Change in Fund Balance	-	-	69,755	69,755
FUND BALANCE - Beginning of Year	1,079,094	1,079,094	1,079,094	-
FUND BALANCE - End of Year	\$ 1,079,094	\$ 1,079,094	\$ 1,148,849	\$ 69,755

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Cemetery Specific Endowment Permanent Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 18,500	\$ 18,500	\$ 79,355	\$ 60,855
Miscellaneous	-	-	19,303	19,303
Total Revenues	18,500	18,500	98,658	80,158
EXPENDITURES				
General government	3,500	3,500	3,998	(498)
Excess of Revenues Over Expenditures	15,000	15,000	94,660	79,660
OTHER FINANCING USES				
Transfers out	(15,000)	(15,000)	(21,186)	(6,186)
Net Change in Fund Balance	-	-	73,474	73,474
FUND BALANCE - Beginning of Year	652,567	652,567	652,567	-
FUND BALANCE - End of Year	\$ 652,567	\$ 652,567	\$ 726,041	\$ 73,474

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Cemetery Trust Fund K Permanent Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 12,000	\$ 12,000	\$ 24,961	\$ 12,961
EXPENDITURES				
General government	4,000	4,000	4,561	(561)
Excess of Revenues Over Expenditures	8,000	8,000	20,400	12,400
OTHER FINANCING USES				
Transfers out	(8,000)	(8,000)	(9,380)	(1,380)
Net Change in Fund Balance	-	-	11,020	11,020
FUND BALANCE - Beginning of Year	343,432	343,432	343,432	-
FUND BALANCE - End of Year	\$ 343,432	\$ 343,432	\$ 354,452	\$ 11,020

CITY OF WAUKESHA, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Library Endowment Permanent Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Public charges for services	\$ -	\$ -	\$ 6,610	\$ 6,610
Investment income	3,000	3,000	677	(2,323)
Miscellaneous	19,500	19,500	40,398	20,898
Total Revenues	22,500	22,500	47,685	25,185
EXPENDITURES				
Current				
Culture and recreation	16,250	16,250	28,748	(12,498)
Capital outlay	-	-	26,047	(26,047)
Total Expenditures	16,250	16,250	54,795	(38,545)
Excess (Deficiency) of Revenues Over Expenditures	6,250	6,250	(7,110)	12,687
OTHER FINANCING USES				
Transfers out	-	-	(73,665)	(73,665)
Net Change in Fund Balance	6,250	6,250	(80,775)	(60,978)
FUND BALANCE - Beginning of Year	157,343	157,343	157,343	-
FUND BALANCE - End of Year	\$ 163,593	\$ 163,593	\$ 76,568	\$ (60,978)

CITY OF WAUKESHA, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
H. B. Mills Recreation Permanent Fund
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 400	\$ 400	\$ 171	\$ (229)
EXPENDITURES				
Culture and recreation	-	-	-	-
Excess of Revenues Over Expenditures	400	400	171	(229)
OTHER FINANCING USES				
Transfers out	(400)	(400)	(171)	229
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - Beginning of Year	28,417	28,417	28,417	-
FUND BALANCE - End of Year	\$ 28,417	\$ 28,417	\$ 28,417	\$ -

CITY OF WAUKESHA, WISCONSIN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Dental/Life Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Totals
ASSETS					
Current Assets					
Cash and investments	\$ 24,261	\$ 3,820,273	\$ 101,697	\$ 196,772	\$ 4,143,003
Accounts receivable	-	27,858	-	-	27,858
Inventories	-	-	-	16,591	16,591
Prepaid items	56,430	-	1,404	-	57,834
Total Current Assets	80,691	3,848,131	103,101	213,363	4,245,286
Equipment	-	-	-	308,971	308,971
Less: Accumulated depreciation	-	-	-	(90,493)	(90,493)
Net Equipment	-	-	-	218,478	218,478
Total Assets	80,691	3,848,131	103,101	431,841	4,463,764
CURRENT LIABILITIES					
Accounts payable	37	2,900	5,094	-	8,031
Claims payable	18,212	777,998	-	-	796,210
Compensated absences	-	-	-	27,556	27,556
Due to other funds	3,116	-	-	-	3,116
Total Current Liabilities	21,365	780,898	5,094	27,556	834,913
NET ASSETS					
Invested in capital assets	-	-	-	218,478	218,478
Restricted for					
Unpaid claims and restricted deposits	59,326	3,067,233	98,007	-	3,224,566
Unrestricted	-	-	-	185,807	185,807
TOTAL NET ASSETS	\$ 59,326	\$ 3,067,233	\$ 98,007	\$ 404,285	\$ 3,628,851

CITY OF WAUKESHA, WISCONSIN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
Year Ended December 31, 2010

	Dental/Life/ Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Totals
OPERATING REVENUES					
Charges for services	\$ 617,440	\$ 9,379,020	\$ 1,021,387	\$ 228,024	\$ 11,245,871
Other revenues	48	560,342	234,707	-	795,097
Total Operating Revenues	617,488	9,939,362	1,256,094	228,024	12,040,968
OPERATING EXPENSES					
Operation and maintenance	606,112	10,291,602	1,165,129	141,077	12,203,920
Depreciation	-	-	-	38,222	38,222
Total Operating Expenses	606,112	10,291,602	1,165,129	179,299	12,242,142
Operating Income (Loss)	11,376	(352,240)	90,965	48,725	(201,174)
Other Financing Sources					
Transfers in	-	113,222	-	-	113,222
CHANGES IN NET ASSETS	11,376	(239,018)	90,965	48,725	(87,952)
NET ASSETS - Beginning of Year	47,950	3,306,251	7,042	355,560	3,716,803
NET ASSETS - End of Year	\$ 59,326	\$ 3,067,233	\$ 98,007	\$ 404,285	\$ 3,628,851

CITY OF WAUKESHA, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2010

	Dental/Life/ Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Total
Cash Flows from Operating Activities					
Cash received from interfund services provided	\$ 617,488	\$ 9,950,343	\$ 1,256,094	\$ 228,024	\$ 12,051,949
Cash paid to suppliers	(651,313)	(10,167,561)	(1,154,397)	(96,936)	(12,070,207)
Cash paid to employees	-	-	-	(45,602)	(45,602)
Net Cash Provided (Used) by Operating Activities	(33,825)	(217,218)	101,697	85,486	(63,860)
Cash Flows from Noncapital Financing Activities					
Transfers in	-	113,222	-	-	113,222
Cash Flows from Investing Activities					
Investment income	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	-	-	-	(52,700)	(52,700)
Increase (Decrease) in Cash and Cash Equivalents	(33,825)	(103,996)	101,697	32,786	(3,338)
Cash and Cash Equivalents - January 1	-	-	-	-	-
Cash and Cash Equivalents - December 31	\$ (33,825)	\$ (103,996)	\$ 101,697	\$ 32,786	\$ (3,338)
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 11,376	\$ (352,240)	\$ 90,965	\$ 48,725	\$ (201,174)
Adjustments to reconcile operating income (loss) to net cash provided by operations					
Depreciation	-	-	-	38,222	38,222
Changes in assets and liabilities					
Accounts receivable	-	10,981	-	-	10,981
Inventories	-	-	-	(2,066)	(2,066)
Prepaid items	(45,962)	-	30,692	212	(15,058)
Accounts payable	(2,355)	124,041	5,094	-	126,780
Due to other funds	3,116	-	(25,054)	-	(21,938)
Other current liabilities	-	-	-	393	393
Net Cash Provided by Operating Activities	\$ (33,825)	\$ (217,218)	\$ 101,697	\$ 85,486	\$ (63,860)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS					
Cash and investments	\$ 24,261	\$ 3,820,273	\$ 101,697	\$ 196,772	\$ 4,143,003
Restricted cash and investments	-	-	-	-	-
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 24,261	\$ 3,820,273	\$ 101,697	\$ 196,772	\$ 4,143,003
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION

STATISTICAL SECTION

FINANCIAL TRENDS – TABLES 1-4

These schedules contain trend information to help the reader understand how the City's financial performance and position has changed over time.

Table 1 – Information about net assets of the City.

Table 2 – Information about changes in net assets of the City.

Table 3 – Year End Fund Balances – Governmental Funds

Table 4 – Changes in Fund Balances

REVENUE CAPACITY – TABLES 5-9

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

Table 5 – Assessed Value and Estimated Fair Market Value of Taxable Property

Table 6 – Property Tax Rates

Table 7 – Information about Principal Revenue Payers

Table 8 – Property Tax Levies and Collections

Table 9 – Tax Incremental Financing Districts

DEBT CAPACITY – TABLES 10-14

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

Table 10 – Ratios of Outstanding Debt by Type

Table 11 – Ratios of General Obligation Debt Outstanding

Table 12 – Direct and Overlapping Debt

Table 13 – Legal Debt Margin Information

Table 14 – Pledged Revenue Coverage for Revenue Debt

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 15-16

These schedules detail demographic and economic indicators to help the reader understand the population which the City serves.

Table 15 – Demographic and Economic Statistics

Table 16 – Principal Employers

OPERATING INFORMATION – TABLES 17-20

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

Table 17 – Number of employees of the City by Function

Table 18 – Demand and Level of City Services

Table 19 - Capital Asset Statistics by Function

Table 20 - Insurance Coverages

City of Waukesha
Table 1
Net Assets By Component
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 67,327,053	\$ 76,147,710	\$ 79,061,271	\$ 83,986,097	\$ 82,268,340
Restricted	9,987,627	1,738,134	1,312,199	1,089,976	1,127,450
Unrestricted	(10,179,153)	(12,949,817)	(13,307,112)	(4,695,703)	(5,282,662)
Total Governmental Activities of Net Assets	<u>\$ 67,135,527</u>	<u>\$ 64,936,027</u>	<u>\$ 67,066,358</u>	<u>\$ 80,380,370</u>	<u>\$ 78,113,128</u>
Business - Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 87,480,806	\$ 104,828,220	\$ 108,092,234	\$ 112,056,622	\$ 116,908,403
Restricted	4,195,191	3,683,582	3,686,105	6,841,986	5,608,935
Unrestricted	12,983,982	10,207,666	13,246,156	11,026,392	11,870,263
Total Business - Type Activities of Net Assets	<u>\$ 104,659,979</u>	<u>\$ 118,719,468</u>	<u>\$ 125,024,495</u>	<u>\$ 129,925,000</u>	<u>\$ 134,387,601</u>
Primary Government (In Total)					
Invested in Capital Assets, Net of Related Debt	\$ 154,807,859	\$ 180,975,930	\$ 187,153,505	\$ 196,042,719	\$ 199,176,743
Restricted	14,182,818	5,421,716	4,998,304	7,931,962	6,736,385
Unrestricted	2,804,829	(2,742,151)	(60,956)	6,330,689	6,587,601
Total Primary Government Net Assets	<u>\$ 171,795,506</u>	<u>\$ 183,655,495</u>	<u>\$ 192,090,853</u>	<u>\$ 210,305,370</u>	<u>\$ 212,500,729</u>

Source: City of Waukesha Comprehensive Annual Financial Reports and Financial Statements

Note: The City implemented GASB 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

City of Waukesha
Table 1 (Continued)
Net Assets By Component
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 88,972,632	\$ 70,596,955	\$ 76,482,121
Restricted	956,413	3,265,872	7,160,693
Unrestricted	(16,048,090)	(5,592,020)	(26,031,971)
Total Governmental Activities of Net Assets	<u>\$ 73,880,955</u>	<u>\$ 68,270,807</u>	<u>\$ 57,610,843</u>
Business - Type Activities			
Invested in Capital Assets, Net of Related Debt	\$ 120,709,077	\$ 124,139,736	\$ 126,486,722
Restricted	8,856,311	6,994,934	6,954,449
Unrestricted	9,643,706	8,210,550	8,593,976
Total Business - Type Activities of Net Assets	<u>\$ 139,209,094</u>	<u>\$ 139,345,220</u>	<u>\$ 142,035,147</u>
Primary Government (In Total)			
Invested in Capital Assets, Net of Related Debt	\$ 209,681,709	\$ 194,736,691	\$ 202,968,843
Restricted	9,812,724	10,260,806	14,115,142
Unrestricted	(6,404,384)	2,618,530	(17,437,995)
Total Primary Government Net Assets	<u>\$ 213,090,049</u>	<u>\$ 207,616,027</u>	<u>\$ 199,645,990</u>

City of Waukesha
Table 2
Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities					
General Government	\$ 7,749,323	\$ 7,478,978	\$ 7,171,272	\$ 8,355,210	\$ 9,187,580
Public Safety	22,728,584	23,853,107	25,018,063	26,139,258	27,621,969
Highways and Streets	11,620,755	15,235,397	11,017,532	13,575,809	14,163,612
Sanitation	1,809,402	1,958,663	1,960,635	2,070,610	2,111,547
Health and Human Services	-	-	-	-	-
Culture and Recreation	8,668,439	8,299,713	10,375,323	10,379,313	10,856,358
Conservation and Development	2,296,550	683,873	710,042	305,725	1,958,871
Interest and Fiscal Charges	3,082,186	2,797,495	3,189,687	3,530,573	3,684,246
Total Government Activities Expenses	57,955,239	60,307,226	59,442,554	64,356,498	69,584,183
Business - Type Activities					
Water Utility	\$ 4,776,301	\$ 4,432,772	\$ 4,805,332	\$ 5,439,271	\$ 5,956,426
Wastewater Utility	8,067,680	8,566,074	8,510,188	9,047,169	9,687,032
Transit System Utility	4,511,362	9,015,608	9,349,101	9,492,306	9,926,045
Parking Utility	528,402	801,036	904,590	934,438	955,564
Cemetery	797,553	815,167	724,509	628,501	753,079
Total Business - Type Activities	18,681,298	23,630,657	24,293,720	25,541,685	27,278,146
Total Primary Government Expenses	\$ 76,636,537	\$ 83,937,883	\$ 83,736,274	\$ 89,898,183	\$ 96,862,329
Program Revenues					
Governmental Activities					
General Government	\$ 2,224,129	\$ 586,825	\$ 339,050	\$ 604,831	\$ 480,305
Public Safety	2,049,883	3,024,020	2,761,504	2,817,684	2,917,362
Highways and Streets	632,701	953,914	970,324	781,942	651,916
Sanitation	4,262	-	-	27,220	43,311
Culture and Recreation	1,183,930	1,551,782	1,199,379	1,386,376	1,466,954
Conservation and Development	217,615	195	408	204	-
Interest and Fiscal Charges	-	-	-	-	-
Operating Grants and Contributions					
General Government	775	-	100	78,555	-
Public Safety	668,148	486,978	496,373	330,937	455,308
Highways and Streets	2,283,334	2,661,967	2,590,219	2,836,445	2,778,314
Sanitation	157,429	-	12,040	-	-
Culture and Recreation	1,199,082	1,223,801	1,656,520	1,591,480	1,639,447
Conservation and Development	409,735	431,334	474,524	409,603	534,058
Interest and Fiscal Charges	-	-	-	-	-
Capital Grants and Contributions					
Public Safety	40,192	-	-	-	2,500
Highways and Streets	5,430,548	2,456,694	2,552,179	2,775,473	1,362,851
Culture and Recreation	35,474	29,649	324,723	50,848	35,737
Conservation and Development	292,838	-	-	-	-
Total Government Activities	16,830,075	13,407,159	13,377,343	13,691,598	12,368,063
Program Revenues	\$ 16,830,075	\$ 13,407,159	\$ 13,377,343	\$ 13,691,598	\$ 12,368,063

(Continued)

City of Waukesha
Table 2 (Continued)
Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses			
Governmental Activities			
General Government	\$ 7,715,578	\$ 8,756,841	\$ 9,342,928
Public Safety	30,189,386	28,903,936	29,700,290
Highways and Streets	13,433,437	16,737,532	15,098,057
Sanitation	2,334,667	2,463,240	2,709,694
Health and Human Services	-	-	67,530
Culture and Recreation	11,033,570	10,378,229	10,689,378
Conservation and Development	4,330,430	5,274,651	15,356,755
Interest and Fiscal Charges	3,733,260	4,143,242	4,072,365
Total Government Activities Expenses	<u>72,770,328</u>	<u>76,657,671</u>	<u>87,036,997</u>
Business - Type Activities			
Water Utility	\$ 6,889,948	\$ 7,063,897	\$ 6,739,396
Wastewater Utility	9,577,051	9,627,296	9,243,328
Transit System Utility	10,530,371	10,031,069	10,558,930
Parking Utility	894,062	929,691	984,468
Cemetery	716,414	713,019	701,913
Total Business - Type Activities	<u>28,607,846</u>	<u>28,364,972</u>	<u>28,228,035</u>
Total Primary Government Expenses	<u>\$ 101,378,174</u>	<u>\$ 105,022,643</u>	<u>\$ 115,265,032</u>
Program Revenues			
Governmental Activities			
General Government	\$ 526,568	\$ 1,205,679	\$ 1,457,308
Public Safety	2,855,147	1,974,351	2,184,436
Highways and Streets	512,726	1,198,782	1,591,773
Sanitation	41,977	11,152	18,262
Culture and Recreation	1,528,853	1,934,872	2,184,192
Conservation and Development	20	163,315	180,977
Interest and Fiscal Charges	-	-	-
Operating Grants and Contributions			
General Government	-	-	-
Public Safety	427,641	626,056	612,615
Highways and Streets	3,088,013	2,652,451	2,749,547
Sanitation	-	219,005	191,330
Culture and Recreation	1,725,963	1,230,736	1,214,912
Conservation and Development	474,843	-	-
Interest and Fiscal Charges	-	-	-
Capital Grants and Contributions			
Public Safety	4,867	114,683	10,483
Highways and Streets	1,563,697	316,682	2,523,067
Culture and Recreation	48,857	15,669	11,518
Conservation and Development	-	850,000	-
Total Government Activities Program Revenues	<u>\$ 12,799,172</u>	<u>\$ 12,513,433</u>	<u>\$ 14,930,420</u>

**City of Waukesha
Table 2 (Continued)
Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type Activities					
Charges for Services					
Water Utility	\$ 6,327,236	\$ 6,245,108	\$ 6,466,825	\$ 6,865,990	\$ 7,657,850
Wastewater Utility	9,554,699	9,492,288	9,707,092	9,131,030	9,138,257
Transit System Utility	635,159	1,575,164	1,594,018	1,733,448	1,805,058
Parking Utility	525,039	487,117	510,500	535,435	515,163
Cemetery	415,200	451,650	425,984	387,893	321,696
Operating Grants and Contributions					
Wastewater Utility	-	-	-	-	-
Transit System Utility	2,402,444	5,794,138	5,819,378	5,768,473	5,975,788
Cemetery	-	-	-	-	-
Capital Grants and Contributions					
Water Utility	1,562,884	2,266,395	2,882,232	2,354,473	2,873,605
Wastewater Utility	2,504,032	1,124,293	1,003,810	1,731,171	611,306
Transit System Utility	2,895,926	9,349,165	455,960	466,706	1,003,821
Parking Utility	1,164,569	879,624	-	-	-
Total Business-type Activities					
Program Revenues	<u>\$ 27,987,188</u>	<u>\$ 37,664,942</u>	<u>\$ 28,865,799</u>	<u>\$ 28,974,619</u>	<u>\$ 29,902,544</u>
Total Primary Government Program Revenues	<u>\$ 44,817,263</u>	<u>\$ 51,072,101</u>	<u>\$ 42,243,142</u>	<u>\$ 42,666,217</u>	<u>\$ 42,270,607</u>
Net (Expense) Revenue					
Government Activities	<u>\$ (41,125,164)</u>	<u>\$ (46,900,067)</u>	<u>\$ (46,065,211)</u>	<u>\$ (50,664,900)</u>	<u>\$ (57,216,120)</u>
Business-Type Activities	<u>\$ 9,305,890</u>	<u>\$ 14,034,285</u>	<u>\$ 4,572,079</u>	<u>\$ 3,432,934</u>	<u>\$ 2,624,398</u>
Total Primary Government Net Expense	<u>\$ (31,819,274)</u>	<u>\$ (32,865,782)</u>	<u>\$ (41,493,132)</u>	<u>\$ (47,231,966)</u>	<u>\$ (54,591,722)</u>
General Revenues and Other Changes in Net Assets					
Government Activities					
Property Taxes	\$ 37,409,133	\$ 38,696,030	\$ 41,364,912	\$ 42,552,959	\$ 44,976,412
Other Taxes	651,857	719,477	1,472,178	1,693,361	1,705,736
Intergovernmental Revenues Not Restricted For Specific Programs	5,009,441	3,123,420	2,738,815	3,856,858	4,553,754
Investment Income	1,251,266	612,283	1,280,326	2,287,480	2,649,936
Miscellaneous	70,630	716,295	553,179	5,355,421	322,612
Gain on Sale of Assets	-	-	65,291	204,991	165,884
Transfers	494,291	776,400	720,841	125,163	159,009
Total Governmental Activities	<u>\$ 44,886,618</u>	<u>\$ 44,643,905</u>	<u>\$ 48,195,542</u>	<u>\$ 56,076,233</u>	<u>\$ 54,533,343</u>
Business-Type Activities					
Property Taxes	\$ 770,503	\$ 734,287	\$ 1,135,106	\$ 885,484	\$ 1,028,530
Investment Income	227,210	269,690	382,032	887,994	968,586
Miscellaneous	816,375	(202,373)	30,671	35,126	96
Gain on Sale of Assets	-	-	-	-	-
Transfers	(494,291)	(776,400)	(720,841)	(125,163)	(159,009)
Total Business-Type Activities	<u>1,319,797</u>	<u>25,204</u>	<u>\$ 826,968</u>	<u>\$ 1,683,441</u>	<u>\$ 1,838,203</u>
Total Primary Government	<u>\$ 46,206,415</u>	<u>\$ 44,669,109</u>	<u>\$ 49,022,510</u>	<u>\$ 57,759,674</u>	<u>\$ 56,371,546</u>
Change in Net Assets					
Government Activities	\$ 3,761,454	\$ (2,256,162)	\$ 2,130,331	\$ 5,411,333	\$ (2,682,777)
Business-Type Activities	<u>\$ 10,625,687</u>	<u>\$ 14,059,489</u>	<u>\$ 5,399,047</u>	<u>\$ 5,116,375</u>	<u>\$ 4,462,601</u>
Total Primary Government Net Expense	<u>\$ 14,387,141</u>	<u>\$ 11,803,327</u>	<u>\$ 7,529,378</u>	<u>\$ 10,527,708</u>	<u>\$ 1,779,824</u>

(Continued)

**City of Waukesha
Table 2 (Continued)
Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year		
	2008	2009	2010
Business-type Activities			
Charges for Services			
Water Utility	\$ 7,948,314	\$ 8,301,523	\$ 8,893,173
Wastewater Utility	8,930,019	9,544,590	9,582,996
Transit System Utility	1,939,909	1,917,247	1,884,769
Parking Utility	496,504	699,123	658,252
Cemetery	418,272	545,209	399,956
Operating Grants and Contributions			
Wastewater Utility	21,419	-	-
Transit System Utility	6,244,561	5,258,616	6,419,809
Cemetery	1,285	-	-
Capital Grants and Contributions			
Water Utility	3,420,234	342,226	1,242,312
Wastewater Utility	1,286,810	-	333,803
Transit System Utility	1,078,665	158,384	-
Parking Utility	-	-	-
Total Business-type Activities			
Program Revenues	<u>\$ 31,785,992</u>	<u>\$ 26,766,918</u>	<u>\$ 29,415,070</u>
Total Primary Government Program Revenues	<u>\$ 44,585,164</u>	<u>\$ 39,280,351</u>	<u>\$ 44,345,490</u>
Net (Expense) Revenue			
Government Activities	\$ (59,971,156)	\$ (64,144,238)	\$ (72,106,577)
Business-Type Activities	<u>\$ 3,178,146</u>	<u>\$ (1,598,054)</u>	<u>\$ 1,187,035</u>
Total Primary Government Net Expense	<u>\$ (56,793,010)</u>	<u>\$ (65,742,292)</u>	<u>\$ (70,919,542)</u>
General Revenues and Other Changes in Net Assets			
Government Activities			
Property Taxes	\$ 47,448,481	\$ 50,124,296	\$ 53,220,732
Other Taxes	1,831,921	1,612,652	1,704,469
Intergovernmental Revenues Not Restricted For Specific Programs	4,951,903	5,673,564	5,096,020
Investment Income	666,365	733,155	638,108
Miscellaneous	417,021	125,940	147,281
Gain on Sale of Assets	101,903	-	-
Transfers	321,389	264,483	640,003
Total Governmental Activities	<u>\$ 55,738,983</u>	<u>\$ 58,534,090</u>	<u>\$ 61,446,613</u>
Business-Type Activities			
Property Taxes	\$ 1,415,730	\$ 1,798,409	\$ 2,032,767
Investment Income	539,293	134,914	91,227
Miscellaneous	9,713	1,213	18,901
Gain on Sale of Assets	-	-	-
Transfers	(321,389)	(264,483)	(640,003)
Total Business-Type Activities	<u>\$ 1,643,347</u>	<u>\$ 1,670,053</u>	<u>\$ 1,502,892</u>
Total Primary Government	<u>\$ 57,382,330</u>	<u>\$ 60,204,143</u>	<u>\$ 62,949,505</u>
Change in Net Assets			
Government Activities	\$ (4,232,173)	\$ (5,610,148)	\$ (10,659,964)
Business-Type Activities	<u>\$ 4,821,493</u>	<u>\$ 71,999</u>	<u>\$ 2,689,927</u>
Total Primary Government Net Expense	<u>\$ 589,320</u>	<u>\$ (5,538,149)</u>	<u>\$ (7,970,037)</u>

Source: City of Waukesha Comprehensive Annual Financial Reports and Financial Statements

Note: The City implemented GASB 34 as of and for the year ended December 31, 2003.

Accordingly, data prior to 2003 is not available.

City of Waukesha
Table 3
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 570,266	\$ 251,143	\$ 197,180	\$ 255,082	\$ 252,798
Unreserved and Designated, Reported In					
General Fund	19,879	-	-	-	-
Special Projects Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unreserved and Undesignated, Reported In					
General Fund	4,264,055	4,367,103	4,569,023	5,331,916	8,547,185
Special Projects Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Total General Fund	<u>\$ 4,854,200</u>	<u>\$ 4,618,246</u>	<u>\$ 4,766,203</u>	<u>\$ 5,586,998</u>	<u>\$ 8,799,983</u>
All Other Governmental Funds					
Reserved (1)	\$ 24,531,627	\$ 8,862,429	\$ 8,102,088	\$ 8,238,898	\$ 8,398,560
Unreserved and Designated, Reported In					
Special Revenue Funds	421,709	-	-	-	-
Capital Projects Funds	4,989,509	-	-	-	-
Unreserved and Undesignated, Reported In					
Debt Service Fund	-	-	-	-	-
Special Revenue Funds	(115,221)	1,177,254	795,922	663,729	858,653
Capital Projects Funds	(1,801,890)	3,299,705	3,453,077	8,478,380	5,849,216
Total All Other Governmental Funds	<u>\$ 28,025,734</u>	<u>\$ 13,339,388</u>	<u>\$ 12,351,087</u>	<u>\$ 17,381,007</u>	<u>\$ 15,106,429</u>
Total Fund Balances - Governmental Funds	<u>\$ 32,879,934</u>	<u>\$ 17,957,634</u>	<u>\$ 17,117,290</u>	<u>\$ 22,968,005</u>	<u>\$ 23,906,412</u>

Source: City of Waukesha Comprehensive Annual Financial Reports and Financial Statements

Note: The City implemented GASB 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

(1) All Other Governmental Funds 2003 Reserved Fund Balance includes Defeased Debt; Due to an Accounting Change 2004 through 2010 do not include Defeased Debt

**City of Waukesha
Table 3 (Continued)
Fund Balances of Governmental Funds
Last Eight Years
(Accrual Basis of Accounting)**

	Fiscal Year		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund			
Reserved	\$ 263,367	\$ 361,226	\$ 254,282
Unreserved and Designated, Reported In			
General Fund	-	229,530	107,107
Special Projects Funds	-	-	-
Capital Projects Funds	-	-	-
Unreserved and Undesignated, Reported In			
General Fund	8,597,415	9,387,584	11,432,163
Special Projects Funds	-	-	-
Capital Projects Funds	-	-	-
Total General Fund	<u>\$ 8,860,782</u>	<u>\$ 9,978,340</u>	<u>\$ 11,793,552</u>
All Other Governmental Funds			
Reserved (1)	\$ 7,472,697	\$ 8,072,639	\$ 13,109,177
Unreserved and Designated, Reported In			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unreserved and Undesignated, Reported In			
Debt Service Fund	-	(229,530)	-
Special Revenue Funds	1,228,973	737,376	458,618
Capital Projects Funds	8,563,515	3,810,534	2,637,083
Total All Other Governmental Funds	<u>\$ 17,265,185</u>	<u>\$ 12,391,019</u>	<u>\$ 16,204,878</u>
Total Fund Balances - Governmental Funds	<u>\$ 26,125,967</u>	<u>\$ 22,369,359</u>	<u>\$ 27,998,430</u>

City of Waukesha
Table 4
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2001	2002	2003	2004	2005
REVENUES					
Taxes	33,284,976	37,042,669	38,060,990	39,415,507	42,205,920
Intergovernmental	9,603,877	10,107,805	9,976,038	9,816,714	9,731,619
Licenses and Permits	1,886,740	1,565,992	1,811,415	1,952,927	2,219,627
Fines, Forfeitures and Penalties	701,700	675,871	559,444	629,834	1,288,192
Public Charges for Services	1,662,270	2,368,102	2,592,655	3,561,051	2,999,948
Interdepartment Charges	1,420,812	1,446,362	1,879,999	1,692,263	1,143,504
Special Assessments	183,770	311,792	174,736	219,283	205,392
Investment Income	1,915,787	1,263,083	1,251,264	612,283	1,280,324
Miscellaneous	1,330,185	317,829	750,934	367,780	265,538
Total Revenues	51,990,117	55,099,505	57,057,475	58,267,642	61,340,064
EXPENDITURES					
Current					
General Government	7,193,923	6,337,653	6,266,880	6,573,408	6,599,033
Public Safety	19,664,169	21,398,048	21,874,357	22,853,636	23,619,054
Highways and Streets	7,052,892	7,427,007	7,507,712	7,625,220	7,404,333
Sanitation	1,649,266	1,731,046	1,811,016	1,958,663	1,960,635
Culture And Recreation	6,552,683	7,072,111	7,408,298	7,846,388	9,285,514
Conservation and Development	0	587,393	2,964,506	679,170	723,489
Community Development	441,836	0	0	0	0
Capital Outlay	14,543,061	11,904,125	9,782,773	17,899,709	19,252,583
Debt Service					
Principal	7,681,084	5,611,747	12,840,102	11,559,531	5,389,115
Interest and Fiscal Charges	2,596,248	3,098,889	3,322,552	2,643,733	3,059,795
Other	0	0	113,201	0	0
Total Expenditures	67,375,162	65,168,019	73,891,397	79,639,458	77,293,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,385,045)	(10,068,514)	(16,833,922)	(21,371,816)	(15,953,487)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	24,921,055	14,000,000	15,140,000	31,565,174	19,760,546
Refunding Bonds Issued	0	0	0	0	0
Premium on Bonds	109,764	93,062	78,621	1,080,956	203,943
Principal Retirement	0	0	0	0	0
Payment to Refunding Escrow Agent	0	0	0	(18,884,788)	(5,641,882)
Discount and Issuance Costs	(97,035)	(91,147)	(48,361)	0	0
Sale of City Property	432,425	111,301	366,564	91,638	116,786
Refunds to Other Districts	0	0	0	0	0
Transfers In	2,954,874	1,655,723	2,042,894	2,309,302	3,173,944
Transfers Out	(3,040,668)	(1,941,766)	(1,610,701)	(1,932,052)	(2,500,194)
Total Other Financing Sources (Uses)	25,280,415	13,827,173	15,969,017	14,230,230	15,113,143
NET CHANGES IN FUND BALANCE	9,895,370	3,758,659	(864,905)	(7,141,586)	(840,344)
Debt Service As A Percentage of Noncapital Expenditures	19.453%	16.354%	26.474%	21.506%	14.554%

Note: 2001 Long-Term Debt Issued total of \$24,921,055 includes net proceeds of \$12,800,854 to the debt service fund to advance refund \$12,580,000 of outstanding bonds and notes and net proceeds of \$4,240,249 on behalf of the Water Utility to advance refund \$4,205,000 of outstanding bonds

(Continued)

Source: City of Waukesha Comprehensive Annual Financial Reports and Financial Statements

City of Waukesha
Table 4
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
REVENUES					
Taxes	43,030,745	45,862,444	48,465,894	50,930,966	54,042,286
Intergovernmental	9,477,774	9,630,351	10,093,884	11,537,000	10,481,014
Licenses and Permits	2,041,650	1,700,404	1,932,918	1,714,949	1,711,763
Fines, Forfeitures and Penalties	763,981	807,893	652,839	603,643	717,453
Public Charges for Services	3,557,417	4,112,151	3,776,514	3,738,910	4,677,833
Interdepartment Charges	1,063,537	792,952	862,484	1,153,811	1,114,075
Special Assessments	200,453	159,536	143,770	114,420	103,324
Investment Income	2,287,133	2,650,342	666,364	734,567	638,106
Miscellaneous	5,802,323	661,962	986,893	445,368	493,726
Total Revenues	68,225,013	66,378,035	67,581,560	70,973,634	73,979,580
EXPENDITURES					
Current					
General Government	7,182,305	7,928,148	7,597,885	7,558,132	8,083,565
Public Safety	24,805,391	26,324,946	27,251,549	27,432,912	28,131,172
Highways and Streets	7,565,959	8,206,322	8,679,759	8,175,127	8,210,419
Sanitation	2,070,610	2,111,547	2,334,667	2,487,773	2,910,816
Culture And Recreation	9,177,156	9,451,167	9,705,206	9,560,819	9,818,465
Conservation and Development	273,192	1,997,933	370,640	394,962	299,427
Community Development	0	0	0	0	0
Capital Outlay	14,076,164	9,263,605	13,911,652	13,065,183	22,723,981
Debt Service					
Principal	4,822,981	11,338,804	6,681,918	9,372,419	8,152,131
Interest and Fiscal Charges	3,636,320	3,734,215	4,026,746	4,168,616	5,138,415
Other	0	0	0	0	0
Total Expenditures	73,610,078	80,356,687	80,560,022	82,215,943	93,468,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,385,065)	(13,978,652)	(12,978,462)	(11,242,309)	(19,488,811)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	20,740,000	15,640,000	14,826,289	13,375,854	19,120,456
Refunding Bonds Issued	0	0	0	0	24,116,578
Premium on Bonds	231,076	188,575	61,678	150,402	314,826
Principal Retirement	0	0	0	0	(1,575,000)
Payment to Refunding Escrow Agent	(9,900,000)	0	0	(6,257,625)	(17,690,446)
Discount and Issuance Costs	0	0	0	0	0
Sale of City Property	75,822	165,884	101,903	75,585	191,464
Refunds to Other Districts	0	0	0	0	0
Transfers In	1,329,498	3,913,848	1,714,240	2,052,268	2,848,157
Transfers Out	(1,240,616)	(4,991,248)	(1,506,093)	(1,910,783)	(2,208,153)
Total Other Financing Sources (Uses)	11,235,780	14,917,059	15,198,017	7,485,701	25,117,882
NET CHANGES IN FUND BALANCE	5,850,715	938,407	2,219,555	(3,756,608)	5,629,071
Debt Service As A Percentage of Noncapital Expenditures	14.477%	20.753%	14.612%	19.582%	18.787%

City of Waukesha
Table 5
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Totals Reported Net of Tax-Exempt Property

Fiscal Year Ended December 31	Real Property					Total Real Property
	Total Assessed Valuation Residential	Total Assessed Valuation Commercial	Total Assessed Valuation Manufacturing	Total Assessed Valuation Agriculture	Total Assessed Valuation Other	
2001***	2,495,121,500	942,609,100	185,963,500	156,900	364,000	3,624,215,000
2002	2,569,279,850	943,445,300	192,793,300	149,600	749,000	3,706,417,050
2003	2,638,855,600	980,314,600	188,830,100	65,800	339,600	3,808,405,700
2004	2,707,433,720	997,786,800	179,360,800	67,100	599,800	3,885,248,220
2005***	3,600,583,400	1,283,659,500	216,966,500	96,000	815,600	5,102,121,000
2006	3,713,641,700	1,294,564,500	202,341,900	29,800	498,300	5,211,076,200
2007	3,814,561,300	1,296,502,500	203,246,700	60,900	369,000	5,314,740,400
2008	3,879,356,700	1,360,748,400	203,175,900	150,600	1,399,200	5,444,830,800
2009***	3,968,780,200	1,507,853,600	205,310,900	152,100	1,345,500	5,683,442,300
2010	3,973,498,300	1,533,283,700	213,074,300	164,100	1,252,500	5,721,272,900

Source: Wisconsin Department of revenue, Bureau of Property Tax

*** Indicates Reassessment

a) - Per \$1,000 of Assessed Valuation

Total Personal Property	Total Direct City Tax Rate (a)	Total Taxable Assessed Valuation	Estimated Actual Value of Taxable Property	Ratio
128,354,490	\$9.13	3,752,569,490	3,785,717,900	99.078%
128,371,550	\$9.45	3,834,788,600	4,093,368,800	93.680%
130,034,540	\$9.67	3,938,440,240	4,453,065,000	88.440%
121,464,420	\$10.26	4,006,712,640	4,828,733,700	82.980%
142,345,430	\$8.16	5,244,466,430	5,256,579,000	99.770%
140,119,930	\$8.41	5,351,196,130	5,716,891,600	93.600%
141,713,110	\$8.73	5,456,453,510	5,975,769,600	91.310%
159,971,310	\$8.83	5,604,802,110	6,223,441,200	90.060%
196,672,260	\$8.95	5,880,114,560	6,102,122,700	96.360%
204,039,680	\$8.94	5,925,312,580	5,904,933,100	100.350%

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**City of Waukesha
Table 6
Property Tax Rates
Direct and Overlapping Governments
Rate Per \$1,000 of Assessed Valuation
Last Ten Fiscal Years**

City of Waukesha Direct Rates

Fiscal Year	Basic Rate	Debt Service Rate 1	Transit Tax Rate	Total City Tax Rate
2001**	7.66	1.29	0.18	9.13
2002	8.05	1.19	0.21	9.45
2003	8.04	1.41	0.22	9.67
2004	8.66	1.36	0.24	10.26
2005**	6.70	1.27	0.19	8.16
2006	6.82	1.39	0.20	8.41
2007	6.96	1.53	0.24	8.73
2008	6.97	1.62	0.24	8.83
2009**	7.01	1.72	0.22	8.95
2010	7.04	1.67	0.23	8.94

Overlapping Rates 2

Fiscal Year	Total City Tax Rate	Total State Tax Rate	Total School Tax Rate	Total County Tax Rate	Total Technical College Tax Rate	Total State Tax Credit Rate	Total Direct & Overlapping Rates
2001**	9.13	0.20	10.37	2.44	1.47	(1.57)	22.04
2002	9.45	0.21	10.04	2.47	1.50	(1.50)	22.17
2003	9.67	0.23	10.44	2.50	1.51	(1.43)	22.92
2004	10.26	0.24	10.77	2.54	1.52	(1.39)	23.94
2005**	8.16	0.19	7.80	1.97	1.17	(1.04)	18.25
2006	8.41	0.19	8.31	1.96	1.19	(1.28)	18.78
2007	8.73	0.19	8.76	1.95	1.19	(1.40)	19.42
2008	8.83	0.19	8.98	1.99	1.23	(1.52)	19.70
2009**	8.95	0.18	9.30	1.94	1.20	(1.46)	20.11
2010	8.94	0.17	9.31	1.96	1.23	(1.46)	20.15

** Reassessment Year

Source: City of Waukesha Treasurer

1 Rates for debt service are set based on each year's requirements.

2 Overlapping rates are those of state, schools and county governments that apply to property owners in the City of Waukesha.

**City of Waukesha
Table 7
Principal Taxpayers
Current Year and Nine Years Ago
December 31, 2010**

		2010			
<u>Taxpayer</u>	<u>Type of Business</u>	Taxable Assessed Value	Equalized Valuation	Rank	Percentage of Total Taxable Assessed Value
Harmony Homes	Real Estate, Apartments	95,316,080	94,983,637	1	1.61%
General Electric Company	Medical Equipment	62,048,600	61,832,187	2	1.05%
Bielinski Development, Inc.	Apartments	50,276,210	50,100,857	3	0.85%
Thomas Thomson	Real Estate, Apartments	43,841,260	43,688,351	4	0.74%
Waukesha Memorial Hospital	Medical Facility	39,268,940	39,131,978	5	0.66%
Huelsman Properties	Real Estate, Apartments	31,282,200	31,173,094	6	0.53%
Westgrove Woods LLP, Sunburst III	Real Estate, Apartments	27,641,340	27,544,933	7	0.47%
HCRI Wisconsin Properties LLC (Life Care Hospital)	Medical Facility	25,354,100	25,265,670	8	0.43%
CIP Equity LLC (Country Springs Inn)	Hotel and Conference Center	24,836,850	24,750,224	9	0.42%
Moreland Medical Building	Medical Facility	23,255,520	23,174,410	10	0.39%
Fleming Companies	Food Wholesale Distrib.				
The Laureate Group, Incorporated	Real Estate, Apartments				
Sunburst III Limited Partnership	Real Estate, Apartments				
Cooper / RTE Industries	Manufacturers of Power Transformers				
Pebble Valley Housing Partners, Inc.	Apartments				
Dresser Industries	Foundry				
		423,121,100	421,645,341		

Source: City of Waukesha Assessor

2001

Taxable Assessed Value	Equalized Valuation	Rank	Percentage of Total Taxable Assessed Value
65,180,950	65,792,823	1	1.74%
41,915,000	42,308,469	3	1.12%
46,500,380	46,936,893	2	1.24%
24,107,900	24,334,208	4	0.64%
23,793,750	24,017,109	5	0.63%
19,231,350	19,411,880	7	0.51%
20,100,910	20,289,603	6	0.54%
19,073,100	19,252,145	8	0.51%
12,601,120	12,719,411	9	0.34%
12,518,700	12,636,217	10	0.33%
<hr/> 285,023,160	<hr/> 287,698,758		

City of Waukesha
Table 8
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended December 31	Total Tax To Fund Current Year	Tax Increment Collections	Total Tax Levy	Collected Within Current Year	
				Amount Collected Prior to August Settlement	Percentage of Levy
2001	33,137,492	2,889,064	36,026,556	35,613,588	98.854%
2002	35,035,895	2,958,372	37,994,267	37,493,713	98.683%
2003	37,108,216	2,462,049	39,570,265	39,172,678	98.995%
2004	40,017,560	2,638,422	42,655,982	42,318,983	99.210%
2005	42,110,616	1,594,868	43,705,484	43,217,913	98.884%
2006	44,245,011	1,850,530	46,095,541	45,478,397	98.661%
2007	46,760,293	2,142,851	48,903,144	48,093,885	98.345%
2008	48,303,161	2,839,627	51,142,788	50,363,652	98.477%
2009	51,405,434	2,990,376	54,395,810	53,520,674	98.391%
2010	51,405,434	3,711,422	55,116,856	In Process of Collection	

(1) On or before August 15 of each year, Waukesha County pays the City for all delinquent Real Estate taxes, including the City portion and assumes collection

Subsequent Collections		Total Collections to Date	
County Settlement (1)	Collections in Subsequent Years	Amount	Percentage of Levy
370,749	22,290	36,006,627	99.945%
474,703	15,981	37,984,397	99.974%
370,922	13,255	39,556,855	99.966%
312,660	10,591	42,642,234	99.968%
459,597	16,484	43,693,994	99.974%
584,583	19,682	46,082,662	99.972%
773,875	15,266	48,883,026	99.959%
738,806	21,268	51,123,726	99.963%
835,591	15,048	54,371,313	99.955%

CITY OF WAUKESHA

TABLE 9
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	Year Created	2001	2002	2003	2004	2005
TID #4 Equalized Valuation	1983					
Base		16,450,800	16,450,800	16,450,800	16,450,800	
Yearly Value		47,737,300	48,085,100	49,888,400	51,232,200	
Increment		31,286,500	31,634,300	33,437,600	34,781,400	
Total TID #4		31,286,500	31,634,300	33,437,600	34,781,400	0
TID #7 Equalized Valuation	1989					
Base		21,380,800	21,380,800	21,380,800	21,380,800	21,380,800
Yearly Value		44,699,500	45,676,100	46,877,100	48,131,900	50,339,600
Increment		23,318,700	24,295,300	25,496,300	26,751,100	28,958,800
Total TID #7		23,318,700	24,295,300	25,496,300	26,751,100	28,958,800
TID #8 Equalized Valuation	1989					
Base		4,260,200	4,260,200			
Yearly Value		39,863,600	43,032,200			
Increment		35,603,400	38,772,000			
Total TID #8		35,603,400	38,772,000	0	0	0
TID #9 Equalized Valuation	1994					
Base		2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
Yearly Value		6,623,700	10,097,400	12,373,200	13,644,100	14,609,800
Increment		4,598,400	8,072,100	10,347,900	11,618,800	12,584,500
Total TID #9		4,598,400	8,072,100	10,347,900	11,618,800	12,584,500
TID #10 Equalized Valuation	1994					
Base		3,195,800	3,195,800	3,195,800	3,195,800	
Yearly Value		18,565,200	19,171,300	20,857,400	21,602,900	
Increment		15,369,400	15,975,500	17,661,600	18,407,100	
Total TID #10		15,369,400	15,975,500	17,661,600	18,407,100	0
TID #11 Equalized Valuation	1997					
Base		37,524,600	37,524,600	37,524,600	37,524,600	37,524,600
Yearly Value		51,859,100	53,282,100	61,190,300	66,540,400	68,451,800
Increment		14,334,500	15,757,500	23,665,700	29,015,800	30,927,200
Total TID #11		14,334,500	15,757,500	23,665,700	29,015,800	30,927,200
TID #12 Equalized Valuation	2001					
Base			107,700	107,700	107,700	107,700
Yearly Value			483,500	4,948,400	6,206,800	7,692,700
Increment			375,800	4,840,700	6,099,100	7,585,000
Total TID #12		0	375,800	4,840,700	6,099,100	7,585,000
TID #13 Equalized Valuation	2003					
Base					481,800	481,800
Yearly Value					323,400	2,452,100
Increment					0	1,970,300
Total TID #13		0	0	0	0	1,970,300
TID #14 Equalized Valuation	2003					
Base					1,898,300	1,898,300
Yearly Value					1,955,200	3,554,700
Increment					56,900	1,656,400
Total TID #14		0	0	0	56,900	1,656,400
TID #15 Equalized Valuation	2006					
Base						
Yearly Value						
Increment						
Total TID #15		0	0	0	0	0

CITY OF WAUKESHA

TABLE 9 (CONTINUED)
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
TID #4 Equalized Valuation					
Base					
Yearly Value					
Increment					
Total TID #4	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TID #7 Equalized Valuation					
Base	21,380,800	21,380,800	21,380,800	21,380,800	21,380,800
Yearly Value	52,226,500	53,627,900	55,919,300	55,253,100	58,835,300
Increment	30,845,700	32,247,100	34,538,500	33,872,300	37,454,500
Total TID #7	<u>30,845,700</u>	<u>32,247,100</u>	<u>34,538,500</u>	<u>33,872,300</u>	<u>37,454,500</u>
TID #8 Equalized Valuation					
Base					
Yearly Value					
Increment					
Total TID #8	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TID #9 Equalized Valuation					
Base	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
Yearly Value	15,552,200	17,035,700	17,074,500	16,508,200	15,673,700
Increment	13,526,900	15,010,400	15,049,200	14,482,900	13,648,400
Total TID #9	<u>13,526,900</u>	<u>15,010,400</u>	<u>15,049,200</u>	<u>14,482,900</u>	<u>13,648,400</u>
TID #10 Equalized Valuation					
Base					
Yearly Value					
Increment					
Total TID #10	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TID #11 Equalized Valuation					
Base	37,524,600	37,524,600	37,524,600	37,524,600	37,524,600
Yearly Value	74,061,700	80,655,400	86,563,700	95,177,200	88,429,100
Increment	36,537,100	43,130,800	49,039,100	57,652,600	50,904,500
Total TID #11	<u>36,537,100</u>	<u>43,130,800</u>	<u>49,039,100</u>	<u>57,652,600</u>	<u>50,904,500</u>
TID #12 Equalized Valuation					
Base	107,700	107,700	107,700	107,700	107,700
Yearly Value	13,533,900	14,709,100	17,829,400	18,256,500	15,111,100
Increment	13,426,200	14,601,400	17,721,700	18,148,800	15,003,400
Total TID #12	<u>13,426,200</u>	<u>14,601,400</u>	<u>17,721,700</u>	<u>18,148,800</u>	<u>15,003,400</u>
TID #13 Equalized Valuation					
Base	481,800	481,800	481,800	481,800	481,800
Yearly Value	2,944,800	2,961,100	3,070,500	2,898,400	4,852,600
Increment	2,463,000	2,479,300	2,588,700	2,416,600	4,370,800
Total TID #13	<u>2,463,000</u>	<u>2,479,300</u>	<u>2,588,700</u>	<u>2,416,600</u>	<u>4,370,800</u>
TID #14 Equalized Valuation					
Base	1,898,300	1,898,300	1,898,300	10,959,100	10,959,100
Yearly Value	4,607,900	4,750,600	6,412,700	16,275,200	52,580,300
Increment	2,709,600	2,852,300	4,514,400	5,316,100	41,621,200
Total TID #14	<u>2,709,600</u>	<u>2,852,300</u>	<u>4,514,400</u>	<u>5,316,100</u>	<u>41,621,200</u>
TID #15 Equalized Valuation					
Base		4,068,300	4,068,300		
Yearly Value		7,467,500	29,578,200		
Increment		3,399,200	25,509,900		
Total TID #15	<u>0</u>	<u>3,399,200</u>	<u>25,509,900</u>	<u>0</u>	<u>0</u>

CITY OF WAUKESHA

TABLE 9
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	Year Created	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
TID #16 Equalized Valuation	2007					
Base						
Yearly Value						
Increment						
Total TID #16		0	0	0	0	0
TID #17 Equalized Valuation	2007					
Base						
Yearly Value						
Increment						
Total TID #17		0	0	0	0	0
TID #18 Equalized Valuation	2009					
Base						
Yearly Value						
Increment						
Total TID #18		0	0	0	0	0
ALL PROPERTY						
All Property Without TIDs		3,576,369,500	3,873,541,100	4,256,930,200	4,618,938,400	5,109,478,300
Base Valuation - TIDs		84,837,500	84,945,200	80,685,000	83,065,100	63,418,500
All Property Without TID Increment		3,661,207,000	3,958,486,300	4,337,615,200	4,702,003,500	5,172,896,800
Increment Valuation - TIDs (A)		124,510,900	134,882,500	115,449,800	126,730,200	83,682,200
Equalized Valuation - All Property		3,785,717,900	4,093,368,800	4,453,065,000	4,828,733,700	5,256,579,000

A) - Omits TIF 16 which has a negative increment

Note: The City closed TIF #8 in May 2003

Note: The City dissolved TIF #4 and #10 in 2005

Note: The City closed TIF #15 in May 5, 2009

Note: TIF 14 Amended March 2008 To Expand Boundaries

Source: Wisconsin Department of Revenue Equalization Section

CITY OF WAUKESHA

TABLE 9 (CONTINUED)
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
TID #16 Equalized Valuation					
Base			51,142,800	51,142,800	51,142,800
Yearly Value			47,289,700	46,208,300	41,741,200
Increment			(3,853,100)	(4,934,500)	(9,401,600)
Total TID #16	0	0	(3,853,100)	(4,934,500)	(9,401,600)
TID #17 Equalized Valuation					
Base			58,492,900	58,492,900	58,492,900
Yearly Value			59,505,700	71,640,200	63,255,600
Increment			1,012,800	13,147,300	4,762,700
Total TID #17	0	0	1,012,800	13,147,300	4,762,700
TID #18 Equalized Valuation					
Base					704,300
Yearly Value					5,469,300
Increment					4,765,000
Total TID #18	0	0	0	0	4,765,000
ALL PROPERTY					
All Property Without TIDs	5,553,964,600	5,794,562,300	5,896,344,400	5,774,971,100	5,549,583,300
Base Valuation - TIDs	63,418,500	67,486,800	177,122,500	182,115,000	182,819,300
All Property Without TID Increment	5,617,383,100	5,862,049,100	6,073,466,900	5,957,086,100	5,732,402,600
Increment Valuation - TIDs (A)	99,508,500	113,720,500	149,974,300	145,036,600	172,530,500
Equalized Valuation - All Property	5,716,891,600	5,975,769,600	6,223,441,200	6,102,122,700	5,904,933,100

City of Waukesha
Table 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business Type Activities					Total Primary Government	Percentage of Debt to Personal Income (1)	Per Capita
	General Obligation Debt	Bond & Note Anticipation Notes	General Obligation Debt	Bond & Note Anticipation Notes	WasteWater Enterprise Fund Revenue Bonds	Water Utility Enterprise Fund Revenue Bonds	Cemetery Revenue Bonds			
2001	61,438,928		2,898,728		26,559,350	5,910,000		96,807,006	3.90%	1,481.95
2002	69,827,181		2,594,622		23,945,597	5,215,000		101,582,400	4.05%	1,533.62
2003	53,982,079	18,145,000	2,245,231	4,345,000	21,709,835	4,490,000		104,917,145	4.05%	1,570.45
2004	68,395,821	1,875,000	6,495,350	0	19,378,114	3,860,000		100,004,285	3.54%	1,496.71
2005	67,784,859	10,775,000	6,061,023	0	16,946,315	3,195,000		104,762,197	3.38%	1,550.20
2006	78,836,878	5,740,000	5,540,855		14,410,144	10,375,000		114,902,877	3.24%	1,695.98
2007	87,073,075	1,805,000	5,029,695		11,765,120	9,740,000		115,412,890	2.91%	1,700.25
2008	86,582,446	10,440,000	4,578,599		9,006,571	14,025,000		124,632,616	3.23%	1,832.02
2009	92,418,454	2,530,000	6,141,602		6,129,626	13,225,000		120,444,682	3.35%	1,750.65
2010	106,282,009	2,530,000	8,512,805		3,129,201	12,305,000		132,759,015	*	1,921.26

* Information Not Yet Available

Sources:

City of Waukesha Comprehensive Annual Financial Reports and Financial Statements
Demographic Services Center, Wisconsin Department of Administration

(1) Personal Income Shown in Table 15

City of Waukesha

**Table 11
Ratios of General Bonded Debt Outstanding To Equalized Valuation
And Debt Per Capita
Last Ten Fiscal Years**

Fiscal Year	General Obligation Debt	Less: Amounts Available in Debt Service Fund	Total	Equalized Valuation (TID Out)	Percentage of Estimated Actual Taxable Value of Property	Population (1)	Per Capita
2001	64,337,656	2,127,718	62,209,938	3,661,207,000	1.699%	65,324	952.33
2002	72,421,803	2,568,354	69,853,449	3,958,486,300	1.765%	66,237	1,054.60
2003	56,227,310	1,835,466	54,391,844	4,337,615,200	1.254%	66,807	814.16
2004	74,891,171	1,738,134	73,153,037	4,702,003,500	1.556%	66,816	1,094.84
2005	73,845,882	1,312,199	72,533,683	5,172,896,800	1.402%	67,580	1,073.30
2006	84,377,733	1,089,976	83,287,757	5,617,383,100	1.483%	67,750	1,229.34
2007	92,102,770	1,127,450	90,975,320	5,862,049,100	1.552%	67,880	1,340.24
2008	91,161,045	956,413	90,204,632	6,073,466,900	1.485%	68,030	1,325.95
2009	98,560,056	565,762	97,994,294	5,957,086,100	1.645%	68,800	1,424.34
2010	114,794,814	5,439,329	109,355,485	5,732,402,600	1.908%	69,100	1,582.57

Sources:

(1) Demographic Services Center, Wisconsin Department of Administration

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City of Waukesha
Table 12
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding as of December 31, 2010</u>	<u>Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Waukesha County Technical College District	32,620,000	11.326052%	3,694,558
Waukesha County	69,681,551	11.595000%	8,079,576
Waukesha School District	<u>24,070,000</u>	62.035390%	<u>14,931,918</u>
Subtotals	<u>126,371,551</u>		<u>26,706,052</u>
City of Waukesha Direct Debt			<u>108,812,009</u>
Total Direct and Overlapping Debt			162,224,114

Source:

Waukesha County Debt - Per Response to Survey Dated 05/18/11

Waukesha County Technical College Debt - Per Response to Survey Dated 05/18/11

Waukesha School District Debt - Per Department of Public Instruction

(1) Equalized Valuation Percentages - Per Wisconsin Department of Revenue

Note: Waukesha County Debt Outstanding is net of available assets in the debt service fund for the payment of principal

City of Waukesha
Table 13
Legal Debt Margin Information
Last Ten Fiscal Years

	2001	2002	2003	2004
Debt Limit	\$ 189,285,895	\$ 204,668,440	\$ 222,653,250	\$ 241,436,685
Debt Applicable to Limit	64,337,656	72,421,803	56,227,310	74,891,171
Less Amount Available for Financing				
General Obligation Debt - Debt Service Fund	2,127,718	2,568,354	1,835,466	1,738,134
Outstanding General Obligation Debt				
Applicable to Debt Limitation	62,209,938	69,853,449	54,391,844	73,153,037
Legal Debt Margin	127,075,957	134,814,991	168,261,406	168,283,648
Total net debt applicable to the limit				
as a percentage of debt limit	32.866%	34.130%	24.429%	30.299%
Equalized valuation as Certified by				
Wisconsin Department of Revenue (TID in)	3,785,717,900	4,093,368,800	4,453,065,000	4,828,733,700
Legal Debt percentage Allowed	5.00%	5.00%	5.00%	5.00%
Legal Debt Limit	189,285,895	204,668,440	222,653,250	241,436,685
Ratio	99.078%	93.680%	88.440%	82.980%

**City of Waukesha
Table 13 (Continued)
Legal Debt Margin Information
Last Ten Fiscal Years**

2005	2006	2007	2008	2009	2010
\$ 262,828,950	\$ 285,844,580	\$ 298,788,480	\$ 311,172,060	\$ 321,216,990	\$ 295,246,655
73,845,882	84,377,733	92,102,770	91,161,045	98,560,056	117,324,814
1,312,199	1,089,976	1,127,450	956,413	565,762	5,439,329
72,533,683	83,287,757	90,975,320	90,204,632	97,994,294	111,885,485
190,295,267	202,556,823	207,813,160	220,967,428	223,222,696	183,361,170
27.597%	29.137%	30.448%	28.989%	30.507%	37.896%
5,256,579,000	5,716,891,600	5,975,769,600	6,223,441,200	6,102,122,700	5,904,933,100
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
262,828,950	285,844,580	298,788,480	311,172,060	305,106,135	295,246,655
99.770%	93.600%	91.310%	90.060%	96.360%	100.350%

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Value	5,904,933,100
Debt Limit (5% of Equalized Valuation (TID in)	295,246,655
Total Outstanding General Obligation Debt Applicable to Debt Limitation	117,324,814
Less Amount Available for Financing General Obligation Debt	(5,439,329)
Net Outstanding General Obligation Debt Applicable to Debt Limitation	111,885,485
Legal Debt Margin For New Debt	183,361,170

**City of Waukesha
Table 14
Pledged-Revenue Coverage
Last Ten Years**

Fiscal Year	Wastewater Revenue Bonds				Debt Service		
	Wastewater Charges and Other	Investment Income	Less Operating Expenditures Excluding Depreciation	Net Available Revenue	Principal	Interest	Coverage
2001	\$ 7,706,757	506,978	4,410,058	3,803,677	2,530,529	1,199,004	101.9880%
2002	9,466,572	409,847	4,527,449	5,348,970	2,613,752	1,085,500	144.5960%
2003	9,554,699	151,564	4,769,857	4,936,406	2,235,762	979,766	153.5177%
2004	9,492,288	185,872	5,293,156	4,385,004	2,331,721	881,747	136.4570%
2005	9,707,092	230,295	5,207,444	4,729,943	2,431,799	779,522	147.2896%
2006	9,131,030	431,502	5,819,214	3,743,318	2,536,172	672,910	116.6477%
2007	9,138,257	563,009	6,544,621	3,156,645	2,645,024	561,721	98.4377%
2008	8,930,019	357,679	6,582,065	2,705,633	2,758,548	445,760	84.4373%
2009	9,551,613	102,690	6,834,003	2,820,300	2,876,945	324,823	88.0857%
2010	9,587,944	78,146	6,556,660	3,109,430	3,000,424	198,695	97.1964%

**City of Waukesha
Table 14 (Continued)
Pledged-Revenue Coverage
Last Ten Years**

Water Utility Revenue Bonds				Debt Service		
Charges and Other	Investment Income	Less Operating Expenditures Excluding Depreciation	Net Available Revenue	Principal	Interest	Coverage
\$ 5,725,487	252,021	2,976,923	3,000,585	680,000	265,137	317.4762%
6,471,580	88,780	3,312,323	3,248,037	695,000	259,285	340.3634%
6,327,236	62,459	3,206,529	3,183,166	725,000	227,841	334.0711%
6,245,108	77,804	3,050,236	3,272,676	630,000	194,605	396.8780%
6,466,825	151,666	3,479,441	3,139,050	665,000	167,965	376.8526%
6,865,990	443,463	3,752,072	3,557,381	685,000	305,866	359.0174%
7,657,850	387,493	4,088,058	3,957,285	635,000	466,719	359.1919%
7,948,314	198,417	4,487,487	3,659,244	660,000	445,315	331.0589%
8,301,523	35,587	4,641,544	3,695,566	800,000	699,308	246.4848%
8,893,173	15,141	4,197,029	4,711,285	920,000	581,811	313.7069%

**City of Waukesha
Table 15
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	City of Waukesha				Waukesha County			
	Population (1)	Per Return Adjusted Gross Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)	Waukesha County Population (1)	Per Return Adjusted Gross Income (2)	Personal Income (3)	Per Capita Personal Income (3)
2001	65,324	45,172	40,701	3.60%	363,571	60,666	14,881,031,000	40,701
2002	66,237	44,876	41,003	4.60%	368,077	60,778	15,177,744,000	41,003
2003	66,807	44,425	41,471	4.80%	371,211	61,987	15,497,641,000	41,471
2004	66,816	43,925	43,797	4.30%	373,339	64,012	16,478,494,000	43,797
2005	67,580	46,328	45,454	3.90%	377,348	67,954	17,218,196,000	45,454
2006	67,750	49,262	49,219	3.80%	379,577	72,581	18,523,185,000	49,219
2007	67,880	51,340	52,665	4.00%	381,651	75,958	19,941,935,000	52,252
2008	68,030	53,151	55,287	3.90%	382,697	72,179	20,431,664,000	53,389
2009	68,800	51,939	52,334	7.50%	383,190	68,711	20,053,855,000	52,339
2010	69,100	*	*	7.40%	383,864	*	*	*

* Information Not Yet Available

Sources:

- (1) Demographic Services Center, Wisconsin Department of Administration
- (2) Wisconsin Department of Revenue, Division of Research and Policy
- (3) Regional Economic Information System, Bureau of Economic Analysis, U. S. Department of Commerce
- (4) Wisconsin Department of Workforce Development

**City of Waukesha
Table 16
Principal Employers
Current Year and Nine Years Prior**

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
General Electric Medical Systems	3,445	1	9.7135%	4,600	1	12.2523%
Waukesha Memorial Hospital	2,164	2	6.1016%	2,800	2	7.4579%
Prohealth	2,045	3	5.7661%			
School District of Waukesha	1,520	4	4.2858%	1,448	4	3.8568%
Waukesha County	1,400	5	3.9474%	1,535	3	4.0885%
Cooper Power Systems	1,376	6	3.8798%	600	10	1.5981%
Dresser Inc. - Waukesha Engine Division	800	7	2.2557%	1,000	6	2.6635%
Waukesha Health System Inc.	734	8	2.0696%			
Husco International Inc.	550	9	1.5508%			
Waukesha Electric Systems	530	10	1.4944%	610	9	1.6248%
City of Waukesha	524	11	1.4775%			
Generac Corp.	500	12	1.4098%	1,000	5	2.6635%
Fleming Companies				800	7	2.1308%
Milwaukee Electric Tool Corp.				790	8	2.1042%
Hein-Werner Corp.				585	11	1.5582%
Beatrice Cheese, Inc.				525	12	1.3984%
Total	<u>15,588</u>		<u>43.9520%</u>	<u>16,293</u>		<u>43.3971%</u>

Sources:

2000: 2001 Wisconsin Manufacturers Directory and 2001 Wisconsin Business Service Directory

2010: 2009 Wisconsin Business Services and Manufacturer's Directory and Wisconsin's WORKnet.

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City of Waukesha
Table 17
Full - Time Equivalent City Government Employees By Function
Last Ten Fiscal Years

Full Time Equivalent Employees as of December 31

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Municipal Court	3.5	4.5	4.5	4	4	4	4	4	4	4
Mayor's Office/City Administrator	3	3	3	3	3	3	3	3	3	3
Personnel	3.75	3.75	3.75	2.7	2.7	2.7	2.2	2.1	2.1	2.1
Attorney's Office	5.3	5.3	5.3	5.3	5.3	5.12	5.12	5.03	5.13	5.13
Assessor	7	7	7	7	7	7	7	6	6	6
Clerk-Treasurer's Office	7	7	7	6.88	6.75	6	6	6	6	6
Finance	5.63	5.63	4.63	5.63	5.63	5.63	5.63	5.63	5.63	5.63
Information Systems	12	12	12	12	11	11	11	11	11	11
Planning	8	8	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Total General Government	55.18	56.18	55.43	54.76	53.63	52.7	52.2	51.01	51.11	51.11
Public Safety										
Police										
Officers	106	107	107	113	113	113	113	113	117	117
Civilian Employees - Police	36	37	37	37.5	37.5	38	37	37	37	37
Fire										
Firefighters and Officers	91	91	91	92	92	92	92	101	101	101
Civilian Employees - Fire	7	7	7	6	6	5	5.5	5.5	5	5
Building Inspection	8	8	8.25	8.25	8.25	8.25	7.75	7.75	7.75	7.75
Total Public Safety	248	250	250.25	256.75	256.75	256.25	255.25	264.25	267.75	267.75
Highways and Streets										
Engineering	27	29	29	29	29	29	28	27.2	27.2	26.2
Maintenance	56	56	56	56.75	56.75	55.75	55.75	54.75	54.75	54.75
Total Highways and Streets	83	85	85	85.75	85.75	84.75	83.75	81.95	81.95	80.95
Culture and Recreation										
Parks and Recreation	40	41	42	43	43.5	42.5	43.9	43.8	43.8	42.8
Library	43	45	46	48.6	48.11	46.73	45.5	46.1	44.9	43.9
Public Access Television	1	1	1	1	1	1	1	1	1	1
Total Culture and Recreation	84	87	89	92.6	92.61	90.23	90.4	90.9	89.7	87.7
Internal Service / Enterprise										
Printing	1	1	1	1	1	1	1	1	1	1
Parking	5.2	5.7	5.7	5.7	5.7	5.7	5.82	4.75	4.75	4.75
Waste Water Treatment Utility	30	30	32	27	27	25	25	25	25	25
Cemetery	6.5	6.5	6.5	5.5	6	4.5	4.8	4.8	4.8	4.7
Total Internal Service & Enterprise	42.7	43.2	45.2	39.2	39.7	36.2	36.62	35.55	35.55	35.45
TOTAL	512.88	521.38	524.88	529.06	528.44	520.13	518.22	523.66	526.06	522.96

Source:
2001 - 2010 City of Waukesha Budget Documents

City of Waukesha
Table 18
Operating Indicators By Function
Last Ten Fiscal Years

FUNCTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Court										
Traffic Citations	7,536	7,545	6,958	6,892	8,047	8,112	6,982	5,121	5,762	7,532
Ordinance Violations	3,417	3,456	2,472	2,370	1,848	1,881	2,161	2,429	2,142	1,985
Juvenile	NA	NA	931	913	796	816	848	389	336	373
Building	NA	NA	43	114	197	152	145	105	94	51
Assessor										
Number of Parcels	18,681	18,948	19,326	19,567	20,170	20,375	20,946	21,274	21,387	21,388
Personal Property	2,424	2,433	2,447	2,414	2,406	2,387	2,364	2,374	2,366	2,321
Assessment Appeals	53	12	6	4	61	6	11	11	37	51
Treasurer										
Tax Bills Issued	21,934	22,384	21,615	21,909	22,430	22,620	23,167	21,604	23,639	23,591
Tax Refunds Issued	1,750	1,100	687	375	475	1,525	440	505	556	485
Licenses Issued (excluding dog and cat)	975	786	887	775	975	800	920	732	804	1,075
IT										
Workstations Supported	404	410	425	443	463	463	482	541	550	574
Software supported	62	70	150	158	160	160	162	227	307	305
Police										
Calls for Service	78,188	77,479	78,223	75,093	77,796	74,264	70,057	66,897	49,774	50,952
Self-Initiated	48,597	47,855	49,273	47,202	47,924	46,444	42,968	43,500	13,477	13,087
Incident Reports	7,051	6,839	6,301	6,323	6,517	6,375	6,536	7,046	6,013	5,816
Accident Reports	2,392	2,381	2,453	2,477	2,642	2,272	2,396	2,135	1,904	1,756
Citations	7,324	6,869	6,585	6,729	7,597	7,225	6,685	6,123	6,864	10,730
Alarms Responses	943	977	865	872	793	827	805	910	805	909
Fire										
EMS Responses	3,793	3,834	3,769	4,022	4,205	4,461	4,478	4,536	4,685	4,823
Fire Responses	847	869	854	860	875	874	1,027	1,128	1,023	969
Fire Inspections	5,063	5,120	5,483	5,655	5,643	5,578	5,489	4,800	5,582	5,319
Building Inspection										
Building Permits	1,367	1,199	1,155	1,123	1,019	1,033	996	899	644	757
Electric Permits	1,963	1,893	1,993	1,778	1,735	1,731	1,642	1,534	1,281	1,555
Plumbing Permits	1,546	1,405	1,521	1,497	1,468	1,200	1,038	1,023	807	820
Heating Permits	1,077	1,096	1,064	1,159	1,094	927	867	882	717	845
Sign Permits	272	267	240	203	189	192	114	235	173	125
Heating Licenses	170	175	247	114	226	184	91	205	129	151
Electric Licenses	253	262	293	286	288	318	266	277	251	250
Engineering										
Erosion Control Permits	81	68	66	78	68	55	59	39	35	38
Digger's Hotline Tickets Received	9,010	9,705	9,906	9,781	9,193	8,697	8,017	3,489	5,900	8,100
Sidewalk Replacement (Square Feet)	58,500	38,000	37,500	42,900	40,750	49,527	47,446	49,000	49,150	59,000
Miles of Paving.	2.28	3.59	4.45	3.20	2.80	2.58	2.00	0.50	0.00	0.03
Planning										
Final Plats & CSMS	2	3	36	41	36	2	25	17	10	12
Rezoning	16	26	28	20	24	21	17	3	17	6
Residential PUD	10	18	9	11	16	11	5	0	3	1
Commercial PUD	16	12	4	31	0	3	0	0	0	3
Annexations	27	32	20	8	21	20	32	4	0	1
Site Plan Architectural Review	NA	NA	79	98	84	47	49	47	60	34
Conditional Uses	NA	NA	NA	23	25	23	19	13	17	17
Preliminary Plats	NA	NA	NA	14	28	3	3	2	1	2
Public Works Department										
Catch Basins Repaired	24	26	19	85	130	60	85	86	98	104
Sewer Flushing (Miles)	235	236	236	259	285	280	212	186	208	200
Street Maintenance (Grinding/Paving)(Miles)	4.10	7.30	3.20	0.10	0.30	3.00	4.00	4.00	5.00	8.50
Snow Plowing and Salting (Miles)	247	264	264	287	287	295	253	263	273	273
Salting (Tons Per Year)	5,400	6,400	7,100	8,010	8,250	10,700	9,600	7,730	4,920	8,031
Street Light Repair - Knockdowns	36	66	26	51	67	62	75	60	32	32
Street Light Repair - Replacement Bulbs	126	132	120	242	360	300	500	625	600	500
Street Light Repair - Fuses and Ballasts	125	225	161	196	190	125	280	350	60	60
Signal Repair	41	61	36	63	91	35	80	550	30	30
Tarring (Miles)	2	25	2	2	2	1	1	0	0	0
Street Repair - Paving (Miles)	3.00	4.40	1.20	3.30	4.50	0.70	6.00	4.00	5.00	4.50
Land Terracing (Miles)	2.10	2.10	1.30	1.50	3.20	1.00	4.00	0.50	0.00	0.00
Mason Repair Work	21	51	20	22	56	86	105	118	20	12

**City of Waukesha
Table 18
Operating Indicators By Function
Last Ten Fiscal Years**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Works Department (Continued)										
Signs Installed/Repaired	527	630	737	1,041	980	1,125	285	0	100	100
Drop Off Center Rubbish (Tons)	2,184	2,176	2,318	2,554	1,909	1,914	1,981	1,923	1,725	1,986
Drop Off Center Rubbish (Container)	522	562	590	586	533	516	497	474	470	526
Metal Salvage (Tons)	102	113	109	112	103	91	86	74	80	65
Drop Off Center Traffic Volume	52,900	52,753	54,008	53,794	51,796	47,805	39,109	41,205	40,031	40,281
Leaves/Yard Waste (Tons)	2,541	2,926	2,357	3,812	3,043	4,672	3,019	2,448	3,215	3,396
Fall Leaf Pickup Equipment Hours	4,472	4,216	4,376	5,048	5,680	4,280	3,928	5,680	5,904	5,680
Curbside Households - rec.	18,613	18,878	19,200	19,529	19,716	19,885	20,042	20,267	20,304	20,411
Curbside Recyclables (Tons)	4,722	4,914	4,979	5,341	5,313	5,523	5,429	5,241	4,638	4,478
Drop Off Center Oil (Gallons)	15,275	16,390	16,460	15,980	14,035	11,300	9,375	7,300	11,090	11,400
Drop Off Center Antifreeze (Gallons)	850	650	880	750	715	440	385	450	485	860
Recycling Bins Sold (1)	328	274	290	331	168	7	1	1	5	50
Library										
Number of Visitors	480,464	491,537	515,112	505,647	480,452	469,017	479,294	548,000	530,166	470,011
Number of Items Circulated	1,348,837	1,504,452	1,575,406	1,640,292	1,565,404	1,471,793	1,413,122	1,384,612	1,369,999	1,409,738
Number of Questions Answered	140,446	135,953	140,428	128,902	130,910	132,327	132,816	132,153	116,225	133,206
Number of Cardholders (2)	67,292	75,391	81,294	83,253	76,497	70,934	68,680	66,058	64,688	63,402
Number of Children's Programs	525	543	544	515	465	493	503	493	323	462
Number Attending Children's Programs	17,909	19,094	24,249	23,522	20,208	22,495	21,254	21,782	17,502	22,111
Number Registrants Summer Reading Program	2,670	2,614	2,513	2,936	3,003	2,798	3,373	3,453	2,944	2,882
Number of Items in the Collection	286,052	302,754	315,667	336,093	332,062	333,162	339,998	337,239	329,482	326,459
Number of Circulations to the Homebound	23,256	26,417	22,492	24,831	25,354	28,318	30,672	29,260	25,077	21,582
Number of Hours Open	3,527	3,513	3,562	3,516	3,424	3,481	3,479	3,453	3,487	3,466
Number of Personal Computers	63	64	64	64	74	74	88	90	90	90
Parks, Recreation, and Forestry										
Pool Passes	1,241	1,166	1,017	895	985	1,225	1,471	1,308	1,328	1,334
Swim Lesson Enrollments	NA	1,977	2,218	2,202	2,014	2,018	2,127	1,781	1,955	1,919
Recreation Program Enrollments	NA	12,532	15,156	15,996	14,996	15,178	15,930	17,401	18,674	20,079
Park Acreage Mowed	573	573	603	610	610	580	582	582	582	582
Trees Planted	750	743	602	666	568	488	537	380	349	337
Trees Removed	NA	NA	167	185	303	380	306	247	325	328
Stumps Removed	NA	NA	NA	165	303	380	306	247	325	328
Trees Pruned	NA	6,599	4,033	3,819	3,783	5,365	4,134	4,270	4,372	3,911
Service Requests	NA	NA	NA	456	483	478	488	511	501	591
Waste Water Treatment Plant										
Gallons Treated (Millions)	3,648	3,822	3,035	3,656	3,194	3,619	3,902	4,190	3,909	3,829
Flow (Million Gals/Day Avg)	10	10	8	10	9	10	11	11	11	10
BOD5 (Thousands removed)	4,825	5,972	5,942	5,602	5,570	5,150	5,935	5,089	8,861	8,649
BOD5 (Thousands Discharged) (3)	1	1	8	8	2	0	0	30.6*	3	5
Suspended Solids (Thousands Disc)	21	21	7	12	9	15	12	31.6*	19	14
Biosolids Produced (Dry Metric Ton)	1,750	1,506	1,958	2,088	1,946	1,297	1,679	2,566	1,040	1,962
Parking Utility										
Ramp Parking - Number of Vehicles	76,394	68,365	58,199	46,042	48,382	56,235	47,484	46,732	47,868	46,944
Surface Lots - Number of Permits	1,875	2,125	1,995	1,869	1,877	1,854	1,599	1,695	1,907	1,900
Transit Center Permits	NA	NA	NA	NA	NA	942	1,045	1,229	3,633	1,343
Tickets Issued	29,970	30,644	18,319	18,222	17,005	17,731	14,875	13,690	15,835	13,905
Overnight Permits Issued	3,709	4,008	3,492	3,053	3,013	3,675	3,580	2,864	4,092	5,077

Source: City of Waukesha Budget Documents

- (1) Starting in 2005, Recycling Bins are Distributed at No Charge
(2) Decrease due to Efforts of CAFÉ Libraries to Eliminate Duplicate Customer Records
(3) 2008 Increase Due to the Flooding in June 2008

City of Waukesha
Table 19
Capital Asset Statistics By Function
Last Ten Fiscal Years

FUNCTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety (1)										
Police										
Police Stations/Substations	2	2	2	2	2	2	2	2	2	1
Patrol Units/Squads	24	24	25	25	25	25	21	21	24	24
Unmarked Vehicles	30	30	30	30	30	30	32	32	30	30
Fire										
Number of Stations	4	4	4	4	4	4	4	5	5	5
Fire Engines/Trucks	8	8	8	8	8	8	8	9	9	9
Ambulances	5	5	5	5	5	5	5	7	7	7
Highways and Streets (1)										
Acres - Public Right of Way	1293.56	1322.37	1349.25	1356.3	1381.3	1406.79	1,414.64	1,449.50	1,451.37	1,452.30
Miles of Streets	223.51	238.95	242	247.07	249.25	252.12	253.10	253.60	253.77	253.84
Sidewalks - Miles	266.14	272.66	278.91	287.85	294.47	301.82	301.82	304	304.54	304.68
Traffic Signals - Number	58	58	59	60	60	61	61	61	64	64
Bridges - Number	7	7	7	7	7	7	7	7	7	7
Culture and Recreation (2)										
Park Acreage	828	854	975	1,014	1,017	1,055	1,055	1,055	1,055	1,055
Picnic Area & Shelters									24	24
Restroom Facilities	27	27	27	27	29	29	29	29	29	29
Baseball/Softball Fields	24	24	24	24	27	27	27	27	27	26
Tennis Courts	NA	39	39	41	41	42	42	42	42	42
Basketball Courts									12	12
Playgrounds	25	25	25	26	26	26	27	28	28	28
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Sewers (1)										
Sanitary Sewer - Miles	234.5	235.5	235.5	259.1	285.0	288.1	289.1	290.8	290.8	291.1

Source:

(1) 2010 Fixed Asset Records

(2) 2010 Park & Recreation Department Activity Guide

CITY OF WAUKEHSA

**Table 20
INSURANCE COVERAGES
December 31, 2010**

TYPE	COVERAGE
Public Entity Liability Insurance Community Insurance Corporation Policy CGL 68 018 10	Limit Per Occurrence: \$10,000,000 \$10,000 Deductible per Occurrence \$75,000 Aggregate Deductible
Equipment Breakdown Hartford Steam and Boiler Inspection & Insurance Company Policy FBP9170427	Limit: \$50,000,000 \$5,000 Deductible
Government Crime Policy Fidelity & Deposit Companies Policy CCP 0058764 07	\$500,000 Limit Per Loss - Employee Theft \$2,500 Deductible \$100,000 Forgery/Alteration Limit Per Occurrence \$250 Deductible \$20,000 Limit - Theft of Money and Securities - Inside or Outside the Premises \$250 Deductible
Worker Compensation Policy Liberty Mutual Companies Policy WCK-Z91-524572-30	Limit: Statutory Employer Liability Insurance Bodily Injury by Accident: \$100,000 Each Accident Bodily Injury by Disease: \$500,000 Policy Limit Bodily Injury by Disease: \$100,000 Each Employee Experience Modification Factor Applied (1.00 is Average): .71
Buildings, Personal Property, Inland Marine Floater, Property in the Open, and Builders' Risk Local Government Property Insurance Fund Policy 140839	Coverage: \$284,425,566 Deductible: \$5,000
Contractors Equipment Coverage (Replacement Cost) Local Government Property Insurance Fund Policy 140839	Coverage: \$8,910,361 Deductible: \$500
Motor Vehicle Comprehensive Coverage Local Government Property Insurance Fund Policy 140839	Coverage: \$12,129,944 Deductible: 500
Motor Vehicle Collision Coverage Local Government Property Insurance Fund Policy 140839	Coverage: \$12,129,944 Deductible: 500
Business Interruption Local Government Property Insurance Fund Policy 140839	Coverage: 750,000; Deductible: \$5,000
Accounts Receivable Local Government Property Insurance Fund Policy 140839	Coverage: 720,000; Deductible: \$5,000
Loss of Rents Local Government Property Insurance Fund Policy 140839	Coverage: 20,000; Deductible: \$5,000