

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**INCLUDING AUDIT REPORTS**

**For the Fiscal Year Ended  
DECEMBER 31, 2011**



**City of Waukesha, Wisconsin**

# **CITY OF WAUKESHA**

**MAYOR: JEFFREY R. SCRIMA**

**INTERIM CITY ADMINISTRATOR: Steven P. Crandell**

## **COMMON COUNCIL**

**PRESIDENT: JOSEPH M. PIEPER**

### **ALDERPERSONS**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF WAUKESHA, WISCONSIN  
INCLUDING INDEPENDENT AUDITOR'S REPORT  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2011**

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

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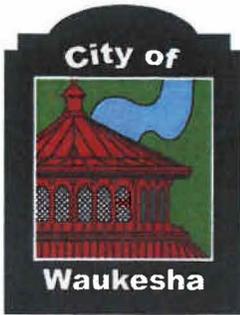
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## **INTRODUCTORY SECTION**



## 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

July 23, 2012

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, 2011. 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, 2011. 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 21<sup>st</sup> 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 2011 population of 70,735. 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

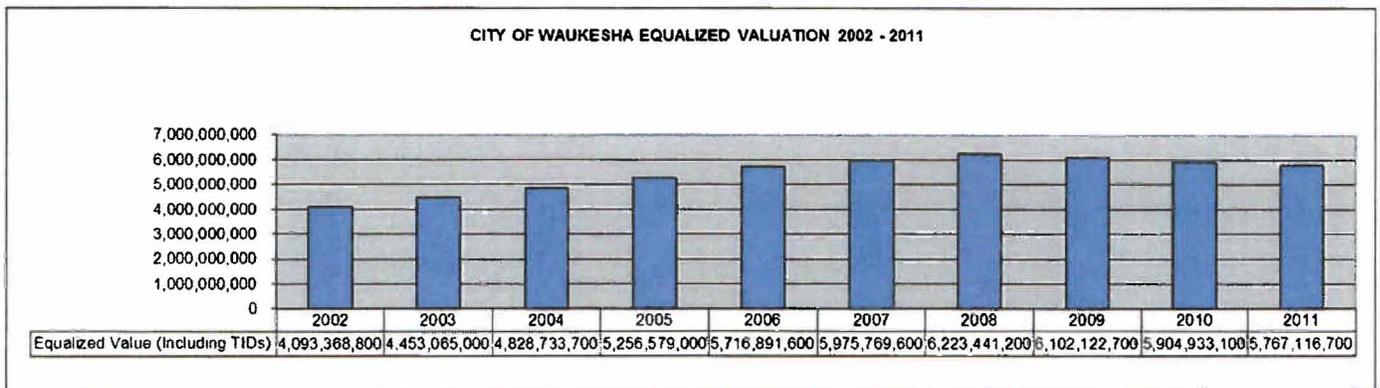
Council policies, preparation of the executive annual budget for Common Council consideration and supervision of department directors and managers.

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.

## ECONOMIC CONDITIONS AND OUTLOOK

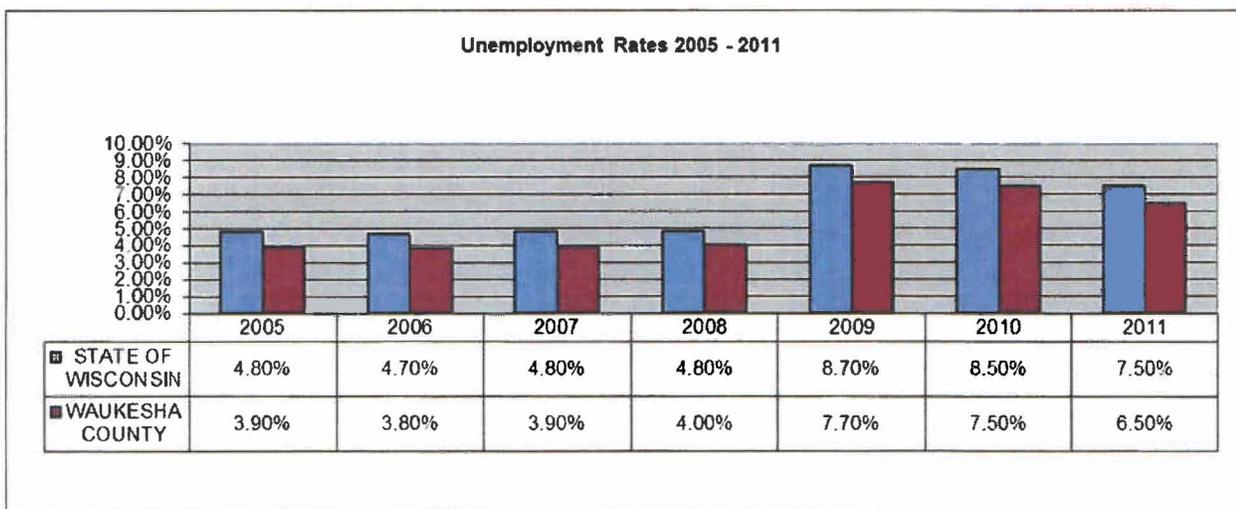
According to the Wisconsin Department of Administration, Demographic Services Center, Waukesha County is the third largest county in the State, with a 2011 population of 390,267 people. The County has the third highest equalized property tax base and second highest per capita income in the State.

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 41%. Annual increases are shown in the table below:



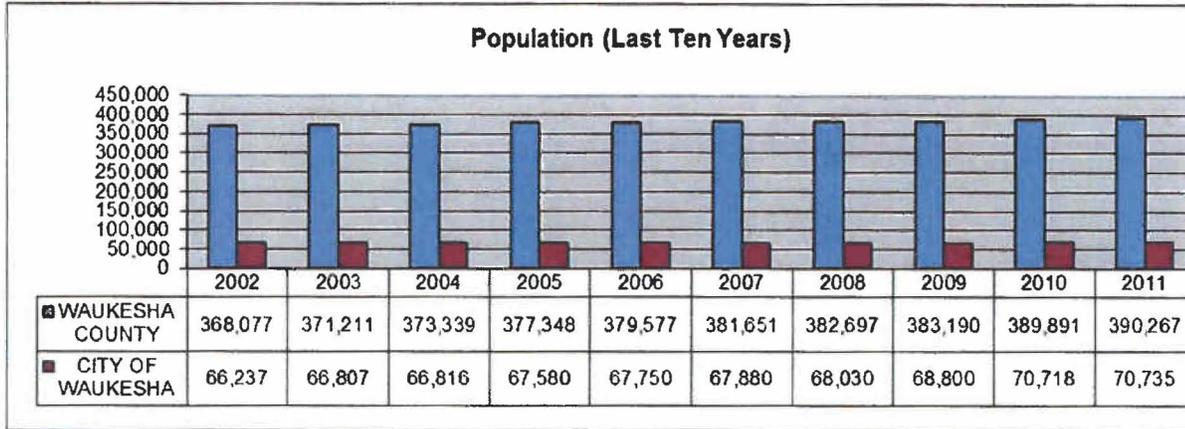
Source: Wisconsin Department of Revenue, Bureau of Property Tax

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 2011 estimated City population of 70,735 is an increase of 6.80% from 2002.



Source: Wisconsin Demographic Services Center, Wisconsin Department of Administration

In 2011 the City saw the continuation and 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.

Phase I of the Shoppes at Fox River, a 54-acre , retail redevelopment of a former grocery distribution facility, opened in July 2009 with the final construction completed in September 2010. It includes about 273,000 square-feet of retail space. Currently Phase I is occupied at more than 97 percent, including 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. In addition to Target and Pick 'N Save, the first phase of the development includes Batteries Plus, Klinke Cleaners, Petco, Buffalo Wild Wings, Gamestop, Noodles & Company, CVS Pharmacy, Verizon Wireless, Chili's Bar and Grill, Mattress Firm, Men's Hair House, Dollar Tree, Associated Bank, Orange Leaf, Jersey Mike's, The Cash Store, Subway, GNC, Famous Footware, Maurice's, and Get it Now.

With the first phase of the development filled, plans began in 2011 for a second phase that will add up to 150,000 square feet of retail space and another \$25 million in value. The first development in Phase II will include more than 47,000 square feet of retail space on six of the approximately 18 acres of developable land adjacent to the existing Phase I buildings. The first Phase II development will include T. J. Maxx, Ulta Salon and Cosmetics, Rue 21, and Charming Charlie's.

When completed, 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 open for business. Upon completion, the Shoppes will be the sixth largest retail center in the Milwaukee area and the largest in the City.

Planning began in 2011 for another significant retail project, a Woodman's Food Market, which will redevelop a 33 acre site which once was home to the Spancrete 150,000 square foot manufacturing facility. Demolition of the vacated Spancrete building and site began in early 2012. The new 238,000 square foot facility is expected to open in the fall of 2013, along with a new gas and lube center.

The 33 acre site will also have eight outlots available for commercial development, adding more shopping and dining opportunities to the east side of the City. This redevelopment project is in the new Tax Incremental District Number 21 and is expected to add hundreds of new jobs and over 15 million in new tax base.

2011 saw the completion of a \$70 million expansion to Waukesha Electric Systems. The expansion added 140,000 square feet to the existing factory at S. Prairie Avenue, doubling the size of the plant. 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 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, in 2011 completed construction on an expansion. Weldall added 76,000 square feet to their facility along with a railroad spur. Their expansion will also enable them to add over 100 manufacturing employees. The value of the expansion is 6.5 million dollars.

Gaco Western, a manufacturer of polyurethane foam insulation and silicone, acrylic epoxy and urethane coatings, is completing plans to expand their current Waukesha facility, adding 80,000 square feet. The expansion will allow Gaco to consolidate their operations in the City of Waukesha and will result in the addition of thirteen new manufacturing jobs and add an estimated value of 6.5 million. Gaco is also expanding their lab facilities which will add another five jobs to the area.

Carroll University has completed two previous redevelopment projects in 2011, completing a new 96,000 square foot student center and remodeling an existing building to house their graduate programs. Carroll will be continuing Phase III of its campus upgrade and will begin construction on a third student living building, which will be completed by August 2013. The expected value of the building will be 7 million and will be a taxable development because the developer will be retaining ownership of the property and will master lease it to the University. In addition, the building will include three new retail spaces.

## **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 2011:

### **Municipal Facilities**

During the year, the City constructed a new relocated Fire Station Number 2 on Pearl Street. The station replaces the old Fire Station Number 2 which was located at 1701 Stardust Drive. The relocated facility is a continuation of a long-range initiative to improve response times for the City's Fire and EMS calls. The City is

also 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 in 2005, 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, were completed in 2010 and 2011. Lots continued to sell during 2011.

### **Tax Incremental District 19**

Tax Incremental District 19 (TID 19) was created in 2010 to promote industrial growth, increase employment and 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.

Waukesha Electric, an existing manufacturer in the City was interested in expanding its facility and operations in the City. 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. The expansion allowed the company to produce a new product line which created over 100 manufacturing and engineering jobs

### **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.

### **Tax Incremental District 21**

Tax Incremental District 21 (TID 21) was created late in 2011 to aid Woodmans in building a new retail center as described above. Woodmans would be incurring significant costs to redevelop the site and get it ready for reuse as a retail center. Those costs, including demolition, site preparation, environmental testing, off-site improvements, and land acquisition total approximately 7 million dollars. Without TIF assistance, the cost of preparing the site for use would be prohibitive. The City used a development incentive payment to assist Woodmans with the costs.

## **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.

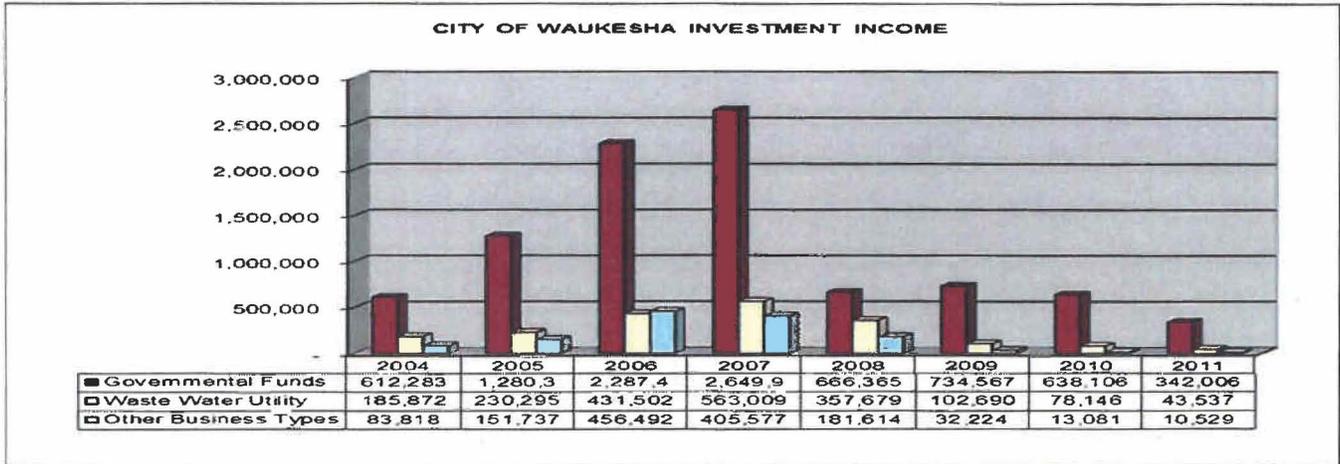
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **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.



## 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, 2011.

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 .69 in 2011. This favorable modification factor saved the City \$329,871 in premiums during 2011.

## 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, 2011 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, 2010. 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.

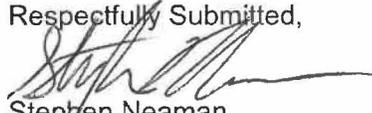
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## 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



Steven Crandell  
Interim City Administrator

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# 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, 2010

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.



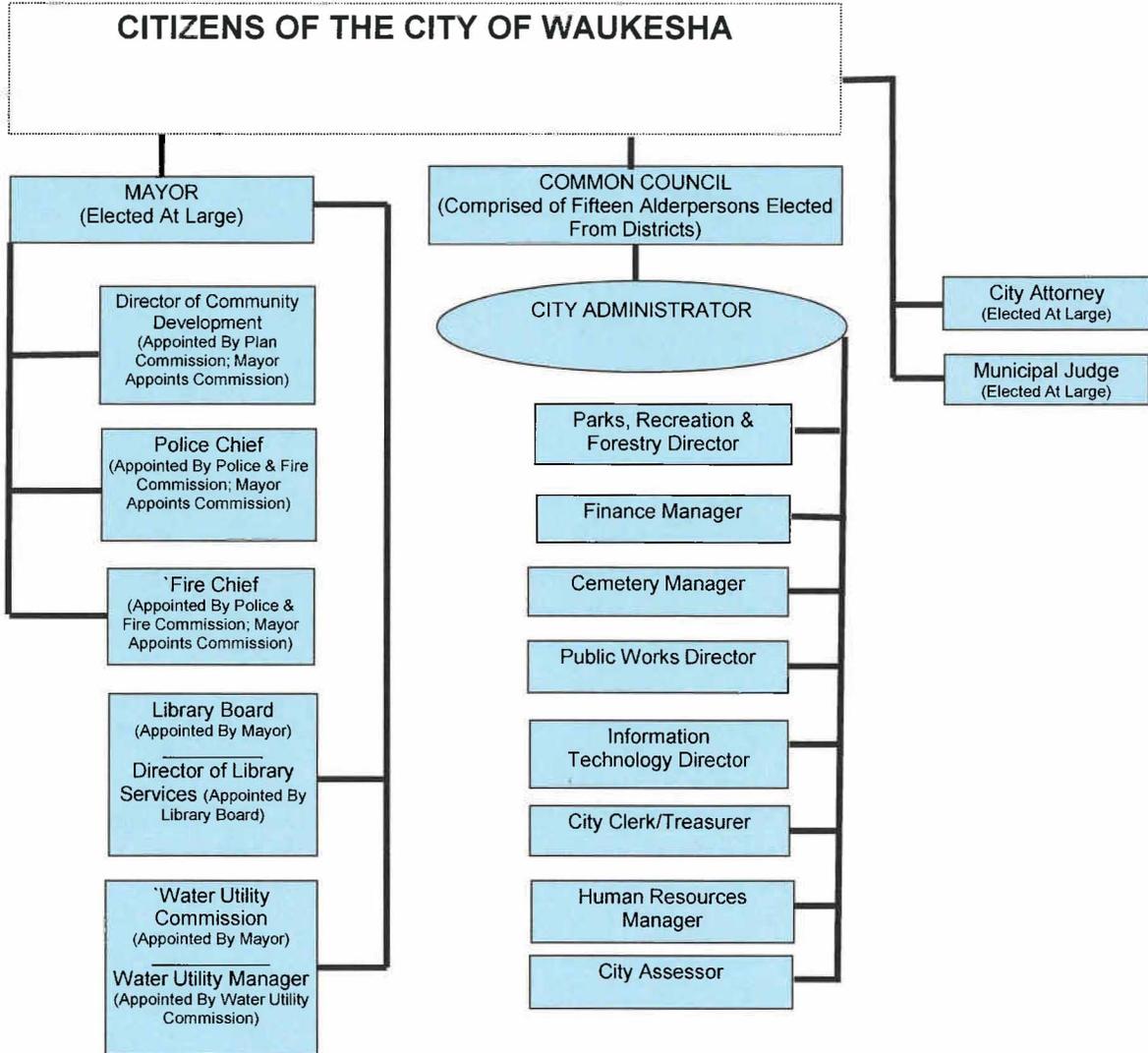
*Linda C. Sandson*

President

*Jeffrey R. Emer*

Executive Director

# ORGANIZATIONAL CHART CITY OF WAUKESHA, WISCONSIN



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

**Elected Officials**

		<b>Term Begins</b>	<b>Term Expires</b>
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	Open	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 2013
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**

Steven P. Crandell.....	Interim City Administrator
Fred Abadi.....	Director of Public Works
Grant C. Lynch.....	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

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**FINANCIAL SECTION**

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

## INDEPENDENT AUDITORS' REPORT

To the Common 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, 2011, 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 previously 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, 2011, 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.

As described in Note I, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2012, 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 Common Council  
City of Waukesha

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

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 "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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Baker Tilly Vintow Knease, LLP*

Milwaukee, Wisconsin  
July 23, 2012

## **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, 2011 in comparison with the year ended December 31, 2010. 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 35 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 46 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 106.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The Statement of Net 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 \$197.1 million at the close of 2011. This was a decrease of \$2.6 million over last year. The decrease was due in large part to an increase in the City's OPEB liability (\$1.5 Million) and the use of assets to make capital improvements (\$2.3 Million). The Total Net Assets of the Governmental Activities fell by \$3.8 million from 2010. Total Net Assets from Business Activities increased by \$1.2 million from 2010.

### City of Waukesha, Wisconsin Summary Statement of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
	Current and Other Assets	\$ 164,230,710	\$ 169,428,125	\$ 24,605,694	\$ 25,046,266	\$ 188,836,404
Capital Assets (net)	\$ 148,404,382	\$ 150,893,720	\$ 146,310,077	\$ 146,907,162	\$ 294,714,459	\$ 297,800,882
<b>Total Assets</b>	<b>\$ 312,635,092</b>	<b>\$ 320,321,845</b>	<b>\$ 170,915,771</b>	<b>\$ 171,953,428</b>	<b>\$ 483,550,863</b>	<b>\$ 492,275,273</b>
Current Liabilities	\$ 135,331,170	\$ 138,387,155	\$ 5,102,804	\$ 5,293,517	\$ 140,433,974	\$ 143,680,672
Non-current Liabilities	\$ 123,514,237	\$ 124,323,847	\$ 22,548,784	\$ 24,624,764	\$ 146,063,021	\$ 148,948,611
<b>Total Liabilities</b>	<b>\$ 258,845,407</b>	<b>\$ 262,711,002</b>	<b>\$ 27,651,588</b>	<b>\$ 29,918,281</b>	<b>\$ 286,496,995</b>	<b>\$ 292,629,283</b>
<b>Net Assets:</b>						
Invested in Capital, Net of Debt	\$ 75,885,887	\$ 76,482,121	\$ 127,840,507	\$ 126,486,722	\$ 203,726,394	\$ 202,968,843
Restricted	\$ 8,301,424	\$ 7,160,693	\$ 5,345,637	\$ 6,954,449	\$ 13,647,061	\$ 14,115,142
Unrestricted (deficit)	\$ (30,397,626)	\$ (26,031,971)	\$ 10,078,039	\$ 8,593,976	\$ (20,319,587)	\$ (17,437,995)
<b>Total Net Assets</b>	<b>\$ 53,789,685</b>	<b>\$ 57,610,843</b>	<b>\$ 143,264,183</b>	<b>\$ 142,035,147</b>	<b>\$ 197,053,868</b>	<b>\$ 199,645,990</b>
Total Net Assets as a % of Total Liabilities	21%	22%	518%	475%	69%	68%
Unrestricted Net Assets as a % of Total Liabilities	-12%	-10%	36%	29%	-7%	-6%

The vast majority of these net assets, \$203.7 million or 103% 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, \$13.6 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. Restricted Net Assets fell by \$.50 from 2011 as a result of debt being retired by the Waste Water Utility.

The Unrestricted Net Assets of the Governmental Activities decreased by \$4.4 million from 2010, while unrestricted Net Assets from Business Activities increased by \$1.5 million from 2010. The unrestricted net assets represent the amount of assets that are neither related to capital assets nor restricted for specific use.

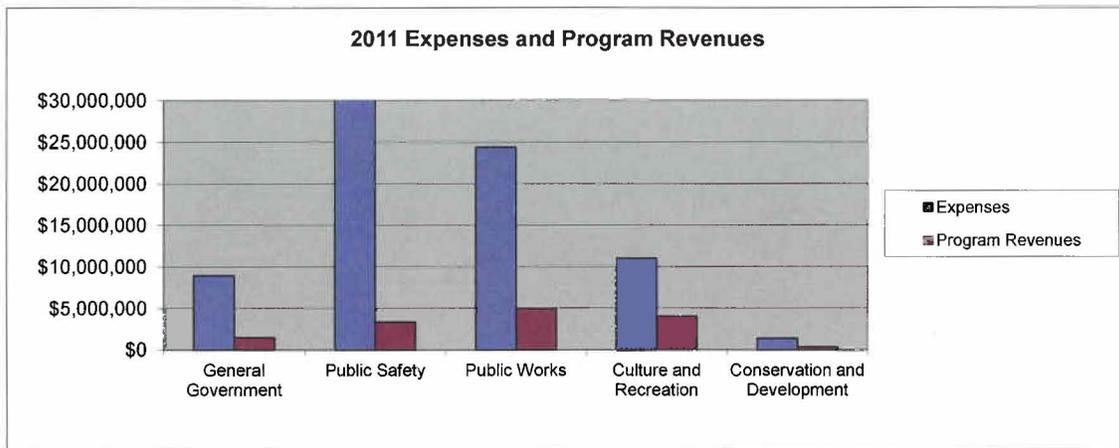
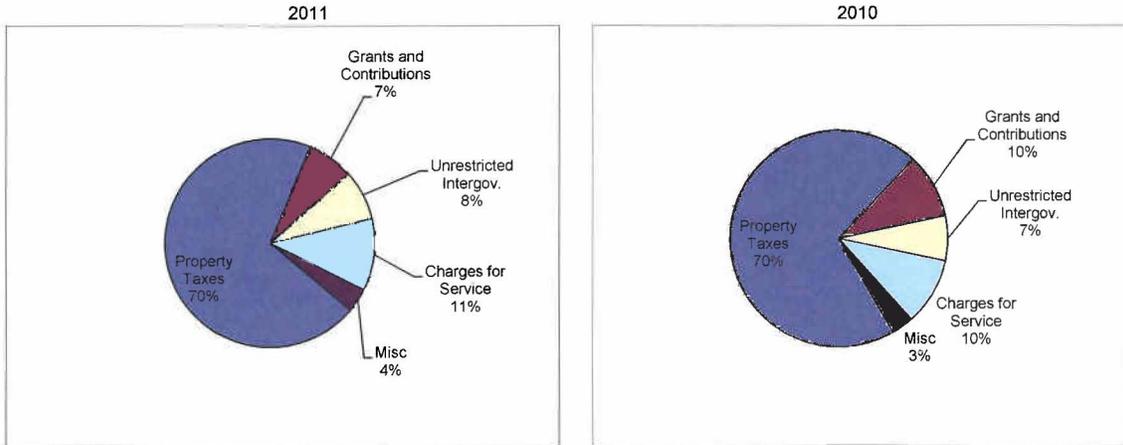
**City of Waukesha, Wisconsin**  
**Summary Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for service	\$ 8,592,765	\$ 7,616,948	\$ 21,640,870	\$ 21,419,146	\$ 30,233,635	\$ 29,036,094
Operating grants and contributions	\$ 5,203,720	\$ 4,768,404	\$ 5,916,301	\$ 6,419,809	\$ 11,120,021	\$ 11,188,213
Capital grants and contributions	\$ 340,893	\$ 2,545,068	\$ 1,511,914	\$ 1,576,115	\$ 1,852,807	\$ 4,121,183
<b>General Revenues</b>						
Property taxes	\$ 53,760,855	\$ 53,220,732	\$ 2,070,170	\$ 2,032,767	\$ 55,831,025	\$ 55,253,499
Other taxes	\$ 2,011,920	\$ 1,704,469			\$ 2,011,920	\$ 1,704,469
Intergovernmental revenues	\$ 5,958,954	\$ 5,096,020			\$ 5,958,954	\$ 5,096,020
Investment earnings	\$ 342,006	\$ 638,108	\$ 54,066	\$ 91,227	\$ 396,072	\$ 729,335
Miscellaneous	\$ 494,851	\$ 147,281	\$ 174,885	\$ 18,901	\$ 669,736	\$ 166,182
<b>Total Revenues</b>	<b>\$ 76,705,964</b>	<b>\$ 75,737,030</b>	<b>\$ 31,368,206</b>	<b>\$ 31,557,965</b>	<b>\$ 108,074,170</b>	<b>\$ 107,294,995</b>
<b>Expenses</b>						
General government	\$ 8,949,906	\$ 9,342,928			\$ 8,949,906	\$ 9,342,928
Public safety	\$ 30,957,800	\$ 29,700,290			\$ 30,957,800	\$ 29,700,290
Highways and streets	\$ 21,492,646	\$ 15,098,057			\$ 21,492,646	\$ 15,098,057
Sanitation	\$ 2,884,031	\$ 2,709,694			\$ 2,884,031	\$ 2,709,694
Health and human services	\$ 253,761	\$ 67,530			\$ 253,761	\$ 67,530
Culture and recreation	\$ 10,985,884	\$ 10,689,378			\$ 10,985,884	\$ 10,689,378
Conservation and development	\$ 1,369,251	\$ 15,356,755			\$ 1,369,251	\$ 15,356,755
Interest and fiscal charges	\$ 4,288,243	\$ 4,072,365			\$ 4,288,243	\$ 4,072,365
Water			\$ 7,181,055	\$ 6,739,396	\$ 7,181,055	\$ 6,739,396
Wastewater			\$ 9,831,220	\$ 9,243,328	\$ 9,831,220	\$ 9,243,328
Transit			\$ 10,940,803	\$ 10,558,930	\$ 10,940,803	\$ 10,558,930
Parking			\$ 875,467	\$ 984,468	\$ 875,467	\$ 984,468
Cemetery			\$ 656,225	\$ 701,913	\$ 656,225	\$ 701,913
<b>Total Expenses</b>	<b>\$ 81,181,522</b>	<b>\$ 87,036,997</b>	<b>\$ 29,484,770</b>	<b>\$ 28,228,035</b>	<b>\$ 110,666,292</b>	<b>\$ 115,265,032</b>
Changes in Net Assets Before Transfers	\$ (4,475,558)	\$ (11,299,967)	\$ 1,883,436	\$ 3,329,930	\$ (2,592,122)	\$ (7,970,037)
Transfers	\$ 654,400	\$ 640,003	\$ (654,400)	\$ (640,003)	\$ -	\$ -
Change in Net Assets	\$ (3,821,158)	\$ (10,659,964)	\$ 1,229,036	\$ 2,689,927	\$ (2,592,122)	\$ (7,970,037)
NET ASSETS - Beginning of Year	\$ 57,610,843	\$ 68,270,807	\$ 142,035,147	\$ 139,345,220	\$ 199,645,990	\$ 207,616,027
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET ASSETS - End of Year</b>	<b>\$ 53,789,685</b>	<b>\$ 57,610,843</b>	<b>\$ 143,264,183</b>	<b>\$ 142,035,147</b>	<b>\$ 197,053,868</b>	<b>\$ 199,645,990</b>

The Governmental activities net assets fell during the year by \$3.8 million during 2011. This was primarily the result recording of the City's OPEB liability (\$1.6 million) in accordance with GASB statement 45 and the use of assets to make non-capital improvements (\$2.3 million). The Business-type activities net assets grew by \$1.2 million as a result of favorable operations and capital contributions. For further information on the Business-type activities please refer to the Financial Analysis Section of the major Proprietary funds.

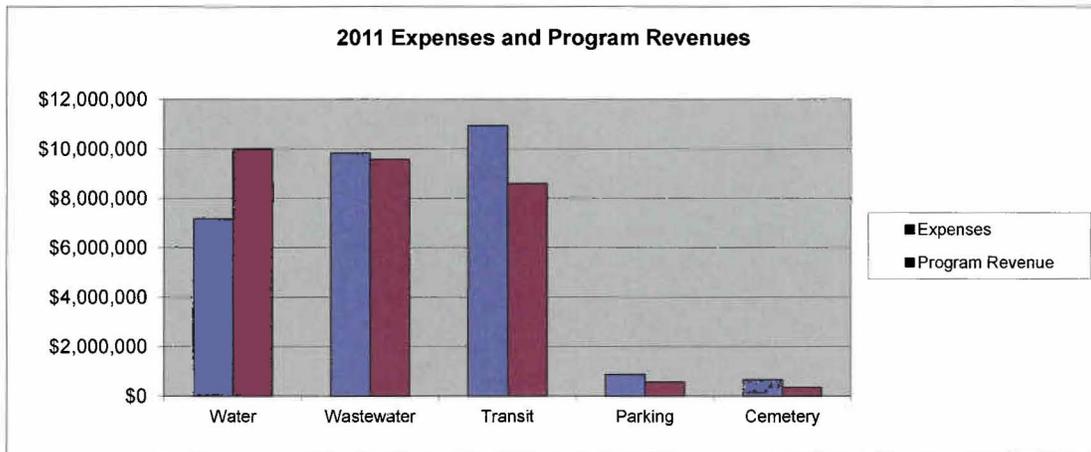
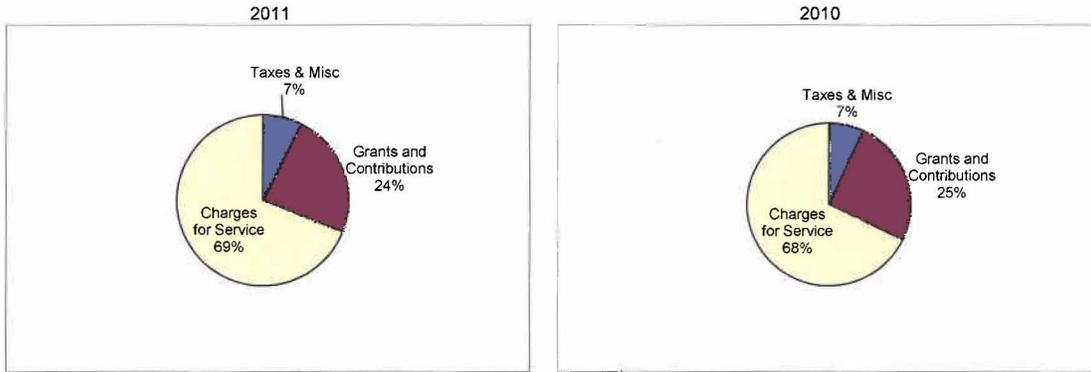
An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following pie charts draw data from the statement of activities. For governmental services, the City is highly dependent upon property taxes for funding, deriving 70% in 2011 and 2010 of its revenue from this single source. Operating and capital grants and contributions along with unrestricted intergovernmental revenues comprise another 15% in 2011 and 17% in 2010. Charges for services increased to 11% of revenues in 2011 from 10% in 2010.

**Governmental Activities**  
Revenues by Source



In the case of business-type activities, the data shows a considerably different picture. Charges for services (69% 2011, 68% 2010) 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 24% in 2011 and 25% in 2010 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, 2011, the City of Waukesha's governmental funds reported combined ending fund balances of approximately \$24.7 million, a decrease of \$3.3 million from the previous year. This was the result of 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 2011, \$13 million is categorized as Nonspendable, Restricted, Committed or Assigned for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$11.6 million available for spending at the discretion of the City's common council. This is a decrease of \$2.9 million from 2010. This was a result or reclassifying fund balance in accordance with GASB pronouncement 54.

General Fund: The general fund is the primary governmental fund of the city. As of December 31, 2011 the fund balance for the general fund was approximately \$12.3 million. This is an increase of \$.5 million over the ending fund balance from the previous year. The increase was the result of favorable operations during the year.

During 2011 the City continued the hiring freeze for non-public safety positions that was initiated during 2009. In addition, the State of Wisconsin changed the law covering non-public safety employee pension contributions. The law required any non-public safety employees to begin contributing 50% of their pension cost. This was effective for any employees who weren't under union contract. The City's union contracts run through the end of 2012. Non-union employees began contributing in August of 2011. The result of these policies produced a \$617,546 savings in the salary and benefits budget. During 2011 the City had several unexpected expenses including \$800,000 to purchase a condemned apartment building and \$180,763 of payments for assessment refunds. The City also saw higher than anticipated revenues for general taxes (\$296,475), license and permits fees (\$96,871), public charges for service (\$280,091) and interdepartmental charges (249,338). The result of this activity was a surplus of \$547,489 for 2011.

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 2011 was \$1,653,883. This was a decrease of \$2.8 million from the 2010 balance. This was due primarily 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. In addition the City transferred \$1.2 million in unspent note anticipation note proceeds into the general debt service fund from capital projects with favorable cost variances. These funds will be used to reduce the long term borrowing associated with these projects. The City had anticipated a draw down of the debt service fund balance of \$177,000 during 2011.

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 fell in aggregate by \$762,569 from the previous year to a balance of \$258,006. The decrease was due to tax incremental revenue shortfalls. This was do in large part to changes made in TID property valuations made by the state department of revenue and general declines in property values through the City.

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 \$422,194 from the previous year to a balance of \$327,814. This was the result of construction activities.

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 grew by \$94,073 during 2011 primarily as a result of an accumulation of assets for future construction purposes.

## 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 2011 totaled \$143 million, which is an increase over last year of \$1.2 million. This was the result of favorable operations of the Water Utility.

The net assets of the City's internal service-type proprietary funds increased during the year by \$1,075,616. The increase was attributable to the City's self insured health insurance program. Revenues exceeded claims during the year by \$1,054,475.

## GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the "Schedule of Expenditures and Other Financing Uses - Budget and Actual General Fund", the original 2011 general fund budget authorized expenditures and transfers out of approximately \$57.8 million, funded by anticipated revenues and transfers in of \$57.8 million. During the year, the Common Council increased expenditure appropriations by \$107,000 to accommodate carryovers from the previous year and \$800,000 to purchase property. No changes were made to the revenue budget for 2011.

The City ended the year with a favorable general fund budget variance for both expenses and revenues. Revenues were \$897,345 or 1.55% above the final amended budget while expenditures came in \$457,157 or 0.77% 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 \$547,496.

## 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, 2011 totaled over \$294 million.

Total accumulated depreciation at the end of the year was \$227 million, or approximately 43.5% of the historical asset cost.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 30,663,195	\$ 27,532,421	\$ 2,933,848	\$ 2,933,848	\$ 33,597,043	\$ 30,466,269
Intangible Assets	\$ 113,421	\$ 112,421	\$ 87,190	\$ 80,925	\$ 200,611	\$ 193,346
Improvements	\$ 5,925,484	\$ 5,501,382	\$ 452,327	\$ 434,624	\$ 6,377,811	\$ 5,936,006
Plant In Service			\$ 94,942,427	\$ 92,418,707	\$ 94,942,427	\$ 92,418,707
Buildings	\$ 54,913,309	\$ 51,667,068	\$ 68,953,116	\$ 68,943,494	\$ 123,866,425	\$ 120,610,562
Machinery and Equipment	\$ 38,458,785	\$ 37,355,957	\$ 28,085,986	\$ 27,339,041	\$ 66,544,771	\$ 64,694,998
Infrastructure	\$ 162,849,730	\$ 159,589,272	\$ 31,401,137	\$ 29,781,660	\$ 194,250,867	\$ 189,370,932
Construction in Progress	\$ 1,348,322	\$ 729,590	\$ 586,662	\$ 1,076,031	\$ 1,934,984	\$ 1,805,621
Sub-total	\$ 294,272,246	\$ 282,488,111	\$ 227,442,693	\$ 223,008,330	\$ 521,714,939	\$ 505,496,441
Less: Accumulated Depreciation	\$ (145,867,864)	\$ (131,594,391)	\$ (81,132,616)	\$ (76,101,168)	\$ (227,000,480)	\$ (207,695,559)
Net Capital Assets	\$ 148,404,382	\$ 150,893,720	\$ 146,310,077	\$ 146,907,162	\$ 294,714,459	\$ 297,800,882

Some of the most significant additions to the City's capital assets during 2011 included:

• Relocated Fire Station	\$3.2 million
• Land Acquisition	\$3.1 million
• Street network Improvements	\$2.5 million
• Water mains and distribution assets	\$3.3 million
• Storm sewer collection system additions	\$0.7 million
• Sanitary sewer collection system additions	\$1.6 million
• Fleet and heavy Equipment	\$0.5 million

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

### Long-Term Debt

On December 31, 2011, the City of Waukesha had \$127,685,001 of long-term notes, bonds and revenue bonds outstanding as summarized in the following table:

#### City of Waukesha, Wisconsin Notes and Bonds Outstanding

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
	General Obligation Bonds and Notes	\$ 106,144,539	\$ 108,812,009	\$ 10,190,462	\$ 8,512,805	\$ 116,335,001
Revenue Bonds	\$ -	\$ -	\$ 11,350,000	\$ 15,434,201	\$ 11,350,000	\$ 15,434,201
Total	\$ 106,144,539	\$ 108,812,009	\$ 21,540,462	\$ 23,947,006	\$ 127,685,001	\$ 132,759,015

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 \$116,335,001 which is 40.3% of the maximum legal limit of \$288,355,835. This is decrease of .4% of maximum legal limit over 2010. During 2011, the City issued new debt for the following amounts and purposes:

#### City of Waukesha, Wisconsin Long-Term Debt Issued during 2011

Date	Type of Debt	Amount	Moody's Rating
8/9/2011	General Obligation Promissory Notes	\$ 10,915,000	Aa1
8/9/2011	General Obligation Refunding Bonds	\$ 2,575,000	Aa1
8/9/2011	Note Anticipation Notes	\$ 5,790,000	MIG1
		\$ 19,280,000	

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

### CURRENTLY KNOWN FACTS

The adoption of the 2012 general fund budget resulted in an expenditure increase of 0.50% over the previous years Original Budget. The general fund property tax levy decreased by 0.21%, while other revenue sources grew by 1.6%. 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 2012 grew by 0.12% or \$61,449.

## **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](mailto:Finance@ci.waukesha.wi.us).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Assets**  
**As of December 31, 2011**

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 90,013,632	\$ 6,687,156	\$ 96,700,788	\$ 1,815,405
Receivables (net of allowance for uncollectibles)				
Taxes	65,118,635	-	65,118,635	22,942
Accounts	1,418,823	7,104,749	8,523,572	23,436
Special assessments	111,966	-	111,966	118,579
Accrued interest	83,149	-	83,149	1,455
Long-Term loans	3,358,605	-	3,358,605	-
Prepaid items and inventories	665,310	1,303,754	1,969,064	11,080
Other assets	851,647	1,930,456	2,782,103	-
Internal balances	943,794	(943,794)	-	-
Due from other governmental units	2,913,484	-	2,913,484	49,044
Restricted Assets				
Cash and investments	409,475	6,865,563	7,275,038	531,047
Interest receivable	-	-	-	-
Advances	(1,657,810)	1,657,810	-	-
Capital Assets				
Land	30,663,195	2,933,848	33,597,043	2,197,600
Construction in progress	1,348,322	586,662	1,934,984	-
Intangible asset - easements	113,421	87,190	200,611	-
Buildings	54,913,309	223,834,993	278,748,302	14,826,372
Improvements other than buildings	5,925,484	-	5,925,484	1,219,532
Machinery and equipment	38,458,785	-	38,458,785	264,503
Infrastructure	162,849,730	-	162,849,730	-
Less: Accumulated depreciation/amortization	(145,867,864)	(81,132,616)	(227,000,480)	(10,606,658)
Total Assets	312,635,092	170,915,771	483,550,863	10,474,337
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	6,426,712	4,684,741	11,111,453	118,674
Due to other governmental units	73,407,831	-	73,407,831	72,274
Unearned revenues	55,220,173	366,265	55,586,438	183,316
Deposits	276,454	51,798	328,252	-
Liabilities payable from restricted assets				
Tenant deposits	-	-	-	146,145
Noncurrent Liabilities				
Due within one year	19,420,697	3,440,793	22,861,490	-
Due in more than one year	104,093,540	19,107,991	123,201,531	-
Total Liabilities	258,845,407	27,651,588	286,496,995	520,409
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	75,885,887	127,840,507	203,726,394	7,901,349
Restricted				
Debt service	670,879	320,476	991,355	-
Impact fees	241,783	-	241,783	-
Escrow agreement	-	-	-	-
Housing assistance payments	-	-	-	384,902
TIF Districts	327,814	-	327,814	-
Confiscated property	223,573	-	223,573	-
Grants	72,814	-	72,814	-
Loan programs	4,570,261	-	4,570,261	-
Trust donations	373,821	-	373,821	-
Library	38,725	-	38,725	-
Cemetery	1,781,754	-	1,781,754	-
Equipment replacement	-	5,025,161	5,025,161	-
Unrestricted (deficit)	(30,397,626)	10,078,039	(20,319,587)	1,667,677
<b>TOTAL NET ASSETS</b>	<b>\$ 53,789,685</b>	<b>\$ 143,264,183</b>	<b>\$ 197,053,868</b>	<b>\$ 9,953,928</b>

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Activities**  
For the Year Ended December 31, 2011

<u>Functions/Programs</u>	Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 8,949,906	\$ 1,473,348	\$ 754	\$ -
Public safety	30,957,800	2,673,513	675,529	6,520
Highways and streets	21,492,646	1,388,208	3,020,966	308,206
Sanitation	2,884,031	22,234	204,699	-
Health and human services	253,761	-	-	-
Culture and recreation	10,985,884	2,812,868	1,213,704	26,167
Conservation and development	1,369,251	222,594	88,068	-
Interest and fiscal charges	4,288,243	-	-	-
Total Governmental Activities	<u>81,181,522</u>	<u>8,592,765</u>	<u>5,203,720</u>	<u>340,893</u>
Business-type Activities				
Water Utility	7,181,055	9,076,055	-	922,640
Wastewater Utility	9,831,220	9,575,292	-	-
Transit System Utility	10,940,803	2,083,065	5,916,301	589,274
Parking Utility	875,467	565,953	-	-
Cemetery	656,225	340,505	-	-
Total Business-type Activities	<u>29,484,770</u>	<u>21,640,870</u>	<u>5,916,301</u>	<u>1,511,914</u>
Total Primary Government	<u>\$ 110,666,292</u>	<u>\$ 30,233,635</u>	<u>\$ 11,120,021</u>	<u>\$ 1,852,807</u>
<b>Component Units</b>				
Business Improvement District	\$ 269,321	\$ 256,672	\$ -	\$ -
Housing Authority of the City of Waukesha	6,606,740	943,048	5,307,011	-
Total Component Units	<u>\$ 6,876,061</u>	<u>\$ 1,199,720</u>	<u>\$ 5,307,011</u>	<u>\$ -</u>

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
Special Item
Transfer of administrative reserves to WCHA and NBCDA
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.

Primary Government

Government Activities	Business-type Activities	Totals	Component Units
\$ (7,475,804)	\$ -	\$ (7,475,804)	\$ -
(27,602,238)	-	(27,602,238)	-
(16,775,266)	-	(16,775,266)	-
(2,657,098)	-	(2,657,098)	-
(253,761)	-	(253,761)	-
(6,933,145)	-	(6,933,145)	-
(1,058,589)	-	(1,058,589)	-
(4,288,243)	-	(4,288,243)	-
<u>(67,044,144)</u>	<u>-</u>	<u>(67,044,144)</u>	<u>-</u>
-	2,817,640	2,817,640	-
-	(255,928)	(255,928)	-
-	(2,352,163)	(2,352,163)	-
-	(309,514)	(309,514)	-
-	(315,720)	(315,720)	-
-	<u>(415,685)</u>	<u>(415,685)</u>	<u>-</u>
<u>\$ (67,044,144)</u>	<u>\$ (415,685)</u>	<u>\$ (67,459,829)</u>	<u>\$ -</u>
-	-	-	(12,649)
-	-	-	(356,681)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (369,330)</u>
40,447,074	2,070,170	42,517,244	22,942
9,602,359	-	9,602,359	-
3,711,422	-	3,711,422	-
2,011,920	-	2,011,920	-
5,958,954	-	5,958,954	-
342,006	54,066	396,072	8,374
494,851	174,885	669,736	130,488
-	-	-	(43,000)
654,400	(654,400)	-	-
<u>63,222,986</u>	<u>1,644,721</u>	<u>64,867,707</u>	<u>118,804</u>
(3,821,158)	1,229,036	(2,592,122)	(250,526)
<u>57,610,843</u>	<u>142,035,147</u>	<u>199,645,990</u>	<u>10,204,454</u>
<u>\$ 53,789,685</u>	<u>\$ 143,264,183</u>	<u>\$ 197,053,868</u>	<u>\$ 9,953,928</u>

**CITY OF WAUKESHA, WISCONSIN**

**Balance Sheet**

**Governmental Funds**

**As of December 31, 2011**

	General	Debt Service - General	Debt Service- TIF Districts	Capital Projects - TIF Districts	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 71,131,306	\$ 1,539,246	\$ 1,465,474	\$ 160,398	\$ 10,984,539	\$ 85,280,963
Receivables						
Taxes	52,125,436	9,773,527	3,219,672	-	-	65,118,635
Accounts	978,800	-	2,083	131,916	155,767	1,268,566
Special assessments	25,671	-	-	700	85,595	111,966
Loans	-	115,000	-	222,318	3,021,287	3,358,605
Accrued interest	63,134	-	-	-	1,929	65,063
Other	-	-	-	-	-	-
Due from other governmental units	1,781,730	-	-	-	1,131,754	2,913,484
Due from other funds	2,532,348	-	-	-	50,332	2,582,680
Premium on investments	18,086	-	-	-	-	18,086
Inventories	277,000	-	-	-	-	277,000
Prepaid items	163,815	-	-	-	156,171	319,986
<b>TOTAL ASSETS</b>	<b>\$ 129,097,326</b>	<b>\$ 11,427,773</b>	<b>\$ 4,687,229</b>	<b>\$ 515,332</b>	<b>\$ 15,587,374</b>	<b>\$ 161,315,034</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,177,106	\$ 363	\$ 697	\$ 103,167	\$ 1,211,545	\$ 2,492,878
Other accrued liabilities	1,141,365	-	-	-	4,788	1,146,153
Compensated absences	662,205	-	-	-	-	662,205
Due to other governmental units	73,407,831	-	-	-	-	73,407,831
Due to other funds	-	-	1,208,154	84,351	346,381	1,638,886
Deposits	38,734	-	-	-	237,720	276,454
Advance due to other funds	-	-	-	-	1,657,810	1,657,810
Deferred revenue	40,329,137	9,773,527	3,220,372	-	2,019,516	55,342,552
<b>Total Liabilities</b>	<b>116,756,378</b>	<b>9,773,890</b>	<b>4,429,223</b>	<b>187,518</b>	<b>5,477,760</b>	<b>136,624,769</b>
<b>Fund Balances</b>						
Nonspendable	440,815	-	-	-	2,350,471	2,791,286
Restricted	-	1,653,883	258,006	327,814	5,108,431	7,348,134
Committed	-	-	-	-	2,761,232	2,761,232
Assigned	128,569	-	-	-	-	128,569
Unassigned	11,771,664	-	-	-	(110,520)	11,661,144
<b>Total Fund Balances</b>	<b>12,341,048</b>	<b>1,653,883</b>	<b>258,006</b>	<b>327,814</b>	<b>10,109,614</b>	<b>24,690,365</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 129,097,426</b>	<b>\$ 11,427,773</b>	<b>\$ 4,687,229</b>	<b>\$ 515,332</b>	<b>\$ 15,587,374</b>	<b>\$ 161,315,134</b>

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

CITY OF WAUKESHA, WISCONSIN  
 Balance Sheet  
 Governmental Funds  
 As of December 31, 2011

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

Fund balance from previous page:		\$ 24,690,365
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds (less internal service fund assets of \$228,308)		148,176,074
Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements		
Special assessments		111,966
Ambulance grant		10,413
Internal service funds are reported in the statement of net assets as governmental funds		4,704,467
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term debt	\$ (108,620,541)	
Accrued interest	(1,241,010)	
Compensated absences	(6,611,844)	
OPEB liability	(6,383,509)	
Long-term disability payable	(507,522)	
Issuance costs on debt issued	851,647	
(Premium)/discount on debt issued	(1,390,821)	
	(123,903,600)	
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 53,789,685</b>

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	General	Debt Service- General	Debt Service - TIF Districts	Capital Projects - TIF Districts	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 41,369,083	\$ 9,602,359	\$ 3,742,712	\$ -	\$ 137,300	\$ 54,851,454
Intergovernmental	8,468,850	7,241	57,025	1,522	2,835,862	11,370,500
Licenses and permits	1,901,897	-	-	-	169,398	2,071,295
Fines, forfeitures and penalties	718,607	-	-	-	160,946	879,553
Public charges for services	3,219,487	-	-	-	1,869,575	5,089,062
Interdepartmental charges	1,252,430	-	-	-	-	1,252,430
Special assessments	-	-	-	-	116,474	116,474
Investment income	297,295	22,923	9,753	2,622	9,390	341,983
Miscellaneous	165,502	-	-	461	259,126	425,089
<b>Total Revenues</b>	<b>57,393,151</b>	<b>9,632,523</b>	<b>3,809,490</b>	<b>4,605</b>	<b>5,558,071</b>	<b>76,397,840</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	7,569,646	-	34,184	-	18,007	7,621,837
Public safety	28,858,451	-	-	-	55,395	28,913,846
Highways and streets	8,415,842	-	-	-	163,695	8,579,537
Sanitation	3,013,174	-	-	-	253,518	3,266,692
Culture and recreation	9,115,501	-	-	-	1,088,004	10,203,505
Conservation and development	-	-	8,522	209,141	297,765	515,428
Capital Outlay	802,967	-	-	767,658	13,066,656	14,637,281
<b>Debt Service</b>						
Principal retirement	-	13,427,995	6,144,475	-	-	19,572,470
Interest and fiscal charges	-	2,480,514	2,058,133	6,437	75,411	4,620,495
<b>Total Expenditures</b>	<b>57,775,581</b>	<b>15,908,509</b>	<b>8,245,314</b>	<b>983,236</b>	<b>15,018,451</b>	<b>97,931,091</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(382,430)</b>	<b>(6,275,986)</b>	<b>(4,435,824)</b>	<b>(978,631)</b>	<b>(9,460,380)</b>	<b>(21,533,251)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	2,584,165	1,070,835	520,000	10,155,000	14,330,000
Refunding bonds issued	-	-	2,575,000	-	-	2,575,000
Premium on bonds	-	187,822	27,420	36,437	299,381	551,060
Insurance recoveries	-	-	-	-	245,000	245,000
Sale of City property	-	-	-	-	60,577	60,577
Transfers in	1,359,279	1,153,167	-	-	1,080,606	3,593,052
Transfers out	(429,353)	(414,039)	-	-	(2,286,111)	(3,129,503)
<b>Total Other Financing Sources (Uses)</b>	<b>929,926</b>	<b>3,511,115</b>	<b>3,673,255</b>	<b>556,437</b>	<b>9,554,453</b>	<b>18,225,186</b>
<b>Net Changes in Fund Balances</b>	<b>547,496</b>	<b>(2,764,871)</b>	<b>(762,569)</b>	<b>(422,194)</b>	<b>94,073</b>	<b>(3,308,065)</b>
<b>FUND BALANCES - Beginning of Year</b>	<b>11,793,552</b>	<b>4,418,754</b>	<b>1,020,575</b>	<b>750,008</b>	<b>10,015,541</b>	<b>27,998,430</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 12,341,048</b>	<b>\$ 1,653,883</b>	<b>\$ 258,006</b>	<b>\$ 327,814</b>	<b>\$ 10,109,614</b>	<b>\$ 24,690,365</b>

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

**CITY OF WAUKESHA, WISCONSIN**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Governmental Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2011**

Net change in fund balances - from previous page \$ (3,308,065)

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	\$ 14,637,281	
Some capital outlay is not capitalized	(2,289,035)	
Depreciation reported in the government-wide statements	(14,806,608)	
Net book value of assets retired	(30,976)	(2,489,338)

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.

(6,603)

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	(16,905,000)	
Principal repaid	19,572,470	2,667,470

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	36,483	
Long-term disability	20,144	
OPEB liability	(1,598,056)	
Accrued interest on debt	(5,944)	(1,547,373)

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	(363,870)	
Amortization	151,005	(212,865)

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.

1,075,616

**CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**\$ (3,821,158)**

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Assets**  
**Proprietary Funds**  
**As of December 31, 2011**

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 2,526,033	\$ 3,533,519	\$ -
Restricted Assets			
Redemption account	447,499	-	-
Accounts receivable	2,752,242	480,181	2,341,357
Unbilled revenue	1,179,142	-	-
Due from other funds	-	1,757,682	-
Inventories	282,818	-	135,871
Prepaid items	110,100	1,687	70,208
Total Current Assets	<u>7,297,834</u>	<u>5,773,069</u>	<u>2,547,436</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets			
Revenue bond reserve	1,392,903	-	-
Equipment replacement	-	5,025,161	-
Total Restricted Assets	<u>1,392,903</u>	<u>5,025,161</u>	<u>-</u>
Utility Plant			
Land	456,319	31,107	1,683,701
Utility plant in service (at cost)	94,942,427	95,688,444	21,648,548
Construction work in progress	202,947	340,324	-
Total Utility Plant	<u>95,601,693</u>	<u>96,059,875</u>	<u>23,332,249</u>
Intangible assets	87,190	-	-
Equipment	-	-	-
Less: Accumulated depreciation	(24,237,844)	(41,094,227)	(10,088,581)
Net Plant/Equipment	<u>71,451,039</u>	<u>54,965,648</u>	<u>13,243,668</u>
Other Assets			
Preliminary survey and investigation	1,810,353	-	-
Unamortized debt issuance costs	33,135	48,983	-
Advance to other funds	-	1,657,810	-
Total Other Assets	<u>1,843,488</u>	<u>1,706,793</u>	<u>-</u>
Total Noncurrent Assets	<u>74,687,430</u>	<u>61,697,602</u>	<u>13,243,668</u>
Total Assets	<u>81,985,264</u>	<u>67,470,671</u>	<u>15,791,104</u>

(Continued)

Business-type Enterprise Funds			Governmental
Parking Utility	Non-Major Prairie Home Cemetery	Totals	Activities - Internal Service Funds
\$ 255,527	\$ 372,077	\$ 6,687,156	\$ 5,142,144
-	-	447,499	-
25,001	326,826	5,925,607	150,257
-	-	1,179,142	-
-	52,886	1,810,568	-
-	701,695	1,120,384	14,968
-	1,375	183,370	53,356
280,528	1,454,859	17,353,726	5,360,725
-	-	1,392,903	-
-	-	5,025,161	-
-	-	6,418,064	-
668,744	93,977	2,933,848	-
10,936,641	618,933	223,834,993	-
-	43,391	586,662	-
11,605,385	756,301	227,355,503	-
-	-	87,190	-
-	-	-	361,292
(5,321,830)	(390,134)	(81,132,616)	(132,984)
6,283,555	366,167	146,310,077	228,308
-	-	1,810,353	-
23,839	14,146	120,103	-
-	-	1,657,810	-
23,839	14,146	3,588,266	-
6,307,394	380,313	156,316,407	228,308
6,587,922	1,835,172	173,670,133	5,589,033

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Net Assets (Continued)**  
**Proprietary Funds**  
**December 31, 2011**

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	322,867	358,875	450,592
Accrued liabilities	1,542,218	40,398	144,816
Claims payable	-	-	-
Accrued interest	-	53,330	-
Current portion of long-term debt	-	2,098,546	-
Due to other funds	1,757,682	-	440,128
Unearned revenue	-	-	-
Compensated absences	-	583,123	560,063
Other current liabilities	-	-	105,056
Current liabilities payable from restricted assets			
Current portion of revenue bonds	990,000	-	-
Accrued interest	127,023	-	-
Total Current Liabilities	<u>4,739,790</u>	<u>3,134,272</u>	<u>1,700,655</u>
<b>NON-CURRENT LIABILITIES</b>			
Revenue bonds	10,360,000	-	-
Unamortized debt (discount)/premium	58,947	158,077	-
Customer advances for construction	51,798	-	-
OPEB liability	495,738	219,800	-
General obligation debt	-	5,112,056	-
Total Noncurrent Liabilities	<u>10,966,483</u>	<u>5,489,933</u>	<u>-</u>
Total Liabilities	<u>15,706,273</u>	<u>8,624,205</u>	<u>1,700,655</u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	61,434,995	48,968,800	13,243,668
Restricted For:			
Equipment replacement	-	5,025,161	-
Debt service	320,476	-	-
Unpaid claims and restricted deposits	-	-	-
Unrestricted (Deficit)	<u>4,523,520</u>	<u>4,852,505</u>	<u>846,781</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 66,278,991</u>	<u>\$ 58,846,466</u>	<u>\$ 14,090,449</u>

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

Business-type Enterprise Funds			Governmental
Parking Utility	Non-Major Prairie Home Cemetery	Totals	Activities Internal Service Funds
12,111	187,228	1,331,673	1,532
1,851	6,173	1,735,456	-
-	-	-	857,396
27,110	5,994	86,434	-
303,120	49,127	2,450,793	-
-	556,552	2,754,362	-
-	366,265	366,265	-
59,023	96,890	1,299,099	25,638
-	-	105,056	-
-	-	990,000	-
-	-	127,023	-
403,215	1,268,229	11,246,161	884,566
-	-	10,360,000	-
67,309	8,451	292,784	-
-	-	51,798	-
-	-	715,538	-
2,110,088	517,525	7,739,669	-
2,177,397	525,976	19,159,789	-
2,580,612	1,794,205	30,405,950	884,566
3,826,877	366,167	127,840,507	228,308
-	-	5,025,161	-
-	-	320,476	-
-	-	-	4,304,693
180,433	(325,200)	10,078,039	171,466
\$ 4,007,310	\$ 40,967	\$ 143,264,183	\$ 4,704,467

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2011**

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,604,363	\$ 9,570,450	\$ 1,832,870
Intergovernmental	-	-	-
Parking fines	-	-	-
Sales of crypts and niches	-	-	-
Sales of lots	-	-	-
Other revenue	471,692	4,842	250,195
Total Operating Revenues	<u>9,076,055</u>	<u>9,575,292</u>	<u>2,083,065</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	4,501,578	7,218,064	10,069,045
Depreciation	2,141,102	2,458,459	871,758
Total Operating Expenses	<u>6,642,680</u>	<u>9,676,523</u>	<u>10,940,803</u>
Operating Income (Loss)	<u>2,433,375</u>	<u>(101,231)</u>	<u>(8,857,738)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income (loss)	11,536	43,537	-
Miscellaneous	78,782	921	-
Interest and fiscal charges	(536,505)	(134,973)	-
General property taxes	-	-	2,070,170
Amortization of debt discount	(1,870)	(19,724)	-
Sale of capital assets	-	76,869	-
Intergovernmental revenue	-	-	5,916,301
Total Nonoperating	<u>(448,057)</u>	<u>(33,370)</u>	<u>7,986,471</u>
Income (Loss) Before Transfers and Contributions	<u>1,985,318</u>	<u>(134,601)</u>	<u>(871,267)</u>
Transfers in	-	-	-
Transfers out	(1,359,120)	(5,859)	-
Capital contributions	874,473	-	472,133
Capital contributions - municipality	48,167	-	117,141
	<u>(436,480)</u>	<u>(5,859)</u>	<u>589,274</u>
Changes in Net Assets	1,548,838	(140,460)	(281,993)
TOTAL NET ASSETS - Beginning of Year	<u>64,730,153</u>	<u>58,986,926</u>	<u>14,372,442</u>
<b>TOTAL NET ASSETS - END OF YEAR</b>	<u>\$ 66,278,991</u>	<u>\$ 58,846,466</u>	<u>\$ 14,090,449</u>

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

Business-type Enterprise Funds			Governmental
Parking	Nonmajor	Totals	Activities -
Utility	Prairie Home	Current Year	Internal
	Cemetery		Service
			Funds
\$ 237,318	\$ 226,941	\$ 20,471,942	\$ 11,927,937
-	-	-	255,827
328,635	-	328,635	-
-	38,914	38,914	-
-	74,650	74,650	-
-	-	726,729	865,181
565,953	340,505	21,640,870	13,048,945
512,424	609,595	22,910,706	12,121,688
259,878	21,394	5,752,591	42,491
772,302	630,989	28,663,297	12,164,179
(206,349)	(290,484)	(7,022,427)	884,766
1,957	(2,964)	54,066	-
-	13,144	92,847	-
(99,338)	(22,809)	(793,625)	-
-	-	2,070,170	-
(3,827)	(2,427)	(27,848)	-
169	5,000	82,038	-
-	-	5,916,301	-
(101,039)	(10,056)	7,393,949	-
(307,388)	(300,540)	371,522	884,766
345,590	364,989	710,579	190,850
-	-	(1,364,979)	-
-	-	1,346,606	-
-	-	165,308	-
345,590	364,989	857,514	190,850
38,202	64,449	1,229,036	1,075,616
3,969,108	(23,482)	142,035,147	3,628,851
\$ 4,007,310	\$ 40,967	\$ 143,264,183	\$ 4,704,467

CITY OF WAUKESHA, WISCONSIN  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2011

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 9,123,813	\$ 10,074,593	\$ 2,064,112
Cash received from interfund services provided	-	-	-
Cash paid to suppliers for goods and services	(2,281,666)	(5,059,963)	(7,126,157)
Cash payments to employees	(1,847,460)	(2,016,991)	(2,267,701)
Net Cash Flows From Operating Activities	<u>4,994,687</u>	<u>2,997,639</u>	<u>(7,329,746)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
General property taxes	-	-	2,070,170
Operating grants received	-	-	5,584,094
Repayments of advances	-	6,879	-
Tax equivalent paid	(1,306,844)	-	-
Transfers in	-	-	-
Transfers out	-	(5,859)	-
Net Cash Flows From Non-Capital Financing Activities	<u>(1,306,844)</u>	<u>1,020</u>	<u>7,654,264</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (loss)	11,536	66,472	-
Net Cash Flows From Investing Activities	<u>11,536</u>	<u>66,472</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	-	2,375,000	-
Principal payments	(955,000)	(3,410,757)	-
Interest paid	(545,888)	(145,804)	-
Debt issuance costs	-	(29,397)	-
Salvage on retirement of plant	435,186	-	-
Capital contributions	510,006	-	256,280
Acquisition and construction of capital assets	(3,146,974)	(2,232,567)	(580,798)
Net Cash Flows From Capital and Financing Activities	<u>(3,702,670)</u>	<u>(3,443,525)</u>	<u>(324,518)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(3,291)</b>	<b>(378,394)</b>	<b>-</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>4,369,726</u>	<u>8,937,074</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,366,435</b>	<b>\$ 8,558,680</b>	<b>\$ -</b>

(Continued)

Business-type Enterprise Funds			
Parking Utility	Nonmajor Prairie Home Cemetery	Totals	Governmental Activities - Internal Service Funds
\$ 589,165	\$ 423,194	\$ 22,274,877	\$ -
-	-	-	12,926,546
(315,186)	(264,887)	(15,047,859)	(12,013,715)
(217,017)	(306,312)	(6,655,481)	(52,219)
56,962	(148,005)	571,537	860,612
-	-	2,070,170	-
-	-	5,584,094	-
-	-	6,879	-
-	-	(1,306,844)	-
345,590	364,989	710,579	190,850
-	-	(5,859)	-
345,590	364,989	7,059,019	190,850
1,957	(2,964)	77,001	-
1,957	(2,964)	77,001	-
-	-	2,375,000	-
(322,107)	(93,682)	(4,781,546)	-
(103,287)	(25,129)	(820,108)	-
-	-	(29,397)	-
-	-	435,186	-
-	-	766,286	-
-	(61,094)	(6,021,433)	(52,321)
(425,394)	(179,905)	(8,076,012)	(52,321)
(20,885)	34,115	(368,455)	999,141
276,412	337,962	13,921,174	4,143,003
\$ 255,527	\$ 372,077	\$ 13,552,719	\$ 5,142,144

CITY OF WAUKESHA, WISCONSIN  
Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Year Ended December 31, 2011

	Business-type Enterprise Funds		
	Water Utility	Wastewater Utility	Transit System Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 2,433,375	\$ (101,231)	\$ (8,857,738)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Nonoperating income			
Miscellaneous	(234)	77,790	-
Depreciation	2,141,102	2,458,459	871,758
Depreciation charged to operating accounts	188,139	-	-
Changes in Assets and Liabilities			
Accounts receivable	(70,559)	(18,303)	(18,953)
Due from other funds	-	324,171	273,855
Inventories	90,018	-	(21,959)
Prepaid items	(4,476)	(1,686)	231,502
Deferred debits	-	115,642	-
Accounts payable	70,129	79,047	23,849
Unearned revenue	-	-	-
Due to other funds	34,764	-	146,548
Customer deposits	(62,062)	-	-
OPEB liability	165,018	73,547	-
Other current liabilities	9,473	(9,797)	21,392
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 4,994,687</b>	<b>\$ 2,997,639</b>	<b>\$ (7,329,746)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 2,526,033	\$ 3,533,519	\$ -
Restricted cash and investments	1,840,402	5,025,161	-
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 4,366,435</b>	<b>\$ 8,558,680</b>	<b>\$ -</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Change in capital grant receivables	\$ -	\$ -	\$ 332,994
Change in operating grant receivables	\$ -	\$ -	\$ 332,207
Contributed property and equipment	\$ 758,981	\$ -	\$ -
Interest charged to construction	\$ 79,016	\$ -	\$ -

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

Business-type Enterprise Funds			
Parking Utility	Non-Major Prairie Home Cemetery	Totals Current Year	Governmental Activities - Internal Service Funds
\$ (206,349)	\$ (290,484)	\$ (7,022,427)	\$ 884,766
168	18,144	95,868	-
259,878	21,394	5,752,591	42,491
-	-	188,139	-
40,935	46,995	(19,885)	(122,399)
-	(8,754)	589,272	-
-	28,979	97,038	1,623
-	(1,375)	223,965	4,478
(17,891)	-	97,751	-
(23,238)	(24,099)	125,688	54,687
-	(1,755)	(1,755)	-
-	26,244	207,556	(3,116)
-	28,059	(34,003)	-
-	-	238,565	-
3,459	8,647	33,174	(1,918)
\$ 56,962	\$ (148,005)	\$ 571,537	\$ 860,612
\$ 255,527	\$ 372,077	\$ 6,687,156	\$ 5,142,144
-	-	6,865,563	-
\$ 255,527	\$ 372,077	\$ 13,552,719	\$ 5,142,144
\$ -	\$ -	\$ 332,994	\$ -
\$ -	\$ -	\$ 332,207	\$ -
\$ -	\$ -	\$ 758,981	\$ -
\$ -	\$ -	\$ 79,016	\$ -

CITY OF WAUKESHA, WISCONSIN  
Statement of Net Assets  
Component Units  
As of December 31, 2011

	Business Improvement District	Housing Authority of the City of Waukesha	Totals
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 217,262	\$ 815,999	\$ 1,033,261
Investments	-	782,144	782,144
Receivables			
Taxes	22,942	-	22,942
Special assessments	118,579	-	118,579
Intergovernmental		49,044	49,044
Tenant	-	19,293	19,293
Other	2,275	1,868	4,143
Prepaid items	-	11,080	11,080
Accrued interest	-	1,455	1,455
Restricted assets - cash and cash equivalents	-	531,047	531,047
<b>Total Current Assets</b>	<b>361,058</b>	<b>2,211,930</b>	<b>2,572,988</b>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	-	2,197,600	2,197,600
Buildings	-	14,826,372	14,826,372
Furniture, equipment and machinery			
Dwellings	-	72,026	72,026
Administrative	-	192,477	192,477
Leasehold improvements	-	1,219,532	1,219,532
Accumulated depreciation	-	(10,606,658)	(10,606,658)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>7,901,349</b>	<b>7,901,349</b>
<b>TOTAL ASSETS</b>	<b>\$ 361,058</b>	<b>\$ 10,113,279</b>	<b>\$ 10,474,337</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ 39,784	\$ 39,784
Accrued wages	-	47,905	47,905
Accrued compensated absences	-	19,552	19,552
Intergovernmental payables	-	72,274	72,274
Unearned revenue	178,031	5,285	183,316
Other current liabilities	-	11,433	11,433
Liabilities payable from restricted assets - tenant deposits	-	146,145	146,145
<b>Total Current Liabilities</b>	<b>178,031</b>	<b>342,378</b>	<b>520,409</b>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	-	7,901,349	7,901,349
Restricted for housing assistance payments	-	384,902	384,902
Unrestricted	183,027	1,484,650	1,667,677
<b>Total Net Assets</b>	<b>183,027</b>	<b>9,770,901</b>	<b>9,953,928</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 361,058</b>	<b>\$ 10,113,279</b>	<b>\$ 10,474,337</b>

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

**CITY OF WAUKESHA, WISCONSIN**  
**Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2011**

<u>Functions/Programs</u>	<u>Net (Expense) Revenues and Changes in Net Assets</u>						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business Improvement District	Housing Authority of the City of Waukesha	Totals
Component Units							
Business Improvement District	\$ 269,321	\$ 256,672	\$ -	\$ -	(12,649)	-	(12,649)
Housing Authority of the City of Waukesha	6,606,740	943,048	5,307,011	-	-	(356,681)	(356,681)
<b>Total Component Units</b>	<b>\$ 6,876,061</b>	<b>\$ 1,199,720</b>	<b>\$ 5,307,011</b>	<b>\$ -</b>	<b>\$ (12,649)</b>	<b>\$ (356,681)</b>	<b>\$ (369,330)</b>
General Revenue							
Taxes					22,942	-	22,942
Investment income					2,477	5,897	8,374
Miscellaneous					-	130,488	130,488
Special Item							
Transfer of administrative reserves to WCHA and NBCDA					-	(43,000)	(43,000)
<b>Total General Revenue and Special Items</b>					<b>25,419</b>	<b>93,385</b>	<b>118,804</b>
Change in Net Assets					12,770	(263,296)	(250,526)
NET ASSETS - Beginning of Year					170,257	10,034,197	10,204,454
<b>NET ASSETS - END OF YEAR</b>					<b>\$ 183,027</b>	<b>\$ 9,770,901</b>	<b>\$ 9,953,928</b>

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

CITY OF WAUKESHA, WISCONSIN  
Statement of Cash Flows  
Component Units  
For the Year Ended December 31, 2011

	Component Units		
	Business Improvement District	Housing Authority of the City of Waukesha	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 244,924	\$ 362,614	\$ 607,538
Cash paid to suppliers for goods and services	(158,209)	(895,584)	(1,053,793)
Cash payments to employees	(111,153)	(579,177)	(690,330)
Other receipts	-	130,488	130,488
Other payments	-	(4,245,237)	(4,245,237)
Net Cash Flows From Operating Activities	<u>(24,438)</u>	<u>(5,226,896)</u>	<u>(5,251,334)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
General property taxes	22,942	-	22,942
HUD grants received	-	5,080,043	5,080,043
Transfer of administrative reserves to the WCHA	-	(37,000)	(37,000)
Transfer of administrative reserves to the NBCDA	-	(6,000)	(6,000)
Net Cash Flows From Non-Capital Financing Activities	<u>22,942</u>	<u>5,037,043</u>	<u>5,059,985</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (loss)	2,477	8,140	10,617
Marketable securities purchased	-	(232,144)	(232,144)
Marketable securities sold	-	585,269	585,269
Net Cash Flows From Investing Activities	<u>2,477</u>	<u>361,265</u>	<u>363,742</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Payment on line of credit	-	(319,552)	(319,552)
HUD grant received	-	534,228	534,228
Acquisition and construction of capital assets	-	(372,042)	(372,042)
Net Cash Flows From Capital and Financing Activities	<u>-</u>	<u>(157,366)</u>	<u>(157,366)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>981</b>	<b>14,046</b>	<b>15,027</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>216,281</u>	<u>1,333,000</u>	<u>1,549,281</u>
<b>CASH AND CASH EQUIVALENTS -END OF YEAR</b>	<b>\$ 217,262</b>	<b>\$ 1,347,046</b>	<b>\$ 1,564,308</b>

(Continued)

CITY OF WAUKESHA, WISCONSIN  
Statement of Cash Flows  
Component Units (Continued)  
For the Year Ended December 31, 2011

	Component Units		
	Business Improvement District	Housing Authority of the City of Waukesha	Totals
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (12,649)	\$ (5,663,692)	\$ (5,676,341)
Adjustments to reconcile operating loss to net cash flows from operating activities			
Nonoperating income			
Other receipts	-	130,488	130,488
Depreciation	-	571,334	571,334
Changes in Assets and Liabilities			
Accounts receivable	-	(4,757)	(4,757)
Special assessment receivables	(2,275)	-	(2,275)
Prepaid items	(5,664)	365,030	359,366
Accounts payable	(41)	(38,120)	(38,161)
Unearned revenue	(3,809)	(577,401)	(581,210)
Tenant security deposits	-	11,341	11,341
Accrued liabilities	-	(32,552)	(32,552)
Other current liabilities	-	11,433	11,433
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ (24,438)</b>	<b>\$ (5,226,896)</b>	<b>\$ (5,251,334)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 217,262	\$ 815,999	\$ 1,033,261
Restricted cash and investments	-	531,047	531,047
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 217,262</b>	<b>\$ 1,347,046</b>	<b>\$ 1,564,308</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
None			

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

# CITY OF WAUKESHA

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

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

This report includes all of the funds of the City 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, 2011. 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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, 2011. 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 February 2009, the GASB issued statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The City made the decision to implement this standard effective January 1, 2011.

##### **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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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 and report all financial resources except those accounted for and reported in another fund.
- Debt service fund - General - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Debt service fund - TIF Districts - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs on TID debt.
- Capital projects fund - TIF Districts - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays outlined in the TID project plans and related revenues and proceeds from long-term borrowing.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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 major enterprise funds:

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

The City reports the following nonmajor governmental and enterprise funds:

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

Lighted Dome	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	WPL
Public Works DNR Grants	WCME
Park Development Impact Fees	Lead Abatement Grant
Park and Recreation Sponsorship Program	State Confiscated Property
Library Cafe	Civic Band Donation Fund

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

General Improvement	Public Works Improvements
Municipal Facilities	Fleet Replacement

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

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

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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 non-major governmental and enterprise funds: (cont.)

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

Prairie Home Cemetery

In addition, the City reports the following fund types:

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

Printing  
Dental/Life/Vision 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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### **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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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, 2011, 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

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

---

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

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

Property tax calendar - 2011 tax roll:

Lien date and levy date	December 2011
Tax bills mailed	December 2011
Payment in full, or	January 31, 2012
First installment due	January 31, 2012
Second installment due	March 31, 2012
Third installment due	May 31, 2012
Personal property taxes in full	January 31, 2012
Tax sale - 2011 delinquent real estate taxes	October 2014

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 nonspendable 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 restricted fund balance in the fund financial statements.

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

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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 and accounted for using the purchase method.

##### *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. \$79,016 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### 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, 2011, 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

---

### **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 \$28,517,254, made up of 5 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.

##### ***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.

# CITY OF WAUKESHA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

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

##### **Government-Wide Statements (cont.)**

- 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. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balance as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints place on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the Finance Committee to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

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

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

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

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

See Note III. G. for further information.

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### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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#### *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.

A budget has been adopted for the 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 \$128,569. Budgets are adopted at the department level of expenditure.

## CITY OF WAUKESHA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

### 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	\$ -	\$ 253,518	\$ 253,518
Special Revenue Fund - Lighted Dome Fund	-	5,495	5,495
Special Revenue Fund - Park and Recreation Sponsorship Program	470,385	571,788	101,403
Special Revenue Fund - Public Works Impact Fees	200,000	440,803	240,803
Special Revenue Fund - Park Development Impact Fees	365,000	765,500	400,500
Special Revenue Fund - WPL Special Projects Fund	-	2,077	2,077
Special Revenue Fund - Library Cafe Fund	407,302	419,173	11,871
Special Revenue Fund - Police Crime Prevention	-	4,160	4,160
Special Revenue Fund - Housing Development Grant	-	16,653	16,653
Special Revenue Fund - WHEDA Loan	-	72,615	72,615
Special Revenue Fund - Paramedics	-	5,681	5,681
Special Revenue Fund - State Confiscated Property	-	29,051	29,051
Debt Service - General	12,645,576	16,322,548	3,676,972
Capital Projects - TIF Districts	-	983,236	983,236
Special Revenue Fund - Public Works Impact Fees	-	163,695	163,695
Special Revenue Fund - Cemetery Trust Fund C	1,000	1,072	72
Special Revenue Fund - WPL Permanent Fund - Cemetery	-	1,950	1,950
Lot Maintenance	55,000	79,000	24,000
Permanent Fund - Library Endowment	16,250	59,808	43,558

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

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

As part of Wisconsin's Act 32 (2011), 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 zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

## CITY OF WAUKESHA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

#### **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	\$ 73,088,712	\$ 73,196,261	Custodial credit risk
Money markets	60,171	60,171	Custodial credit risk
Repurchase agreement	2,945,332	2,945,332	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk, highly sensitive
US Treasuries	1,000,156	1,000,156	Custodial credit risk, interest rate risk, highly sensitive
US Agencies	3,056,596	3,056,596	Custodial credit risk, credit risk, interest rate risk, highly sensitive
Equity securities/stocks	1,283,244	1,283,244	Custodial credit risk, concentration of credit risk
Mortgage backed securities	15,260,421	15,260,421	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk, highly sensitive
Mutual Funds	1,047,007	1,047,007	Credit risk, interest rate risk
LGIP	6,226,322	6,226,322	Credit risk, interest rate risk
Petty cash	7,865	-	N/A
Total Deposits and Investments	<u>\$103,975,826</u>	<u>\$104,075,510</u>	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 96,700,788		
Restricted cash and investments	7,275,038		
Total Deposits and Investments	<u>\$103,975,826</u>		

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction 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, 2011, the banks had pledged various government securities in the amount of \$42,960,333 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, 2011, \$14,333,431 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>14,333,431</u>
Total	\$ <u><u>14,333,431</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.

<u>US Treasuries</u>	
Neither insured nor registered and held by counterparty	\$ <u>1,000,156</u>
<u>US Agencies</u>	
Neither insured nor registered and held by counterparty	\$ <u>3,056,596</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

***Custodial Credit Risk*** (cont.)

**Investments** (cont.)

Equity securities/stocks

Neither insured nor registered and held by counterparty \$ 1,283,244

Mortgage backed securities

Neither insured nor registered and held by counterparty \$ 15,260,421

***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, 2011, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>	<u>Not Rated</u>
US 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)

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

##### *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, 2011, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Various	Equity securities/stocks	5.20%
Various	Repurchase agreement	11.90%
Various	Mortgage backed securities	61.90%
Various	U.S. Agencies	12.40%

##### *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, 2011, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Months)		
		Less than 1	1-5	5 or more
US Treasuries	\$ 1,000,156	\$ 1,000,156	\$ -	\$ -
US agencies	3,056,596	-	3,056,596	-
Mortgage backed securities	15,260,421	-	15,260,421	-
Mutual funds	1,047,007	446,497	600,510	-
Repurchase agreement	2,945,332	-	2,945,332	-
Totals	<u>\$ 23,309,512</u>	<u>\$ 1,446,653</u>	<u>\$ 21,862,859</u>	<u>\$ -</u>

Investment Type	Fair Value	Weighted Average Maturity (Days)
LGIP	<u>\$ 6,226,322</u>	97

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

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

At December 31, 2011, the City held \$15,260,421 in Mortgage backed securities which matures on a variety of dates. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in total cash flows affects the market value of these securities and makes the market values of these securities highly sensitive to changes in interest rates. The market value of this investment at December 31, 2011, was \$15,260,421.

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.

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:

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 53,257,131	\$ 53,257,131
Special assessments not yet due	111,966	-	111,966
Ambulance grant	10,413	-	10,413
Revenues received in advance	-	1,963,042	1,963,042
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 122,379	 \$ 55,220,173	 \$ 55,342,552

**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.

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

***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.

Following is a list of restricted assets at December 31, 2011:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Assets
	<u>          </u>	<u>          </u>	<u>          </u>
Bond redemption account	\$ 447,499	\$ 127,023	\$ 320,476
Bond reserve account	1,392,903	1,392,903	-
Impact fee account	409,475	167,692	241,783
Equipment replacement account	<u>5,025,161</u>	<u>-</u>	<u>5,025,161</u>
 Total Restricted Assets	 <u>\$ 7,275,038</u>	 <u>\$ 1,687,618</u>	 <u>\$ 5,587,420</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 27,532,421	\$ 3,130,774	\$ -	\$ 30,663,195
Construction in progress	729,590	921,695	302,963	1,348,322
Intangible asset - easements	112,421	1,000	-	113,421
Total Capital Assets Not Being Depreciated/ Amortized	<u>28,374,432</u>	<u>4,053,469</u>	<u>302,963</u>	<u>32,124,938</u>
Capital assets being depreciated				
Buildings	51,667,068	3,246,241	-	54,913,309
Improvements other than buildings	5,501,382	424,102	-	5,925,484
Machinery and equipment	37,355,957	1,535,989	433,161	38,458,785
Infrastructure	159,589,272	3,391,408	130,950	162,849,730
Total Capital Assets Being Depreciated	<u>254,113,679</u>	<u>8,597,740</u>	<u>564,111</u>	<u>262,147,308</u>
Total Capital Assets	<u>282,488,111</u>	<u>12,651,209</u>	<u>867,074</u>	<u>294,272,246</u>
Less: Accumulated depreciation for				
Buildings	(16,718,770)	(1,326,128)	-	(18,044,898)
Improvements other than buildings	(2,489,077)	(222,700)	-	(2,711,777)
Machinery and equipment	(26,791,768)	(2,043,477)	423,123	(28,412,122)
Infrastructure	(85,594,776)	(11,214,303)	110,012	(96,699,067)
Total Accumulated Depreciation	<u>(131,594,391)</u>	<u>(14,806,608)</u>	<u>533,135</u>	<u>(145,867,864)</u>
Net Capital Assets Being Depreciated	<u>122,519,288</u>	<u>(6,208,868)</u>	<u>30,976</u>	<u>116,279,444</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 150,893,720</u>	<u>\$ (2,155,399)</u>	<u>\$ 333,939</u>	<u>\$ 148,404,382</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General Government	\$ 537,694
Public Safety	1,502,412
Public Works	565,432
Culture and Recreation	982,068
Infrastructure	11,214,303
Conservation and Development	<u>4,699</u>
Total Governmental Activities Depreciation/Amortization Expense	<u><u>\$14,806,608</u></u>

**Business-type Activities**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated / amortized				
Land	\$ 456,319	\$ -	\$ -	\$ 456,319
Construction in progress	846,511	2,904,370	3,547,934	202,947
Intangible assets - easements	<u>80,925</u>	<u>6,265</u>	<u>-</u>	<u>87,190</u>
Total Capital Assets Not Being Depreciated / Amortized	<u>1,383,755</u>	<u>2,910,635</u>	<u>3,547,934</u>	<u>746,456</u>
Capital assets being depreciated				
Source of supply	3,478,993	-	-	3,478,993
Pumping	9,532,611	705,545	513,407	9,724,749
Water treatment	5,198,397	83,145	17,187	5,264,355
Transmission and distribution	69,292,413	2,530,208	407,791	71,414,830
General	<u>4,916,293</u>	<u>222,771</u>	<u>79,564</u>	<u>5,059,500</u>
Total Capital Assets Being Depreciated	<u>92,418,707</u>	<u>3,541,669</u>	<u>1,017,949</u>	<u>94,942,427</u>
Total Capital Assets	<u>93,802,462</u>	<u>6,452,304</u>	<u>4,565,883</u>	<u>95,688,883</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water (cont.)</u>				
Less: Accumulated depreciation for				
Source of supply	\$ (1,083,508)	\$ (99,270)	\$ -	\$ (1,182,778)
Pumping	(3,229,015)	(811,488)	513,405	(3,527,098)
Water treatment	(886,274)	(231,073)	17,186	(1,100,161)
Transmission and distribution	(14,009,513)	(1,362,156)	420,622	(14,951,047)
General	<u>(3,283,056)</u>	<u>(273,269)</u>	<u>79,565</u>	<u>(3,476,760)</u>
Total Accumulated Depreciation	<u>(22,491,366)</u>	<u>(2,777,256)</u>	<u>1,030,778</u>	<u>(24,237,844)</u>
Net Capital Assets Being Depreciated	<u>69,927,341</u>	<u>764,413</u>	<u>(12,829)</u>	<u>70,704,583</u>
Net Water Plant	<u>\$ 71,311,096</u>	<u>\$ 3,675,048</u>	<u>\$ 3,535,105</u>	<u>\$ 71,451,039</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated				
Land	\$ 31,107	\$ -	\$ -	\$ 31,107
Construction in Progress	229,520	110,804	-	340,324
Total Capital Assets Not Being Depreciated	<u>260,627</u>	<u>110,804</u>	<u>-</u>	<u>371,431</u>
Capital assets being depreciated				
Buildings and improvements	46,119,651	-	-	46,119,651
Machinery and equipment	17,883,090	502,286	217,720	18,167,656
Infrastructure	<u>29,781,660</u>	<u>1,619,477</u>	<u>-</u>	<u>31,401,137</u>
Total Capital Assets Being Depreciated	<u>93,784,401</u>	<u>2,121,763</u>	<u>217,720</u>	<u>95,688,444</u>
Total Capital Assets	<u>94,045,028</u>	<u>2,232,567</u>	<u>217,720</u>	<u>96,059,875</u>
Less: Accumulated depreciation for				
Buildings and improvements	(18,233,116)	(1,025,229)	-	(19,258,345)
Machinery and equipment	(12,574,094)	(755,793)	217,720	(13,112,167)
Infrastructure	<u>(8,046,278)</u>	<u>(677,437)</u>	<u>-</u>	<u>(8,723,715)</u>
Total Accumulated Depreciation	<u>(38,853,488)</u>	<u>(2,458,459)</u>	<u>217,720</u>	<u>(41,094,227)</u>
Net Capital Assets Being Depreciated	<u>54,930,913</u>	<u>(336,696)</u>	<u>-</u>	<u>54,594,217</u>
Net Wastewater Plant	<u>\$ 55,191,540</u>	<u>\$ (225,892)</u>	<u>\$ -</u>	<u>\$ 54,965,648</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

*D. CAPITAL ASSETS (cont.)*

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Transit</u>				
Capital assets not being depreciated				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Total Capital Assets Not Being Depreciated	1,683,701	-	-	1,683,701
Capital assets being depreciated				
Buildings and improvements	12,045,716	9,622	-	12,055,338
Machinery and equipment	9,092,546	576,688	76,024	9,593,210
Total Capital Assets Being Depreciated	21,138,262	586,310	76,024	21,648,548
Total Capital Assets	22,821,963	586,310	76,024	23,332,249
Less: Accumulated depreciation for				
Buildings and improvements	(2,942,656)	(345,122)	-	(3,287,778)
Machinery and equipment	(6,344,679)	(526,749)	70,625	(6,800,803)
Total Accumulated Depreciation	(9,287,335)	(871,871)	70,625	(10,088,581)
Net Capital Assets Being Depreciated	11,850,927	(285,561)	5,399	11,559,967
Net Plant	\$ 13,534,628	\$ (285,561)	\$ 5,399	\$ 13,243,668

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Parking</u>				
Capital assets not being depreciated				
Land	\$ 668,744	\$ -	\$ -	\$ 668,744
Total Capital Assets Not Being Depreciated	668,744	-	-	668,744
Capital assets being depreciated				
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	10,936,641	-	-	10,936,641
Total Capital Assets	11,605,385	-	-	11,605,385
Less: Accumulated depreciation for				
Buildings and improvements	(4,839,811)	(251,552)	-	(5,091,363)
Improvements other than buildings	(183,719)	(3,766)	-	(187,485)
Machinery and equipment	(38,423)	(4,559)	-	(42,982)
Total Accumulated Depreciation	(5,061,953)	(259,877)	-	(5,321,830)
Net Capital Assets Being Depreciated	5,874,688	(259,877)	-	5,614,811
Net Plant	\$ 6,543,432	\$ (259,877)	\$ -	\$ 6,283,555

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

*D. CAPITAL ASSETS (cont.)*

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Cemetery</u>				
Capital assets not being depreciated				
Land	\$ 93,977	\$ -	\$ -	\$ 93,977
Construction in progress	-	43,391	-	43,391
Total Capital Assets Not Being Depreciated	93,977	43,391	-	137,368
Capital assets being depreciated				
Buildings and improvements	197,189	-	-	197,189
Improvements other than buildings	143,677	17,703	-	161,380
Machinery and equipment	298,649	-	38,285	260,364
Total Capital Assets Being Depreciated	639,515	17,703	38,285	618,933
Total Capital Assets	733,492	61,094	38,285	756,301
Less: Accumulated depreciation for				
Buildings and improvements	(93,919)	(2,934)	-	(96,853)
Improvements other than buildings	(102,601)	(5,046)	-	(107,647)
Machinery and equipment	(210,506)	(13,413)	38,285	(185,634)
Total Accumulated Depreciation	(407,026)	(21,393)	38,285	(390,134)
Net Capital Assets Being Depreciated	232,489	(3,690)	-	228,799
Net Plant	\$ 326,466	\$ 39,701	\$ -	\$ 366,167
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 146,907,162	\$ 2,943,419	\$ 3,540,504	\$ 146,310,077

# CITY OF WAUKESHA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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### D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water	\$ 2,141,102
Wastewater	2,458,459
Transit	871,758
Parking	259,878
Cemetery	<u>21,394</u>

Total Business-type Activities Depreciation Expense \$ 5,752,591

Depreciation/amortization 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**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Component Units</b>				
Capital assets not being depreciated				
Land	\$ 1,950,378	\$ 247,222	\$ -	\$ 2,197,600
Construction in progress	808,376	-	808,376	-
Total Capital Assets Not Being Depreciated	2,758,754	247,222	808,376	2,197,600
Capital assets being depreciated				
Leasehold improvements	1,219,532	-	-	1,219,532
Buildings	13,941,337	1,139,733	254,698	14,826,372
Machinery and equipment	350,180	18,608	104,285	264,503
Total Capital Assets Being Depreciated	15,511,049	1,158,341	358,983	16,310,407
Total Capital Assets	18,269,803	1,405,563	1,167,359	18,508,007
Less: Accumulated depreciation for				
Leasehold improvements	(1,164,642)	(34,743)	-	(1,199,385)
Buildings	(8,713,722)	(517,181)	12,576	(9,218,327)
Machinery and equipment	(268,722)	(19,410)	99,186	(188,946)
Total Accumulated Depreciation	(10,147,086)	(571,334)	111,762	(10,606,658)
Net Capital Assets Being Depreciated	5,363,963	587,007	247,221	5,703,749
Total Component Units Capital Assets, Net of Accumulated Depreciation	\$ 8,122,717	\$ 834,229	\$ 1,055,597	\$ 7,901,349

## CITY OF WAUKESHA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

#### **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	\$ 243,162	\$ -
General Fund	Prairie Home Cemetery Fund	556,552	-
General Fund	TIF Debt Service Fund	1,208,154	-
General Fund	TIF Capital Projects Fund	84,351	-
General Fund	Transit Utility Fund	440,129	-
Cemetery Fund	Cemetery Lot Maintenance	52,886	-
Waste Water Utility	Water Utility	1,757,682	-
Nonmajor Special Revenue Funds	Nonmajor Special Revenue Funds	50,332	-
Total - Fund Financial Statements		4,393,248	
Less: Fund eliminations		(3,449,454)	
Total Internal Balances - Government-Wide Statement of Net Assets		\$ 943,794	

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.

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

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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*E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (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>1,657,810</u>	\$ 1,657,810
Total		<u>1,657,810</u>	

The principal purpose of these interfunds is to fund fleet replacement.

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

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

#### 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	\$ 1,359,120	Transfer for tax equivalent.
General Fund	H.B. Mills Trust	159	Transfer of interest income earned on donation.
Insurance Fund	General Fund	184,992	Allocate sick leave conversion
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 facilities fund	General Fund	22,871	Transfer for operations
Insurance Fund	Waste Water Treatment Utility Fund	5,859	Allocate sick leave conversion
Debt Service - General	Public works improvements fund	506,738	To close out capital projects
Parking Fund	Debt Service - General	345,590	Transfer to pay for debt service costs.
Prairie Home Cemetery	Debt Service - General	68,449	Transfer to pay for debt service costs.
Public works improvement fund	Public works impact fee fund	277,108	Transfer to recognize subdivider funds used for capital projects.
Library endowment fund	WPL special projects fund	127	Transfer of interest income
Municipal facilities fund	Park development impact fees	765,500	Transfer for operations
Prairie Home Cemetery	Cemetery Trust Fund C	907	Transfer of investment income.
Prairie Home Cemetery	Cemetery Lot Maintenance	71,511	Transfer of investment income.
Prairie Home Cemetery	Cemetery Specific Endowment	12,105	Transfer of investment income.
Prairie Home Cemetery	Cemetery Trust Fund K	5,527	Transfer of investment income earned on donation.
Debt Service - General	Municipal facilities fund	<u>646,429</u>	Transfer of debt proceeds
Total - Fund Financial Statements		4,494,482	
Less: Fund eliminations		<u>(3,840,082)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 654,400</u>	

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

**Transfers (cont.)**

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 1,364,979
Business-type Activities	Governmental Activities	<u>(710,579)</u>
Total Government-wide Financial Statements		<u>\$ 654,400</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, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 106,282,009	\$ 11,115,000	\$ 17,042,470	\$ 100,354,539	\$ 10,694,207
Note anticipation notes*	2,530,000	5,790,000	2,530,000	5,790,000	5,790,000
Promissory note	2,476,002	-	-	2,476,002	-
Unamortized premium	1,074,390	551,060	234,629	1,390,821	321,975
Sub-totals	<u>112,362,401</u>	<u>17,456,060</u>	<u>19,807,099</u>	<u>110,011,362</u>	<u>16,806,182</u>
Other Liabilities					
Vested compensated absences	6,648,327	3,014,192	3,050,675	6,611,844	2,587,659
Long-term disability	527,666	-	20,144	507,522	26,856
OPEB liability	4,785,453	2,294,236	696,180	6,383,509	-
Total Other Liabilities	<u>11,961,446</u>	<u>5,308,428</u>	<u>3,766,999</u>	<u>13,502,875</u>	<u>2,614,515</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 124,323,847</u>	<u>\$ 22,764,488</u>	<u>\$ 23,574,098</u>	<u>\$ 123,514,237</u>	<u>\$ 19,420,697</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 8,512,805	\$ 2,375,000	\$ 697,343	\$ 10,190,462	\$ 2,450,793
Revenue bonds	15,434,201	-	4,084,201	11,350,000	990,000
Unamortized premium	200,785	154,398	62,399	292,784	-
Sub-totals	24,147,791	2,529,398	4,843,943	21,833,246	3,440,793
<b>Other Liabilities</b>					
OPEB liability	476,973	352,128	113,563	715,538	-
Total Other Liabilities	476,973	352,128	113,563	715,538	-
Total Business-type Activities Long-Term Liabilities	\$ 24,624,764	\$ 2,881,526	\$ 4,957,506	\$ 22,548,784	\$ 3,440,793

\*It is the City's intention to refinance the note anticipation notes with general obligation long-term debt in future years.

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, 2011, was \$288,355,835. Total general obligation debt outstanding at year end was \$116,335,001.

**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**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**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, 2011</u>
GO Debt	3/1/03	10/1/12	2.50%- 4.00%	\$ 900,000	\$ 115,000
GO Debt	3/1/03	10/1/13	2.00%- 3.75%	3,085,000	750,000
GO Debt	12/15/04	10/1/19	2.375%- 5.00%	21,925,000	13,070,000
GO Debt	7/1/04	4/1/14	3.00%- 4.20%	2,750,000	1,025,000
GO Debt	2/15/04	10/1/18	3.10%- 4.10%	3,500,000	2,595,000
GO Debt	4/1/05	4/1/16	3.50%- 5.00%	4,220,000	1,735,000
GO Debt	5/1/05	10/1/14	3.25%- 4.00%	4,770,000	2,355,000
GO Debt	5/1/05	10/1/23	3.625%- 4.375%	1,700,000	1,600,000
GO Debt	3/15/06	10/1/21	4.00%- 4.25%	8,900,000	6,850,000
GO Debt	6/30/06	10/1/15	4.00%- 4.50%	6,975,000	4,260,000
GO Debt	5/21/07	10/1/16	3.75%- 4.25%	7,950,000	5,630,000

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**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 12/31/11
GO Debt	5/21/07	10/1/21	4.00%- 4.75%	5,885,000	5,660,000
GO Debt	8/5/08	10/1/17	3.00%- 4.00%	2,310,000	1,800,173
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	4,355,000
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	1,750,000
GO Debt	2/9/10	10/1/20	2.00%- 4.00%	5,460,000	3,655,000
GO Debt	8/10/10	10/1/19	.60%-2.50% 1.10%	6,165,000	3,536,092
GO Debt	12/1/10	10/1/30	5.70%- 2.00%	19,015,000	18,378,274
GO Debt	8/9/11	10/1/20	4.00%- 1.00%	8,540,000	8,540,000
GO Debt	8/9/11	10/1/28	5.30%	2,575,000	<u>2,575,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$100,354,539</u>

## CITY OF WAUKESHA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

#### 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, 2011
GO Debt	4/1/05	4/1/21	3.00%- 5.00%	\$ 4,220,000	\$ 455,000
GO Debt	5/1/05	10/1/14	3.00%- 4.00%	4,770,000	15,000
GO Debt	12/15/04	10/1/19	2.00%- 5.00%	21,925,000	2,345,000
GO Debt	8/5/08	10/1/17	3.00%- 4.00%	2,310,000	39,827
GO Debt	7/28/09	10/1/18	2.00%- 3.75%	6,980,000	2,080,000
GO Debt	8/10/10	10/1/19	60%-2.50% 1.10%-	6,165,000	2,548,909
GO Debt	12/1/10	10/1/30	5.70% 2.00%-	19,015,000	331,726
GO Debt	8/9/11	10/1/20	4.00%	2,375,000	<u>2,375,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 10,190,462</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
2012	\$ 10,694,207	\$ 4,109,422	\$ 2,450,793	\$ 313,550
2013	10,900,123	3,694,518	2,884,877	247,348
2014	10,869,224	3,289,161	2,775,776	179,168
2015	10,226,495	2,902,005	413,505	93,861
2016	10,000,597	2,513,239	429,403	77,560
2017-2021	32,234,538	7,488,644	1,170,462	121,327
2022-2026	10,039,355	2,867,054	65,646	4,854
2027-2031	<u>5,390,000</u>	<u>770,125</u>	-	-
Totals	<u>\$ 100,354,539</u>	<u>\$ 27,634,168</u>	<u>\$ 10,190,462</u>	<u>\$ 1,037,668</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**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

*Revenue Debt (cont.)*

The City has pledged future water revenues to repay \$11,350,000 million in revenue bonds issued in 2001-2008. Proceeds from the bonds provided financing for the capital projects and refunding of old revenue bonds. The bonds are payable solely from water revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 11% of gross revenues from water. The total principal and interest remaining to be paid on the bonds is \$15,106,669. Principal and interest paid for the current year and total customer gross revenues were \$1,500,619 and \$9,087,591, respectively.

Revenue debt payable at December 31, 2011, consists of the following:

***Business-type Activities Revenue Debt***

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2011</u>
<u>Water Utility</u>					
Series 2001	6/1/2001	10/1/2015	4.00-4.88%	\$ 4,405,000	\$ 1,260,000
Series 2006	4/15/2006	10/1/2026	4.00-5.00	7,865,000	5,875,000
Series 2008	4/22/2008	10/1/2022	3.00-4.375	4,945,000	<u>4,215,000</u>
Total Business-type Activities Revenue Debt					<u>\$ 11,350,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 990,000	\$ 508,094
2013	915,000	468,781
2014	955,000	430,731
2015	1,000,000	387,694
2016	690,000	342,369
2017-2021	3,930,000	1,228,994
2022-2026	<u>2,870,000</u>	<u>390,006</u>
Totals	<u>\$ 11,350,000</u>	<u>\$ 3,756,669</u>

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

**Note Anticipation Notes**

Note anticipation notes at December 31, 2011, consist of the following:

<b>Governmental Activities</b>	Date of	Final	Interest	Original	Balance
Note Anticipation Notes	Issue	Maturity	Rates	Indebtedness	December 31, 2011
NAN	8/9/2011	8/1/2012	1.75%	\$ 5,790,000	\$ 5,790,000
Total Governmental Activities Note Anticipation Notes					<u>\$ 5,790,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Note Anticipation Notes	
	Principal	Interest
2012	\$ 5,790,000	\$ 99,073
Totals	<u>\$ 5,790,000</u>	<u>\$ 99,073</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 city agrees to pay to the developer certain amounts necessary for completion of a project for Tax Incremental District No. 13 (TID No. 13). The note will be repaid with tax increments generated by TID No. 13. Should TID No. 13 not generate sufficient revenues over its life to repay the note, any remaining balance will be forgiven by the developer. The balance on the note outstanding as of December 31, 2011 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.

## CITY OF WAUKESHA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

###### *Current Refundings*

On August 9, 2011, the City issued \$3,825,000 in general obligation bonds (a portion of the \$10,915,000 Series 2011A bonds) with an average interest rate of 3.37% to current refund \$3,825,000 of outstanding bonds with an average interest rate of 4.79%. The net proceeds of \$3,825,000 (after payment of \$25,957 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 \$4,667,795 from 2012 through 2017. The cash flow requirements on the 2011 A refunding bonds are \$12,356,494 from 2012 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 \$339,586.

On August 5, 2008, the City issued \$2,530,000 of Note Anticipation Notes with an interest rate of 4.65% to finance certain capital projects. The maturity date on these notes was October 1, 2011. On August 9, 2011, the City issued \$2,575,000 of general obligation refunding bonds, with interest rates of ranging from 1.00-5.30% to current refund the Note Anticipation Notes.

###### *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.

**CITY OF WAUKESHA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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

***Debt Coverage - Water***

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the 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 2011 as follows:

Operating revenues	\$	9,076,055
Investment income		11,536
Less: Operation and maintenance expenses		<u>(4,501,578)</u>
 Net Defined Earnings	 \$	 <u><u>4,586,013</u></u>
 Minimum Required Earnings per Resolution:		
2001 revenue bonds subsequent year debt service	\$	350,075
2006 revenue bonds subsequent year debt service		557,150
2008 revenue bonds subsequent year debt service		<u>590,869</u>
Subtotal		1,498,094
Coverage factor		<u>1.25</u>
 Minimum Required Earnings	 \$	 <u><u>1,872,618</u></u>
 Actual Debt Coverage		 <u><u>3.06</u></u>

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

The utility has the following number of customers and billed volumes for 2011:

	Customers	Sales (000 gals)
Residential	17,213	1,011,439
Commercial	2,144	795,106
Industrial	148	340,464
Public authority	121	99,126
Totals	<u><u>19,626</u></u>	<u><u>2,246,135</u></u>

CITY OF WAUKESHA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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

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**G. NET ASSETS/FUND BALANCES**

Net assets reported on the government wide statement of net assets at December 31, 2011, includes the following:

**Governmental Activities**

Invested in Capital Assets, Net of Related Debt	
Land	\$ 30,663,195
Construction in progress	1,348,322
Intangible asset	113,421
Buildings and Improvements	60,838,793
Machinery and Equipment	38,458,785
Infrastructure	162,849,730
Less: accumulated depreciation	(145,867,864)
Less: Long-term debt outstanding	(106,144,539)
Plus: Unspent capital related debt proceeds	2,994,732
Plus: Non-capital debt proceeds	31,170,486
Unamortized Debt Premium	(1,390,821)
Unamortized Debt Issuance Costs	<u>851,647</u>
Total Invested in Capital Assets, Net of Related Debt	<u>\$ 75,885,887</u>

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2011, include the following:

<b>Nonspendable</b>	
Major Funds	
General Fund	
Inventories	\$ 277,000
Prepaid items	<u>163,815</u>
Total	<u>\$ 440,815</u>

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

#### **G. NET ASSETS/FUND BALANCES (cont.)**

##### **Governmental Funds (cont.)**

##### Nonmajor Funds

Capital Project Funds		
Prepaid items	\$	156,171
Permanent Funds		
Trust donations		373,821
Library		38,725
Cemetery		1,781,754
Sub-Total		<u>2,194,300</u>
Total Nonmajor Funds	\$	<u>2,350,471</u>

##### **Restricted**

##### Major Funds

Debt Service - General	\$	1,653,883
Debt Service - TIF Districts		258,006
Capital Projects - TIF Districts		<u>327,814</u>
Total	\$	<u>2,239,703</u>

##### Nonmajor Funds

Special Revenue Fund		
Community Development Block Grant loans	\$	1,761,705
Public Works Impact Fees		175,187
Park Development Impact Fees		66,594
WHEDA loan program		1,396,439
Housing development grants		1,326,161
Public Works DNR grants		11,323
Home Rental Rehab		63,556
Energy Rental Rehab		22,400
Crime Prevention Grant		19
Confiscated Property		191,611
Lead Abatement Grant		61,472
State Confiscated Property		<u>31,962</u>
Total		<u>5,108,431</u>

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

---

#### G. NET ASSETS/FUND BALANCES (cont.)

##### Governmental Funds (cont.)

###### Committed

Special Revenue Funds	
Lighted Dome	\$ 6,079
Festival and Special Activities	7,454
Police Crime Prevention	1,837
Park and Recreation Sponsorship Program	66,415
Library Cafe	45,362
Cemetery Trust Fund C	45,096
Paramedics	7,576
Civic Band Donation Fund	15,674
Capital Project Funds	
General improvement fund	669,889
Public works improvements	1,018,765
Municipal facilities	327,640
Fleet Replacement	<u>549,445</u>
Total	<u>\$ 2,761,232</u>

###### Assigned

General Fund	
City Administrator Search	\$ 20,500
City Master Plan	44,733
Library Director Search	25,000
Street Light Fixtures	10,725
Overtime	6,798
Children Librarian Funding	2,376
Children Service Grant	1,586
Confined Space Training	1,100
Training	1,377
Honor Guard Donation	1,100
Bicycles	3,000
Historical Survey	5,900
Ultipro - Kronos Enhancement	3,000
City Hall	789
Book Proceeds/Walking Tour Insurance	<u>585</u>
Total	<u>\$ 128,569</u>

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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#### G. NET ASSETS/FUND BALANCES (cont.)

##### Governmental Funds (cont.)

<b>Unassigned</b>	
Major Funds	
General fund	\$ <u>11,771,664</u>
Nonmajor Funds	
Special Revenue Funds	
Community Development Block Grant	\$ <u>(110,520)</u>
 <b>Business-type Activities</b>	
Invested in capital assets, net of related debt	
Land	\$ 2,933,848
Construction in progress	586,662
Utility plant in service	223,834,993
Intangible	87,190
Less: accumulated depreciation	(81,132,616)
Less: Long-term debt outstanding	(21,540,462)
Plus: Unspent capital related debt proceeds	2,715,751
Plus: Non-capital debt proceeds	566,652
Unamortized premium	(284,333)
Unamortized debt issuance costs	72,822
Total Invested in Capital Assets, Net of Related Debt	<u>127,840,507</u>
Restricted	
Debt service	320,476
Equipment Replacement	<u>5,025,161</u>
Total Restricted	<u>5,345,637</u>
Unrestricted	<u>10,078,039</u>
 Total Business-type Activities Net Assets	 \$ <u>143,264,183</u>

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

### 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 full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Demand deposits	\$ 1,346,946	\$ 1,375,518	Custodial credit risk
Certificates of deposit	782,144	782,144	Custodial credit risk
Petty cash	100	-	N/A
 Total Deposits and Investments	 \$ 2,129,190	 \$ 2,157,662	

#### ***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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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#### *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 value of the securities held as collateral at September 30, 2011 was \$2,170,000 and \$2,399,917, 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 full 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 \$217,262 and is part of the City's commingled cash. See Note III. A.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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### NOTE IV - OTHER INFORMATION

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#### *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 (1,200 hours for employees hired on or after July 1, 2011) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan through June 28, 2011. Beginning, June 29, 2011 and thereafter covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security). Employers generally make these contributions to the plan on behalf of employees through June 28, 2011. Thereafter, employees are required to fund their contribution subject to terms of employment contracts and which employee group they are a member of. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the system for the year ended December 31, 2011 was \$33,635,486; the employer's total payroll was \$35,543,686. The total required contribution for the year ended December 31, 2011 was \$5,369,549 or 16.0% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2010 and 2009 were \$5,036,776 and \$4,958,588, 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 or beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 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, 2011 there was no pension related debt for the City.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

#### ***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 are accounted for and financed by the City in internal service funds.

#### ***Self Insurance***

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

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

All funds of the City participate in the risk management program. Amounts payable are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$839,202 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, 2009	\$ 20,602	\$ 656,145	\$ 676,747
Current year claims and changes in estimates	450,074	8,791,688	9,241,762
Claim payments	<u>(452,464)</u>	<u>(8,669,835)</u>	<u>(9,122,299)</u>
Unpaid claims - December 31, 2010	18,212	777,998	796,210
Current year claims and changes in estimates	477,971	8,344,379	8,822,350
Claim payments	<u>(477,989)</u>	<u>(8,283,175)</u>	<u>(8,761,164)</u>
Unpaid Claims - December 31, 2011	<u>\$ 18,194</u>	<u>\$ 839,202</u>	<u>\$ 857,396</u>

#### ***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.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

---

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

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.

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.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

---

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

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.

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.

The City's application for a diversion of Great Lakes water to resolve the radionuclide issue 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.

#### ***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.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

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), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 2,672,751
Interest on net OPEB obligation	210,497
Adjustment to annual required contribution	<u>(236,884)</u>
Annual OPEB cost	2,646,364
Contributions made	<u>(809,743)</u>
Increase in net OPEB obligation (asset)	1,836,621
Net OPEB Obligation - Beginning of Year	<u>5,262,426</u>
Net OPEB Obligation - End of Year	<u>\$ 7,099,047</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the one/two preceding year(s) were as follows:

## CITY OF WAUKESHA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2009	\$ 2,506,296	35%	\$ 3,584,363
December 31, 2010	2,647,476	37%	5,262,426
December 31, 2011	2,646,364	31%	7,099,047

The funded status of the plan as of December 31, 2011, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 26,304,152
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 26,304,152
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 35,411,000
UAAL as a percentage of covered payroll	74%

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.

# CITY OF WAUKESHA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

In the January 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 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, 2011, was 30 years.

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

On June 19, 2012 the City approved the issuance and sale of general obligation promissory notes in the amount of \$18,400,000 with interest rates ranging from 2% to 4%. The notes will be used to refund existing debt and finance capital improvements.

On June 19, 2012 the City approved the issuance of \$5,300,000 general obligation promissory notes and the issuance and sale of \$5,300,000 note anticipation notes in anticipation thereof with an interest rate of 1.31%. The notes will be used to provide interim financing for various projects.

On June 19, 2012 the City approved the issuance and sale of general obligation refunding bonds in the amount of \$4,465,000 with an interest rate of 2.81%. The bonds will be used to refund existing debt.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. 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**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 41,072,608	\$ 41,072,608	\$ 41,369,083	\$ 296,475
Intergovernmental	8,343,466	8,343,466	8,468,850	125,384
Licenses and permits	1,805,026	1,805,026	1,901,897	96,871
Fines, forfeitures and penalties	884,077	884,077	718,607	(165,470)
Public charges for services	2,939,396	2,939,396	3,219,487	280,091
Interdepartmental charges	1,003,092	1,003,092	1,252,430	249,338
Investment income	300,000	300,000	297,295	(2,705)
Miscellaneous	125,174	125,174	165,502	40,328
Total Revenues	<u>56,472,839</u>	<u>56,472,839</u>	<u>57,393,151</u>	<u>920,312</u>
<b>EXPENDITURES</b>				
Current				
General government	7,685,590	7,742,678	7,569,646	173,032
Public safety	29,203,726	29,203,726	28,858,451	345,275
Highways and streets	8,453,571	8,453,571	8,415,842	37,729
Sanitation	2,934,992	2,934,992	3,013,174	(78,182)
Culture and recreation	9,140,716	9,167,763	9,115,501	52,262
Capital outlay	-	800,000	802,967	(2,967)
Total Expenditures	<u>57,418,595</u>	<u>58,302,730</u>	<u>57,775,581</u>	<u>527,149</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(945,756)</u>	<u>(1,829,891)</u>	<u>(382,430)</u>	<u>1,447,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,382,246	1,382,246	1,359,279	(22,967)
Transfers out	(336,490)	(359,361)	(429,353)	(69,992)
Total Other Financing Sources (Uses)	<u>1,045,756</u>	<u>1,022,885</u>	<u>929,926</u>	<u>(92,959)</u>
Net Changes in Fund Balance	100,000	(807,006)	547,496	1,354,502
FUND BALANCE - Beginning of Year	<u>11,793,552</u>	<u>11,793,552</u>	<u>11,793,552</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,893,552</u>	<u>\$ 10,986,546</u>	<u>\$ 12,341,048</u>	<u>\$ 1,354,502</u>

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

**CITY OF WAUKESHA, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFIT PLAN  
For the Year Ended December 31, 2011**

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%
2011	\$ -	\$ 26,304,152	0.00%	\$ 26,304,152	\$ 35,411,000	74%

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 independent auditors' report.

**CITY OF WAUKESHA, WISCONSIN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
**For the Year Ended December 31, 2011**

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Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 881,247	\$ 2,504,101	35%
2010	969,414	2,504,101	39%
2011	809,743	2,672,751	30%

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 independent auditors' report.

CITY OF WAUKESHA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
As of and for the Year Ended December 31, 2011

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**NOTE 1 – BUDGETARY INFORMATION**

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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 all other budgeted funds, except the General Fund, is not a required part of the basic financial statements, and is presented in the supplemental information accompanying this report.

See Independent Auditors' Report.

**SUPPLEMENTAL INFORMATION**

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues and Other Financing Sources - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>TAXES</b>				
General property taxes	\$ 40,324,063	\$ 40,324,063	\$ 40,447,074	\$ 123,011
Omitted taxes	1,000	1,000	81,677	80,677
Delinquent taxes and interest	120,000	120,000	150,340	30,340
Mobile home taxes	15,000	15,000	13,914	(1,086)
Occupancy (room) tax	505,000	505,000	534,396	29,396
Payment in lieu of taxes	107,545	107,545	141,682	34,137
Total Taxes	41,072,608	41,072,608	41,369,083	296,475
<b>INTERGOVERNMENTAL REVENUES</b>				
Federal aid - OCDETF	-	-	14,250	14,250
Federal aid - law enforcement	-	-	14,483	14,483
Federal aid - fire	-	-	17,000	17,000
State shared taxes	2,737,565	2,737,565	2,734,921	(2,644)
State fire insurance tax	180,681	180,681	183,102	2,421
State payment for municipal services	243,948	243,948	255,442	11,494
State and federal aid - law enforcement	18,560	18,560	87,251	68,691
State aid - general highway	2,762,203	2,762,203	2,761,954	(249)
State aid - connecting streets	75,017	75,017	74,703	(314)
State aid - ambulance	13,700	13,700	14,132	432
State aid - exempt computer	592,052	592,052	538,096	(53,956)
State aid - park development	-	-	18,926	18,926
County aid - library	1,131,055	1,131,055	1,131,054	(1)
County aid - hazardous materials	145,000	145,000	144,746	(254)
County aid - recycling	269,000	269,000	292,316	23,316
County library system	76,869	76,869	77,650	781
School liaison	60,000	60,000	60,000	-
Other grants	37,816	37,816	48,824	11,008
Total Intergovernmental Revenues	8,343,466	8,343,466	8,468,850	125,384
<b>LICENSES AND PERMITS</b>				
Licenses	132,000	132,000	188,855	56,855
Nonbusiness licenses	15,700	15,700	25,880	10,180
Building permits and inspection fees	578,000	578,000	633,863	55,863
Cable TV franchise fee	927,500	927,500	921,321	(6,179)
Property tax exemption fees	1,500	1,500	305	(1,195)
Other permits and inspection fees	150,326	150,326	131,673	(18,653)
Total Licenses and Permits	1,805,026	1,805,026	1,901,897	96,871
<b>FINES, FORFEITURES AND PENALTIES</b>				
Law and ordinance violations	884,077	884,077	718,607	(165,470)

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues and Other Financing Sources - Budget and Actual (Continued)**  
**General Fund**  
**Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>PUBLIC CHARGES FOR SERVICES</b>				
General government	\$ 37,850	\$ 37,850	\$ 41,815	\$ 3,965
Law enforcement fees	58,000	58,000	109,291	51,291
Fire department fees	44,742	44,742	47,922	3,180
Ambulance	1,300,328	1,300,328	1,452,436	152,108
Hazardous incidents	5,000	5,000	2,293	(2,707)
Safety inspections	185,000	185,000	210,393	25,393
Public works	4,000	4,000	2,771	(1,229)
Engineering	25,000	25,000	2,789	(22,211)
Snow and ice control	7,500	7,500	18,964	11,464
Library	162,993	162,993	169,921	6,928
Recreation	1,046,833	1,046,833	1,128,754	81,921
Weed control	1,500	1,500	768	(732)
Trees	13,650	13,650	728	(12,922)
Other public charges	47,000	47,000	30,642	(16,358)
Total Public Charges for Services	<u>2,939,396</u>	<u>2,939,396</u>	<u>3,219,487</u>	<u>280,091</u>
<b>INTERDEPARTMENTAL CHARGES</b>				
General government services	393,092	393,092	364,564	(28,528)
Public works	110,000	110,000	156,403	46,403
Engineering	500,000	500,000	731,463	231,463
Total Interdepartmental Charges	<u>1,003,092</u>	<u>1,003,092</u>	<u>1,252,430</u>	<u>249,338</u>
<b>INVESTMENT INCOME</b>				
Investment income	300,000	300,000	297,295	(2,705)
<b>MISCELLANEOUS REVENUES</b>				
Insurance recoveries	56,334	56,334	60,448	4,114
Property rental	21,107	21,107	30,116	9,009
Sale of city property	12,333	12,333	13,802	1,469
Donations	4,050	4,050	15,290	11,240
Miscellaneous	31,350	31,350	45,846	14,496
Total Miscellaneous	<u>125,174</u>	<u>125,174</u>	<u>165,502</u>	<u>40,328</u>
<b>TOTAL REVENUES</b>	<u>56,472,839</u>	<u>56,472,839</u>	<u>57,393,151</u>	<u>920,312</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,382,246	1,382,246	1,359,279	(22,967)
Total Other Financing Sources	<u>1,382,246</u>	<u>1,382,246</u>	<u>1,359,279</u>	<u>(22,967)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 57,855,085</u>	<u>\$ 57,855,085</u>	<u>\$ 58,752,430</u>	<u>\$ 897,345</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Expenditures and Other Financing Uses - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
City council	\$ 103,064	\$ 103,064	\$ 101,158	\$ 1,906
Municipal court	338,614	338,614	336,842	1,772
Mayor's office	163,102	163,831	187,020	(23,189)
City administrator	213,550	213,550	134,552	78,998
Landmarks commission	8,965	8,965	462	8,503
Elections	22,750	25,135	27,008	(1,873)
Human resources	149,096	152,096	141,434	10,662
Labor relations	101,865	101,865	100,704	1,161
Unallocated benefits	373,200	373,200	398,192	(24,992)
Clerk/Treasurer	572,281	572,281	554,489	17,792
Assessor	529,876	530,061	472,368	57,693
Finance	560,628	560,628	554,056	6,572
City attorney	607,567	607,567	644,128	(36,561)
City hall	193,532	194,321	196,331	(2,010)
Planning and zoning	661,489	661,489	666,074	(4,585)
Information systems	1,980,096	1,980,096	1,908,244	71,852
Redevelopment authority	2,750	52,750	5,769	46,981
Property and liability insurance	864,615	864,615	824,056	40,559
Bad debts and refunds	111,000	111,000	179,704	(68,704)
Other general government	127,550	127,550	137,055	(9,505)
Total General Government	7,685,590	7,742,678	7,569,646	173,032
<b>PUBLIC SAFETY</b>				
Police department	16,295,190	16,295,190	16,001,540	293,650
Emergency government	28,170	28,170	46,301	(18,131)
Fire department	11,978,249	11,978,249	11,998,194	(19,945)
Police and fire commission	27,561	27,561	16,170	11,391
Building inspections	704,383	704,383	632,299	72,084
Other	170,173	170,173	163,947	6,226
Total Public Safety	29,203,726	29,203,726	28,858,451	345,275

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)**  
**General Fund**  
**Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>HIGHWAYS AND STREETS</b>				
Roadway and streets maintenance	385,940	385,940	337,957	47,983
Engineering	2,720,752	2,720,752	2,714,238	6,514
General public works	3,770,067	3,770,067	3,637,016	133,051
Storm sewers	26,850	26,850	28,104	(1,254)
Snow and ice removal	307,300	307,300	428,895	(121,595)
Fleet maintenance	620,082	620,082	688,057	(67,975)
Street lighting	614,580	614,580	580,170	34,410
Weed cutting	8,000	8,000	1,405	6,595
Total Highways and Streets	<u>8,453,571</u>	<u>8,453,571</u>	<u>8,415,842</u>	<u>37,729</u>
<b>SANITATION</b>				
Solid waste disposal	<u>2,934,992</u>	<u>2,934,992</u>	<u>3,013,174</u>	<u>(78,182)</u>
<b>CULTURE AND RECREATION</b>				
Public library	3,709,143	3,715,355	3,681,192	34,163
Pools	354,303	354,303	372,588	(18,285)
Recreation programs	981,907	981,907	1,013,112	(31,205)
Forestry	806,408	822,225	804,507	17,718
Parks administration	562,651	562,651	554,620	8,031
Parks maintenance	2,593,829	2,598,847	2,564,180	34,667
Cable TV	114,149	114,149	107,039	7,110
Festivals	18,326	18,326	18,263	63
Total Culture and Recreation	<u>9,140,716</u>	<u>9,167,763</u>	<u>9,115,501</u>	<u>52,262</u>
<b>CAPITAL OUTLAY</b>				
Parks	-	800,000	802,967	(2,967)
TOTAL EXPENDITURES	<u>57,418,595</u>	<u>58,302,730</u>	<u>57,775,581</u>	<u>527,149</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>336,490</u>	<u>359,361</u>	<u>429,353</u>	<u>(69,992)</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 57,755,085</u>	<u>\$ 58,662,091</u>	<u>\$ 58,204,934</u>	<u>\$ 457,157</u>

CITY OF WAUKESHA, WISCONSIN  
Combining Balance Sheet  
Nonmajor Governmental Funds  
As of December 31, 2011

Special Revenue Funds											
	Lighted Dome	Festival and Special Activities	Police Crime Prevention	Community Development Block Grant	WHEDA Loan Program	Housing Development Grant	Public Works Impact Fees	Public Works DNR Grants	Park Development Impact Fees	Park and Recreation Sponsorship Program	Library Café
<b>ASSETS</b>											
Cash and investments	\$ 6,079	\$ 10,280	\$ 1,837	\$ 25	\$ 182,857	\$ 1,326,161	\$ 324,773	\$ 31,847	\$ 84,702	\$ 79,914	\$ 47,104
Accounts receivable	-	-	-	3,061	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	1,761,705	1,213,582	-	-	-	-	-	-
Due from other funds	-	-	-	33,772	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	262,474	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,079</b>	<b>\$ 10,280</b>	<b>\$ 1,837</b>	<b>\$ 2,061,037</b>	<b>\$ 1,396,439</b>	<b>\$ 1,326,161</b>	<b>\$ 324,773</b>	<b>\$ 31,847</b>	<b>\$ 84,702</b>	<b>\$ 79,914</b>	<b>\$ 47,104</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Accounts payable	\$ -	\$ 2,808	\$ -	\$ 11,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,162	\$ -
Other accrued liabilities	-	18	-	-	-	-	-	-	-	3,337	1,433
Due to other funds	-	-	-	270,935	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advance due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	127,120	-	-	149,584	20,524	18,108	-	309
<b>Total Liabilities</b>	<b>-</b>	<b>2,826</b>	<b>-</b>	<b>409,852</b>	<b>-</b>	<b>-</b>	<b>149,584</b>	<b>20,524</b>	<b>18,108</b>	<b>13,499</b>	<b>1,742</b>
<b>Fund Balances (Deficits)</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,761,705	1,396,439	1,326,161	175,189	11,323	66,594	-	-
Committed	6,079	7,454	1,837	-	-	-	-	-	-	66,415	45,362
Unassigned	-	-	-	(110,520)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>6,079</b>	<b>7,454</b>	<b>1,837</b>	<b>1,651,185</b>	<b>1,396,439</b>	<b>1,326,161</b>	<b>175,189</b>	<b>11,323</b>	<b>66,594</b>	<b>66,415</b>	<b>45,362</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,079</b>	<b>\$ 10,280</b>	<b>\$ 1,837</b>	<b>\$ 2,061,037</b>	<b>\$ 1,396,439</b>	<b>\$ 1,326,161</b>	<b>\$ 324,773</b>	<b>\$ 31,847</b>	<b>\$ 84,702</b>	<b>\$ 79,914</b>	<b>\$ 47,104</b>

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2011**

	<b>Special Revenue Funds (Continued)</b>										
	Home Rental Rehab	Energy Rental Rehab	Cemetery Trust Fund C	Crime Prevention Grant	Confiscated Property	Paramedics	WPL	WCME	Lead Abatement Grant	State Confiscated Property	Civic Band Donation Fund
<b>ASSETS</b>											
Cash and investments	\$ 18,556	\$ 21,400	\$ 45,043	\$ 22,732	\$ 192,185	\$ 7,576	\$ -	\$ 2,044	\$ 9,494	\$ 31,962	\$ 15,674
Accounts receivable	-	-	-	-	4,870	-	-	-	109,203	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	53	-	-	-	-	-	-	-	-
Loans receivable	45,000	1,000	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	16,560	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 63,556</b>	<b>\$ 22,400</b>	<b>\$ 45,096</b>	<b>\$ 22,732</b>	<b>\$ 197,055</b>	<b>\$ 7,576</b>	<b>\$ -</b>	<b>\$ 2,044</b>	<b>\$ 135,257</b>	<b>\$ 31,962</b>	<b>\$ 15,674</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,444	\$ -	\$ -	\$ 2,044	\$ 30,614	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	22,560	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advance due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	22,713	-	-	-	-	20,611	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,713</b>	<b>5,444</b>	<b>-</b>	<b>-</b>	<b>2,044</b>	<b>73,785</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	63,556	22,400	-	19	191,611	-	-	-	61,472	31,962	-
Committed	-	-	45,096	-	-	7,576	-	-	-	-	15,674
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>63,556</b>	<b>22,400</b>	<b>45,096</b>	<b>19</b>	<b>191,611</b>	<b>7,576</b>	<b>-</b>	<b>-</b>	<b>61,472</b>	<b>31,962</b>	<b>15,674</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 63,556</b>	<b>\$ 22,400</b>	<b>\$ 45,096</b>	<b>\$ 22,732</b>	<b>\$ 197,055</b>	<b>\$ 7,576</b>	<b>\$ -</b>	<b>\$ 2,044</b>	<b>\$ 135,257</b>	<b>\$ 31,962</b>	<b>\$ 15,674</b>

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of December 31, 2011**

	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	
<b>ASSETS</b>										
Cash and investments	\$ 671,465	\$ 2,580,866	\$ 817,223	\$ 2,207,255	\$ 1,129,609	\$ 703,588	\$ 344,971	\$ 38,900	\$ 28,417	\$ 10,984,539
Accounts receivable	38,633	-	-	-	-	-	-	-	-	155,767
Special assessments	61,229	24,366	-	-	-	-	-	-	-	85,595
Accrued interest	-	-	-	-	844	599	433	-	-	1,929
Loans receivable	-	-	-	-	-	-	-	-	-	3,021,287
Due from other funds	-	-	-	-	-	-	-	-	-	50,332
Due from other governmental units	-	624,280	245,000	-	-	-	-	-	-	1,131,754
Prepaid items	156,171	-	-	-	-	-	-	-	-	156,171
<b>TOTAL ASSETS</b>	<b>\$ 927,498</b>	<b>\$ 3,229,512</b>	<b>\$ 1,062,223</b>	<b>\$ 2,207,255</b>	<b>\$ 1,130,453</b>	<b>\$ 704,187</b>	<b>\$ 345,404</b>	<b>\$ 38,900</b>	<b>\$ 28,417</b>	<b>\$ 15,587,374</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Accounts payable	\$ 40,209	\$ 514,293	\$ 593,999	\$ -	\$ -	\$ -	\$ -	\$ 175	\$ -	\$ 1,211,545
Other accrued liabilities	-	-	-	-	-	-	-	-	-	4,788
Due to other funds	-	-	-	-	52,886	-	-	-	-	346,381
Deposits	-	237,720	-	-	-	-	-	-	-	237,720
Advance due to other funds	-	-	-	1,657,810	-	-	-	-	-	1,657,810
Deferred revenues	61,229	1,458,734	140,584	-	-	-	-	-	-	2,019,516
<b>Total Liabilities</b>	<b>101,438</b>	<b>2,210,747</b>	<b>734,583</b>	<b>1,657,810</b>	<b>52,886</b>	<b>-</b>	<b>-</b>	<b>175</b>	<b>-</b>	<b>5,477,760</b>
<b>Fund Balances (Deficits)</b>										
Nonspendable	156,171	-	-	-	1,077,567	704,187	345,404	38,725	28,417	2,350,471
Restricted	-	-	-	-	-	-	-	-	-	5,108,431
Committed	669,889	1,018,765	327,640	549,445	-	-	-	-	-	2,761,232
Unassigned	-	-	-	-	-	-	-	-	-	(110,520)
<b>Total Fund Balances</b>	<b>826,060</b>	<b>1,018,765</b>	<b>327,640</b>	<b>549,445</b>	<b>1,077,567</b>	<b>704,187</b>	<b>345,404</b>	<b>38,725</b>	<b>28,417</b>	<b>10,109,614</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 927,498</b>	<b>\$ 3,229,512</b>	<b>\$ 1,062,223</b>	<b>\$ 2,207,255</b>	<b>\$ 1,130,453</b>	<b>\$ 704,187</b>	<b>\$ 345,404</b>	<b>\$ 38,900</b>	<b>\$ 28,417</b>	<b>\$ 15,587,374</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2011**

	<b>Special Revenue Funds</b>										
	Lighted Dome	Festival and Special Activities	Police Crime Prevention	Community Development Block Grant	WHEDA Loan Program	Housing Development Grant	Public Works Impact Fees	Public Works DNR Grants	Park Development Impact Fees	Park and Recreation Sponsorship Program	Library Café
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	283,231	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	660	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-	-
Public charges for services	-	15,292	-	-	80	-	277,108	-	548,756	571,423	369,986
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Investment income/(loss)	14	-	-	142	23,806	5,470	-	178	119	-	2,012
Miscellaneous	5,000	-	3,197	34,446	65,912	-	-	-	-	-	-
<b>Total Revenues</b>	<b>5,014</b>	<b>15,292</b>	<b>3,197</b>	<b>317,819</b>	<b>89,798</b>	<b>5,470</b>	<b>277,108</b>	<b>178</b>	<b>548,875</b>	<b>572,083</b>	<b>371,998</b>
<b>EXPENDITURES</b>											
Current											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	4,160	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	163,695	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	30,148	-	-	-	-	-	-	-	559,687	419,173
Conservation and development	-	-	-	208,497	72,615	16,653	-	-	-	-	-
Capital Outlay	5,495	-	-	77,941	-	-	-	-	-	12,101	-
Debt Service											
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>5,495</b>	<b>30,148</b>	<b>4,160</b>	<b>286,438</b>	<b>72,615</b>	<b>16,653</b>	<b>163,695</b>	<b>-</b>	<b>-</b>	<b>571,788</b>	<b>419,173</b>
Excess (Deficiency) of Revenues Over Expenditures	(481)	(14,856)	(963)	31,381	17,183	(11,183)	113,413	178	548,875	295	(47,175)
<b>OTHER FINANCING SOURCES (USES)</b>											
Long-term debt issued	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	-
Sale of city property	-	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	15,000	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(277,108)	-	(765,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(277,108)</b>	<b>-</b>	<b>(765,500)</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(481)</b>	<b>144</b>	<b>(963)</b>	<b>31,381</b>	<b>17,183</b>	<b>(11,183)</b>	<b>(163,695)</b>	<b>178</b>	<b>(216,625)</b>	<b>295</b>	<b>(47,175)</b>
<b>FUND BALANCES -</b>											
Beginning of Year	6,560	7,310	2,800	1,619,804	1,379,256	1,337,344	338,884	11,145	283,219	66,120	92,537
<b>FUND BALANCES -</b>											
<b>END OF YEAR</b>	<b>\$ 6,079</b>	<b>\$ 7,454</b>	<b>\$ 1,837</b>	<b>\$ 1,651,185</b>	<b>\$ 1,396,439</b>	<b>\$ 1,326,161</b>	<b>\$ 175,189</b>	<b>\$ 11,323</b>	<b>\$ 66,594</b>	<b>\$ 66,415</b>	<b>\$ 45,362</b>

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2011**

<b>Special Revenue Funds (Continued)</b>											
	Home Rental Rehab	Energy Rental Rehab	Cemetery Trust Fund C	Crime Prevention Grant	Confiscated Property	Paramedics	WPL	WCME	Lead Abatement Grant	State Confiscated Property	Civic Band Donation Fund
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	4,963	-	-	-	-	237,068	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	99,933	-	-	-	-	61,013	-
Public charges for services	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Investment income/(loss)	-	-	-	10	802	42	3	-	284	-	95
Miscellaneous	-	-	12,755	10	-	3,671	-	-	98	-	22,954
Total Revenues	-	-	12,755	4,983	100,735	3,713	3	-	237,450	61,013	23,049
<b>EXPENDITURES</b>											
Current											
General government	-	-	1,072	-	-	-	-	-	-	-	-
Public safety	-	-	-	2,860	13,643	5,681	-	-	-	29,051	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	253,518	-	-	-
Culture and recreation	-	-	-	-	-	-	1,950	-	-	-	17,238
Conservation and development	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	2,114	20,034	-	-	-	-	-	-
Debt Service											
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	1,072	4,974	33,677	5,681	1,950	-	253,518	29,051	17,238
Excess (Deficiency) of Revenues Over Expenditures	-	-	11,683	9	67,058	(1,968)	(1,947)	-	(16,068)	31,962	5,811
<b>OTHER FINANCING SOURCES (USES)</b>											
Long-term debt issued	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	-
Sale of city property	-	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(907)	-	-	-	(127)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(907)	-	-	-	(127)	-	-	-	-
Net Changes in Fund Balances	-	-	10,776	9	67,058	(1,968)	(2,074)	-	(16,068)	31,962	5,811
<b>FUND BALANCES -</b>											
Beginning of Year	63,556	22,400	34,320	10	124,553	9,544	2,074	-	77,540	-	9,863
<b>FUND BALANCES -</b>											
<b>END OF YEAR</b>	\$ 63,556	\$ 22,400	\$ 45,096	\$ 19	\$ 191,611	\$ 7,576	\$ -	\$ -	\$ 61,472	\$ 31,962	\$ 15,674

(Continued)

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2011**

	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	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ 137,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,300
Intergovernmental	1,446,176	672,234	192,190	-	-	-	-	-	-	2,835,862
Licenses and permits	168,738	-	-	-	-	-	-	-	-	169,398
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	160,946
Public charges for services	-	-	80,878	-	-	-	-	6,052	-	1,869,575
Special assessments	106,857	9,617	-	-	-	-	-	-	-	116,474
Investment income/(loss)	5,282	8,722	5,941	14,776	(36,434)	(23,874)	1,549	292	159	9,390
Miscellaneous	5,800	-	16,232	10,904	44,152	18,501	-	15,494	-	259,126
Total Revenues	1,732,853	690,573	295,241	162,980	7,718	(5,373)	1,549	21,838	159	5,558,071
<b>EXPENDITURES</b>										
Current										
General government	-	-	-	-	7,489	4,376	5,070	-	-	18,007
Public safety	-	-	-	-	-	-	-	-	-	55,395
Public works	-	-	-	-	-	-	-	-	-	163,695
Sanitation	-	-	-	-	-	-	-	-	-	253,518
Culture and recreation	-	-	-	-	-	-	-	59,808	-	1,088,004
Conservation and development	-	-	-	-	-	-	-	-	-	297,765
Capital Outlay	1,487,807	4,895,542	5,682,808	882,814	-	-	-	-	-	13,066,656
Debt Service										
Interest and fiscal charges	-	75,411	-	-	-	-	-	-	-	75,411
Total Expenditures	1,487,807	4,970,953	5,682,808	882,814	7,489	4,376	5,070	59,808	-	15,018,451
Excess (Deficiency) of Revenues Over Expenditures	245,046	(4,280,380)	(5,387,567)	(719,834)	229	(9,749)	(3,521)	(37,970)	159	(9,460,380)
<b>OTHER FINANCING SOURCES (USES)</b>										
Long-term debt issued	-	4,817,865	4,597,085	740,050	-	-	-	-	-	10,155,000
Premium on debt issued	-	299,381	-	-	-	-	-	-	-	299,381
Sale of city property	-	-	-	60,577	-	-	-	-	-	60,577
Insurance recoveries	-	-	245,000	-	-	-	-	-	-	245,000
Transfers in	-	277,108	788,371	-	-	-	-	127	-	1,080,606
Transfers out	-	(506,738)	(646,429)	-	(71,511)	(12,105)	(5,527)	-	(159)	(2,286,111)
Total Other Financing Sources (Uses)	-	4,887,616	4,984,027	800,627	(71,511)	(12,105)	(5,527)	127	(159)	9,554,453
Net Changes in Fund Balances	245,046	607,236	(403,540)	80,793	(71,282)	(21,854)	(9,048)	(37,843)	-	94,073
<b>FUND BALANCES -</b>										
Beginning of Year	581,014	411,529	731,180	468,652	1,148,849	726,041	354,452	76,568	28,417	10,015,541
<b>FUND BALANCES -</b> <b>END OF YEAR</b>	\$ 826,060	\$ 1,018,765	\$ 327,640	\$ 549,445	\$ 1,077,567	\$ 704,187	\$ 345,404	\$ 38,725	\$ 28,417	\$ 10,109,614

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Lighted Dome Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 14	\$ 14
Miscellaneous	-	-	5,000	5,000
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>5,014</b>	<b>5,014</b>
<b>EXPENDITURES</b>				
Capital outlay	-	-	5,495	(5,495)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(481)</b>	<b>(481)</b>
FUND BALANCE - Beginning of Year	6,560	6,560	6,560	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 6,560</b>	<b>\$ 6,560</b>	<b>\$ 6,079</b>	<b>\$ (481)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Festival and Special Activities Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ 16,912	\$ 16,912	\$ 15,292	\$ (1,620)
<b>EXPENDITURES</b>				
Culture and recreation	34,912	34,912	30,148	4,764
Excess (Deficiency) of Revenues Over Expenditures	(18,000)	(18,000)	(14,856)	3,144
<b>OTHER FINANCING SOURCES</b>				
Transfers in	15,000	15,000	15,000	-
<b>Net Change in Fund Balance</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>144</b>	<b>3,144</b>
FUND BALANCE - Beginning of Year	7,310	7,310	7,310	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 4,310</b>	<b>\$ 4,310</b>	<b>\$ 7,454</b>	<b>\$ 3,144</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Police Crime Prevention Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 3,197	\$ 3,197
<b>EXPENDITURES</b>				
Public safety	-	-	4,160	(4,160)
<b>Net Change in Fund Balance</b>	-	-	(963)	(963)
FUND BALANCE - Beginning of Year	2,800	2,800	2,800	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 2,800</b>	<b>\$ 2,800</b>	<b>\$ 1,837</b>	<b>\$ (963)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 240,000	\$ 240,000	\$ 283,231	\$ 43,231
Investment income	-	-	142	142
Miscellaneous	-	-	34,446	34,446
<b>Total Revenues</b>	<b>240,000</b>	<b>240,000</b>	<b>317,819</b>	<b>77,819</b>
<b>EXPENDITURES</b>				
Conservation and development	77,891	213,891	208,497	5,394
Capital outlay	-	89,000	77,941	11,059
<b>Total Expenditures</b>	<b>77,891</b>	<b>302,891</b>	<b>286,438</b>	<b>16,453</b>
Excess (Deficiency) of Revenues Over Expenditures	162,109	(62,891)	31,381	94,272
<b>OTHER FINANCING USES</b>				
Transfers out	(15,000)	(15,000)	-	15,000
<b>Net Change in Fund Balance</b>	<b>147,109</b>	<b>(77,891)</b>	<b>31,381</b>	<b>109,272</b>
FUND BALANCE - Beginning of Year	1,619,804	1,619,804	1,619,804	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,766,913</b>	<b>\$ 1,541,913</b>	<b>\$ 1,651,185</b>	<b>\$ 109,272</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**WHEDA Loan Program Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ -	\$ -	\$ 80	\$ 80
Investment income	-	-	23,806	23,806
Miscellaneous	-	-	65,912	65,912
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>89,798</b>	<b>89,798</b>
<b>EXPENDITURES</b>				
Conservation and development	-	-	72,615	(72,615)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>17,183</b>	<b>17,183</b>
FUND BALANCE - Beginning of Year	1,379,256	1,379,256	1,379,256	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,379,256</b>	<b>\$ 1,379,256</b>	<b>\$ 1,396,439</b>	<b>\$ 17,183</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Housing Development Grant**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 5,470	\$ 5,470
<b>EXPENDITURES</b>				
Conservation and development	-	-	16,653	(16,653)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>16,653</b>	<b>(16,653)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(11,183)</b>	<b>(11,183)</b>
FUND BALANCE - Beginning of Year	1,337,344	1,337,344	1,337,344	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,337,344</b>	<b>\$ 1,337,344</b>	<b>\$ 1,326,161</b>	<b>\$ (11,183)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works Impact Fees Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ 275,000	\$ 275,000	\$ 277,108	\$ 2,108
Investment income	10,000	10,000	-	(10,000)
Total Revenues	<u>285,000</u>	<u>285,000</u>	<u>277,108</u>	<u>(7,892)</u>
<b>EXPENDITURES</b>				
Public works	-	-	163,695	(163,695)
Excess of Revenues Over Expenditures	285,000	285,000	113,413	(171,587)
<b>OTHER FINANCING USES</b>				
Transfers out	(200,000)	(200,000)	(277,108)	(77,108)
<b>Net Change in Fund Balance</b>	85,000	85,000	(163,695)	(248,695)
FUND BALANCE - Beginning of Year	338,884	338,884	338,884	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 423,884</u>	<u>\$ 423,884</u>	<u>\$ 175,189</u>	<u>\$ (248,695)</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works DNR Grant Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 250	\$ 250	\$ 178	\$ (72)
<b>EXPENDITURES</b>				
Public works	-	-	-	-
<b>Net Change in Fund Balance</b>	250	250	178	(72)
FUND BALANCE - Beginning of Year	11,145	11,145	11,145	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 11,395</u>	<u>\$ 11,395</u>	<u>\$ 11,323</u>	<u>\$ (72)</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Park Development Impact Fees Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ 365,000	\$ 365,000	\$ 548,756	\$ 183,756
Investment income	6,000	6,000	119	(5,881)
<b>Total Revenues</b>	<b>371,000</b>	<b>371,000</b>	<b>548,875</b>	<b>177,875</b>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	371,000	371,000	548,875	177,875
<b>OTHER FINANCING USES</b>				
Transfers out	(365,000)	(365,000)	(765,500)	(400,500)
<b>Net Change in Fund Balance</b>	<b>6,000</b>	<b>6,000</b>	<b>(216,625)</b>	<b>(222,625)</b>
FUND BALANCE - Beginning of Year	283,219	283,219	283,219	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 289,219</b>	<b>\$ 289,219</b>	<b>\$ 66,594</b>	<b>\$ (222,625)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Park and Recreation Sponsorship Program Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 725	\$ 725	\$ 660	\$ (65)
Public charges for services	498,275	498,275	571,423	73,148
<b>Total Revenues</b>	<b>499,000</b>	<b>499,000</b>	<b>572,083</b>	<b>73,083</b>
<b>EXPENDITURES</b>				
Culture and recreation	470,385	470,385	559,687	(89,302)
Capital outlay	-	-	12,101	(12,101)
<b>Total Expenditures</b>	<b>470,385</b>	<b>470,385</b>	<b>571,788</b>	<b>(101,403)</b>
<b>Net Change in Fund Balance</b>	<b>28,615</b>	<b>28,615</b>	<b>295</b>	<b>(28,320)</b>
FUND BALANCE - Beginning of Year	66,120	66,120	66,120	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 94,735</b>	<b>\$ 94,735</b>	<b>\$ 66,415</b>	<b>\$ (28,320)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Library Cafe Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ 407,659	\$ 407,659	\$ 369,986	\$ (37,673)
Investment income	-	-	2,012	2,012
<b>Total Revenues</b>	<b>407,659</b>	<b>407,659</b>	<b>371,998</b>	<b>(35,661)</b>
<b>EXPENDITURES</b>				
Culture and recreation	407,302	407,302	419,173	(11,871)
<b>Net Change in Fund Balance</b>	<b>357</b>	<b>357</b>	<b>(47,175)</b>	<b>(47,532)</b>
FUND BALANCE - Beginning of Year	92,537	92,537	92,537	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 92,894</b>	<b>\$ 92,894</b>	<b>\$ 45,362</b>	<b>\$ (47,532)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Trust Fund C Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 11,000	\$ 11,000	\$ -	\$ (11,000)
Miscellaneous	-	-	12,755	12,755
<b>Total Revenues</b>	<b>11,000</b>	<b>11,000</b>	<b>12,755</b>	<b>1,755</b>
<b>EXPENDITURES</b>				
General government	1,000	1,000	1,072	(72)
Excess of Revenues Over Expenditures	10,000	10,000	11,683	1,683
<b>OTHER FINANCING USES</b>				
Transfers out	(10,000)	(10,000)	(907)	9,093
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>10,776</b>	<b>10,776</b>
FUND BALANCE - Beginning of Year	34,320	34,320	34,320	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 34,320</b>	<b>\$ 34,320</b>	<b>\$ 45,096</b>	<b>\$ 10,776</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Crime Prevention Grant Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 19,204	\$ 19,204	\$ 4,963	\$ (14,241)
Investment income	-	-	10	10
Miscellaneous	-	-	10	10
<b>Total Revenues</b>	<b>19,204</b>	<b>19,204</b>	<b>4,983</b>	<b>(14,221)</b>
<b>EXPENDITURES</b>				
Public safety	2,849	2,849	2,860	(11)
Capital outlay	16,355	16,355	2,114	14,241
<b>Total Expenditures</b>	<b>19,204</b>	<b>19,204</b>	<b>4,974</b>	<b>14,230</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>
FUND BALANCE - Beginning of Year	10	10	10	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 19</b>	<b>\$ 9</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Confiscated Property Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 11,332	\$ 11,332	\$ -	\$ (11,332)
Fines, forfeitures and penalties	20,000	20,000	99,933	79,933
Investment income	-	-	802	802
<b>Total Revenues</b>	<b>31,332</b>	<b>31,332</b>	<b>100,735</b>	<b>69,403</b>
<b>EXPENDITURES</b>				
Public safety	-	-	13,643	(13,643)
Capital outlay	53,500	53,500	20,034	33,466
<b>Total Expenditures</b>	<b>53,500</b>	<b>53,500</b>	<b>33,677</b>	<b>19,823</b>
<b>Net Change in Fund Balance</b>	<b>(22,168)</b>	<b>(22,168)</b>	<b>67,058</b>	<b>89,226</b>
FUND BALANCE - Beginning of Year	124,553	124,553	124,553	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 102,385</b>	<b>\$ 102,385</b>	<b>\$ 191,611</b>	<b>\$ 89,226</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Paramedics Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 100	\$ 100	\$ 42	\$ (58)
Miscellaneous	-	-	3,671	3,671
<b>Total Revenues</b>	<b>100</b>	<b>100</b>	<b>3,713</b>	<b>3,613</b>
<b>EXPENDITURES</b>				
Public safety	-	-	5,681	(5,681)
<b>Net Change in Fund Balance</b>	<b>100</b>	<b>100</b>	<b>(1,968)</b>	<b>(2,068)</b>
FUND BALANCE - Beginning of Year	9,544	9,544	9,544	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 9,644</b>	<b>\$ 9,644</b>	<b>\$ 7,576</b>	<b>\$ (2,068)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**WPL Special Revenue Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 3	\$ 3
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>EXPENDITURES</b>				
Library	-	-	1,950	(1,950)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(1,947)	(1,947)
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(127)	(127)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(2,074)</b>	<b>(2,074)</b>
FUND BALANCE - Beginning of Year	2,074	2,074	2,074	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,074</b>	<b>\$ 2,074</b>	<b>\$ -</b>	<b>\$ (2,074)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Lead Abatement Grant Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 237,068	\$ 237,068
Investment income	-	-	284	284
Miscellaneous	-	-	98	98
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>237,450</b>	<b>237,450</b>
<b>EXPENDITURES</b>				
Sanitation	-	-	253,518	(253,518)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(16,068)</b>	<b>(16,068)</b>
FUND BALANCE - Beginning of Year	77,540	77,540	77,540	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 77,540</b>	<b>\$ 77,540</b>	<b>\$ 61,472</b>	<b>\$ (16,068)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**State Confiscated Property Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 61,013	\$ 61,013
<b>EXPENDITURES</b>				
Public safety	-	-	29,051	(29,051)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>31,962</b>	<b>31,962</b>
FUND BALANCE - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,962</b>	<b>\$ 31,962</b>

CITY OF WAUKESHA, WISCONSIN  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Civic Band Donation Fund  
 For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 95	95
Miscellaneous	19,000	19,000	22,954	3,954
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>23,049</u>	<u>4,049</u>
<b>EXPENDITURES</b>				
Culture and recreation	18,450	18,450	17,238	1,212
Total Expenditures	<u>18,450</u>	<u>18,450</u>	<u>17,238</u>	<u>1,212</u>
<b>Net Change in Fund Balance</b>	550	550	5,811	5,261
FUND BALANCE - Beginning of Year	<u>9,863</u>	<u>9,863</u>	<u>9,863</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,413</u>	<u>\$ 10,413</u>	<u>\$ 15,674</u>	<u>\$ 5,261</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Debt Service Fund (Major Fund)**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,602,359	\$ 9,602,359	\$ 9,602,359	\$ -
Intergovernmental	116,163	116,163	7,241	(108,922)
Investment income	10,000	10,000	22,923	12,923
Total Revenues	9,728,522	9,728,522	9,632,523	(95,999)
<b>EXPENDITURES</b>				
Principal retirement	7,075,971	9,815,971	13,427,995	(3,612,024)
Interest and fiscal charges	2,415,026	2,415,026	2,480,514	(65,488)
Total Expenditures	9,490,997	12,230,997	15,908,509	(3,677,512)
Excess (Deficiency) of Revenues Over (Under) Expenditures	237,525	(2,502,475)	(6,275,986)	(3,773,511)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	2,740,000	2,584,165	(155,835)
Premium on debt issued	-	-	187,822	187,822
Transfers in	-	-	1,153,167	1,153,167
Transfers out	(414,579)	(414,579)	(414,039)	540
Total Other Financing Sources (Uses)	(414,579)	2,325,421	3,511,115	1,185,694
<b>Net Change in Fund Balance</b>	(177,054)	(177,054)	(2,764,871)	(2,587,817)
FUND BALANCE - Beginning of Year	4,418,754	4,418,754	4,418,754	-
<b>FUND BALANCE - End of Year</b>	\$ 4,241,700	\$ 4,241,700	\$ 1,653,883	\$ (2,587,817)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**TIF District Debt Service Fund (Major Fund)**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,726,374	\$ 3,726,374	\$ 3,742,712	\$ 16,338
Intergovernmental	57,025	57,025	57,025	-
Investment income	1,110	1,110	9,753	8,643
<b>Total Revenues</b>	<b>3,784,509</b>	<b>3,784,509</b>	<b>3,809,490</b>	<b>24,981</b>
<b>EXPENDITURES</b>				
Current				
General government	18,142	18,142	34,184	(16,042)
Conservation and development	3,750	3,750	8,522	(4,772)
Debt Service				
Principal	5,108,332	6,193,332	6,144,475	48,857
Interest and fiscal charges	2,066,564	2,066,564	2,058,133	8,431
<b>Total Expenditures</b>	<b>7,196,788</b>	<b>8,281,788</b>	<b>8,245,314</b>	<b>36,474</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,412,279)	(4,497,279)	(4,435,824)	61,455
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	1,085,000	1,085,000	1,070,835	(14,165)
Refunding bonds issued	2,631,200	2,631,200	2,575,000	(56,200)
Premium on debt issued	-	-	27,420	27,420
<b>Total Other Financing Sources (Uses)</b>	<b>3,716,200</b>	<b>3,716,200</b>	<b>3,673,255</b>	<b>(42,945)</b>
<b>Net Change in Fund Balance</b>	<b>303,921</b>	<b>(781,079)</b>	<b>(762,569)</b>	<b>18,510</b>
FUND BALANCE - Beginning of Year	1,020,575	1,020,575	1,020,575	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,324,496</b>	<b>\$ 239,496</b>	<b>\$ 258,006</b>	<b>\$ 18,510</b>

CITY OF WAUKESHA, WISCONSIN  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Improvement Capital Projects Fund  
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,183,076	\$ 1,376,673	\$ 1,446,176	\$ 69,503
Public charges for services	100,000	100,000	168,738	68,738
Special assessments	120,000	120,000	106,857	(13,143)
Investment income	-	-	5,282	5,282
Miscellaneous	-	-	5,800	5,800
Total Revenues	<u>1,403,076</u>	<u>1,596,673</u>	<u>1,732,853</u>	<u>136,180</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,403,076</u>	<u>2,084,310</u>	<u>1,487,807</u>	<u>596,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(487,637)</u>	<u>245,046</u>	<u>732,683</u>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(487,637)</b>	<b>245,046</b>	<b>732,683</b>
FUND BALANCE - Beginning of Year	<u>581,014</u>	<u>581,014</u>	<u>581,014</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 581,014</b></u>	<u><b>\$ 93,377</b></u>	<u><b>\$ 826,060</b></u>	<u><b>\$ 732,683</b></u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Works Improvements Capital Projects Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 198,965	\$ 1,268,673	\$ 672,234	\$ (596,439)
Special assessments	50,000	100,000	9,617	(90,383)
Public charges for services	450,000	950,000	-	(950,000)
Investment income	-	-	8,722	8,722
Total Revenues	698,965	2,318,673	690,573	(1,628,100)
<b>EXPENDITURES</b>				
Capital outlay	5,579,879	9,710,451	4,895,542	4,814,909
Debt Service	-	-	-	-
Interest and fiscal charges	-	-	75,411	(75,411)
Total Expenditures	5,579,879	9,710,451	4,970,953	4,739,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,880,914)	(7,391,778)	(4,280,380)	3,111,398
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	4,880,914	7,029,224	4,817,865	(2,211,359)
Premium on debt issued	-	-	299,381	299,381
Transfers in	-	-	277,108	277,108
Transfer out	-	-	(506,738)	(506,738)
Total Other Financing Sources (Uses)	4,880,914	7,029,224	4,887,616	(2,141,608)
<b>Net Change in Fund Balance</b>	-	(362,554)	607,236	969,790
FUND BALANCE - Beginning of Year	411,529	411,529	411,529	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 411,529	\$ 48,975	\$ 1,018,765	\$ 969,790

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Municipal Facilities Capital Projects Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 105,875	\$ 671,180	\$ 192,190	\$ (478,990)
Public charges for services	-	718,366	80,878	(637,488)
Investment income	-	-	5,941	5,941
Miscellaneous	6,500	6,500	16,232	9,732
Total Revenues	<u>112,375</u>	<u>1,396,046</u>	<u>295,241</u>	<u>(1,100,805)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>5,245,419</u>	<u>8,048,271</u>	<u>5,682,808</u>	<u>2,365,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,133,044)</u>	<u>(6,652,225)</u>	<u>(5,387,567)</u>	<u>1,264,658</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	5,108,296	5,599,885	4,597,085	(1,002,800)
Insurance recoveries	-	-	245,000	245,000
Transfers in	24,748	47,619	869,249	821,630
Transfers out	-	-	(727,307)	(727,307)
Total Other Financing Sources (Uses)	<u>5,133,044</u>	<u>5,647,504</u>	<u>4,984,027</u>	<u>(663,477)</u>
<b>Net Change in Fund Balance</b>	-	(1,004,721)	(403,540)	601,181
FUND BALANCE - Beginning of Year	<u>731,180</u>	<u>731,180</u>	<u>731,180</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 731,180</u>	<u>\$ (273,541)</u>	<u>\$ 327,640</u>	<u>\$ 601,181</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Fleet Replacement Capital Projects Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 137,300	\$ 137,300	\$ 137,300	\$ -
Investment income	15,000	15,000	14,776	(224)
Miscellaneous	-	-	10,904	10,904
Total Revenues	<u>152,300</u>	<u>152,300</u>	<u>162,980</u>	<u>10,680</u>
<b>EXPENDITURES</b>				
Capital outlay	967,350	1,098,350	882,814	215,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(815,050)</u>	<u>(946,050)</u>	<u>(719,834)</u>	<u>226,216</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	740,050	740,050	740,050	-
Sale of City property	75,000	75,000	60,577	(14,423)
Total Other Financing Sources (Uses)	<u>815,050</u>	<u>815,050</u>	<u>800,627</u>	<u>(14,423)</u>
<b>Net Change in Fund Balance</b>	-	(131,000)	80,793	211,793
FUND BALANCE - Beginning of Year	468,652	468,652	468,652	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 468,652</u>	<u>\$ 337,652</u>	<u>\$ 549,445</u>	<u>\$ 211,793</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)  
 For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ -	\$ -	\$ 1,522	\$ 1,522
Investment income	-	-	2,622	2,622
Miscellaneous	-	-	461	461
Total Revenues	-	-	4,605	4,605
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	209,141	(209,141)
Capital outlay	-	-	767,658	(767,658)
Debt Service				
Interest and fiscal charges	-	-	6,437	(6,437)
Total Expenditures	-	-	983,236	(983,236)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(978,631)	(978,631)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	520,000	520,000
Premium on debt issued	-	-	36,437	36,437
Total Other Financing Sources (Uses)	-	-	556,437	556,437
<b>Net Change in Fund Balance</b>	-	-	(422,194)	(422,194)
FUND BALANCE - Beginning of Year	750,008	750,008	750,008	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 750,008	\$ 750,008	\$ 327,814	\$ (422,194)

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Lot Maintenance Permanent Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income/(loss)	\$ 55,000	\$ 55,000	\$ (36,434)	\$ (91,434)
Miscellaneous	-	-	44,152	44,152
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>7,718</u>	<u>(47,282)</u>
<b>EXPENDITURES</b>				
General government	10,000	10,000	7,489	2,511
Excess of Revenues Over Expenditures	45,000	45,000	229	(44,771)
<b>OTHER FINANCING USES</b>				
Transfers out	(45,000)	(45,000)	(71,511)	(26,511)
Total Other Financing Uses	<u>(45,000)</u>	<u>(45,000)</u>	<u>(71,511)</u>	<u>(26,511)</u>
<b>Net Change in Fund Balance</b>	-	-	(71,282)	(71,282)
FUND BALANCE - Beginning of Year	1,148,849	1,148,849	1,148,849	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,148,849</u>	<u>\$ 1,148,849</u>	<u>\$ 1,077,567</u>	<u>\$ (71,282)</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Specific Endowment Permanent Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income/(loss)	\$ 18,500	\$ 18,500	\$ (23,874)	\$ (42,374)
Miscellaneous	-	-	18,501	18,501
Total Revenues	<u>18,500</u>	<u>18,500</u>	<u>(5,373)</u>	<u>(23,873)</u>
<b>EXPENDITURES</b>				
General government	3,500	3,500	4,376	(876)
Excess of Revenues Over Expenditures	15,000	15,000	(9,749)	(24,749)
<b>OTHER FINANCING USES</b>				
Loss on investments	-	-	-	-
Transfers out	(15,000)	(15,000)	(12,105)	2,895
Total Other Financing Uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(12,105)</u>	<u>2,895</u>
<b>Net Change in Fund Balance</b>	-	-	(21,854)	(21,854)
FUND BALANCE - Beginning of Year	726,041	726,041	726,041	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 726,041</u>	<u>\$ 726,041</u>	<u>\$ 704,187</u>	<u>\$ (21,854)</u>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Cemetery Trust Fund K Permanent Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 12,000	\$ 12,000	\$ 1,549	\$ (10,451)
<b>EXPENDITURES</b>				
General government	4,000	4,000	5,070	(1,070)
Excess of Revenues Over Expenditures	8,000	8,000	(3,521)	(11,521)
<b>OTHER FINANCING USES</b>				
Transfers out	(8,000)	(8,000)	(5,527)	2,473
<b>Net Change in Fund Balance</b>	-	-	(9,048)	(9,048)
FUND BALANCE - Beginning of Year	354,452	354,452	354,452	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 354,452</b>	<b>\$ 354,452</b>	<b>\$ 345,404</b>	<b>\$ (9,048)</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Library Endowment Permanent Fund**  
**For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Public charges for services	\$ -	\$ -	\$ 6,052	\$ 6,052
Investment income	3,000	3,000	292	(2,708)
Miscellaneous	19,500	19,500	15,494	(4,006)
Total Revenues	22,500	22,500	21,838	(662)
<b>EXPENDITURES</b>				
Culture and recreation	16,250	16,250	59,808	(43,558)
Excess (Deficiency) of Revenues Over Expenditures	6,250	6,250	(37,970)	(44,220)
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	127	127
<b>Net Change in Fund Balance</b>	6,250	6,250	(37,843)	(44,093)
FUND BALANCE - Beginning of Year	76,568	76,568	76,568	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 82,818</b>	<b>\$ 82,818</b>	<b>\$ 38,725</b>	<b>\$ (44,093)</b>

CITY OF WAUKESHA, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
H. B. Mills Recreation Permanent Fund  
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 400	\$ 400	\$ 159	\$ (241)
<b>EXPENDITURES</b>				
Culture and recreation	-	-	-	-
Excess of Revenues Over Expenditures	400	400	159	(241)
<b>OTHER FINANCING USES</b>				
Transfers out	(400)	(400)	(159)	241
<b>Net Change in Fund Balance</b>	-	-	-	-
FUND BALANCE - Beginning of Year	28,417	28,417	28,417	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 28,417	\$ 28,417	\$ 28,417	\$ -

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**As of December 31, 2011**

	Dental/Life Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Totals
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 91,926	\$ 4,770,935	\$ 97,147	\$ 182,136	\$ 5,142,144
Accounts receivable	-	150,257	-	-	150,257
Inventories	-	-	-	14,968	14,968
Prepaid items	11,246	40,706	1,404	-	53,356
<b>Total Current Assets</b>	<b>103,172</b>	<b>4,961,898</b>	<b>98,551</b>	<b>197,104</b>	<b>5,360,725</b>
Equipment	-	-	-	361,292	361,292
Less: Accumulated depreciation	-	-	-	(132,984)	(132,984)
<b>Net Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,308</b>	<b>228,308</b>
<b>Total Assets</b>	<b>103,172</b>	<b>4,961,898</b>	<b>98,551</b>	<b>425,412</b>	<b>5,589,033</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	-	988	544	-	1,532
Claims payable	18,194	839,202	-	-	857,396
Compensated absences	-	-	-	25,638	25,638
<b>Total Current Liabilities</b>	<b>18,194</b>	<b>840,190</b>	<b>544</b>	<b>25,638</b>	<b>884,566</b>
<b>NET ASSETS</b>					
Invested in capital assets	-	-	-	228,308	228,308
Restricted for					
Unpaid claims and restricted deposits	84,978	4,121,708	98,007	-	4,304,693
Unrestricted	-	-	-	171,466	171,466
<b>TOTAL NET ASSETS</b>	<b>\$ 84,978</b>	<b>\$ 4,121,708</b>	<b>\$ 98,007</b>	<b>\$ 399,774</b>	<b>\$ 4,704,467</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2011**

	Dental/Life/ Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Totals
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ -	\$ 255,827	\$ -	\$ -	\$ 255,827
Charges for services	656,818	10,005,313	1,065,204	200,602	11,927,937
Other revenues	22	695,288	169,871	-	865,181
<b>Total Operating Revenues</b>	<b>656,840</b>	<b>10,956,428</b>	<b>1,235,075</b>	<b>200,602</b>	<b>13,048,945</b>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	631,188	10,092,803	1,235,075	162,622	12,121,688
Depreciation	-	-	-	42,491	42,491
<b>Total Operating Expenses</b>	<b>631,188</b>	<b>10,092,803</b>	<b>1,235,075</b>	<b>205,113</b>	<b>12,164,179</b>
Operating Income (Loss)	25,652	863,625	-	(4,511)	884,766
Nonoperating Revenues					
Transfers in	-	190,850	-	-	190,850
<b>Total Operating Expenses</b>	<b>-</b>	<b>190,850</b>	<b>-</b>	<b>-</b>	<b>190,850</b>
<b>CHANGES IN NET ASSETS</b>	<b>25,652</b>	<b>1,054,475</b>	<b>-</b>	<b>(4,511)</b>	<b>1,075,616</b>
NET ASSETS - Beginning of Year	59,326	3,067,233	98,007	404,285	3,628,851
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 84,978</b>	<b>\$ 4,121,708</b>	<b>\$ 98,007</b>	<b>\$ 399,774</b>	<b>\$ 4,704,467</b>

**CITY OF WAUKESHA, WISCONSIN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2011**

	Dental/Life/ Vision Insurance	Health Insurance	Property and Liability Insurance	Printing	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from interfund services provided	\$ 656,840	\$ 10,834,029	\$ 1,235,075	\$ 200,602	\$ 12,926,546
Cash paid to suppliers	(589,175)	(10,074,217)	(1,239,625)	(110,698)	(12,013,715)
Cash paid to employees	-	-	-	(52,219)	(52,219)
Net Cash Provided (Used) by Operating Activities	67,665	759,812	(4,550)	37,685	860,612
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers in	-	190,850	-	-	190,850
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of capital assets	-	-	-	(52,321)	(52,321)
Increase (Decrease) in Cash and Cash Equivalents	67,665	950,662	(4,550)	(14,636)	999,141
Cash and Cash Equivalents - January 1	24,261	3,820,273	101,697	196,772	4,143,003
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 91,926</b>	<b>\$ 4,770,935</b>	<b>\$ 97,147</b>	<b>\$ 182,136</b>	<b>\$ 5,142,144</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating income (loss)	\$ 25,652	\$ 863,625	\$ -	\$ (4,511)	\$ 884,766
Adjustments to reconcile operating income (loss) to net cash provided by operations					
Depreciation	-	-	-	42,491	42,491
Changes in assets and liabilities					
Accounts receivable	-	(122,399)	-	-	(122,399)
Inventories	-	-	-	1,623	1,623
Prepaid items	45,184	(40,706)	-	-	4,478
Accounts payable	(55)	59,292	(4,550)	-	54,687
Due to other funds	(3,116)	-	-	-	(3,116)
Other current liabilities	-	-	-	(1,918)	(1,918)
Net Cash Provided by Operating Activities	\$ 67,665	\$ 759,812	\$ (4,550)	\$ 37,685	\$ 860,612
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS</b>					
Cash and investments	\$ 91,926	\$ 4,770,935	\$ 97,147	\$ 182,136	\$ 5,142,144
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 91,926</b>	<b>\$ 4,770,935</b>	<b>\$ 97,147</b>	<b>\$ 182,136</b>	<b>\$ 5,142,144</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
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 Nine Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
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)
<b>Total Governmental Activities of Net Assets</b>	<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>
<b>Business - Type Activities</b>					
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
<b>Total Business - Type Activities of Net Assets</b>	<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>
<b>Primary Government (In Total)</b>					
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
<b>Total Primary Government Net Assets</b>	<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 Nine Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 88,972,632	\$ 70,596,955	\$ 76,482,121	\$ 75,885,887
Restricted	956,413	3,265,872	7,160,693	8,301,424
Unrestricted	(16,048,090)	(5,592,020)	(26,031,971)	(30,397,626)
<b>Total Governmental Activities of Net Assets</b>	<u>\$ 73,880,955</u>	<u>\$ 68,270,807</u>	<u>\$ 57,610,843</u>	<u>\$ 53,789,685</u>
<b>Business - Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 120,709,077	\$ 124,139,736	\$ 126,486,722	\$ 127,840,507
Restricted	8,856,311	6,994,934	6,954,449	5,345,637
Unrestricted	9,643,706	8,210,550	8,593,976	10,078,039
<b>Total Business - Type Activities of Net Assets</b>	<u>\$ 139,209,094</u>	<u>\$ 139,345,220</u>	<u>\$ 142,035,147</u>	<u>\$ 143,264,183</u>
<b>Primary Government (In Total)</b>				
Invested in Capital Assets, Net of Related Debt	\$ 209,681,709	\$ 194,736,691	\$ 202,968,843	\$ 203,726,394
Restricted	9,812,724	10,260,806	14,115,142	13,647,061
Unrestricted	(6,404,384)	2,618,530	(17,437,995)	(20,319,587)
<b>Total Primary Government Net Assets</b>	<u>\$ 213,090,049</u>	<u>\$ 207,616,027</u>	<u>\$ 199,645,990</u>	<u>\$ 197,053,868</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
<b>Governmental Activities</b>					
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
<b>Total Government Activities Expenses</b>	<b>57,955,239</b>	<b>60,307,226</b>	<b>59,442,554</b>	<b>64,356,498</b>	<b>69,584,183</b>
<b>Business - Type Activities</b>					
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
<b>Total Business - Type Activities</b>	<b>18,681,298</b>	<b>23,630,657</b>	<b>24,293,720</b>	<b>25,541,685</b>	<b>27,278,146</b>
<b>Total Primary Government Expenses</b>	<b>\$ 76,636,537</b>	<b>\$ 83,937,883</b>	<b>\$ 83,736,274</b>	<b>\$ 89,898,183</b>	<b>\$ 96,862,329</b>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
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	-	-	-	-	-
<b>Operating Grants and Contributions</b>					
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	-	-	-	-	-
<b>Capital Grants and Contributions</b>					
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	-	-	-	-
<b>Total Government Activities</b>	<b>16,830,075</b>	<b>13,407,159</b>	<b>13,377,343</b>	<b>13,691,598</b>	<b>12,368,063</b>
<b>Program Revenues</b>	<b>\$ 16,830,075</b>	<b>\$ 13,407,159</b>	<b>\$ 13,377,343</b>	<b>\$ 13,691,598</b>	<b>\$ 12,368,063</b>

(Continued)

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

Expenses	Fiscal Year			
	2008	2009	2010	2011
<b>Governmental Activities</b>				
General Government	\$ 7,715,578	\$ 8,756,841	\$ 9,342,928	\$ 8,949,906
Public Safety	30,189,386	28,903,936	29,700,290	30,957,800
Highways and Streets	13,433,437	16,737,532	15,098,057	21,492,646
Sanitation	2,334,667	2,463,240	2,709,694	2,884,031
Health and Human Services	-	-	67,530	253,761
Culture and Recreation	11,033,570	10,378,229	10,689,378	10,985,884
Conservation and Development	4,330,430	5,274,651	15,356,755	1,369,251
Interest and Fiscal Charges	3,733,260	4,143,242	4,072,365	4,288,243
<b>Total Government Activities Expenses</b>	<u>72,770,328</u>	<u>76,657,671</u>	<u>87,036,997</u>	<u>81,181,522</u>
<b>Business - Type Activities</b>				
Water Utility	\$ 6,889,948	\$ 7,063,897	\$ 6,739,396	\$ 7,181,055
Wastewater Utility	9,577,051	9,627,296	9,243,328	9,831,220
Transit System Utility	10,530,371	10,031,069	10,558,930	10,940,803
Parking Utility	894,062	929,691	984,468	875,467
Cemetery	716,414	713,019	701,913	656,225
<b>Total Business - Type Activities</b>	<u>28,607,846</u>	<u>28,364,972</u>	<u>28,228,035</u>	<u>29,484,770</u>
<b>Total Primary Government Expenses</b>	<u>\$ 101,378,174</u>	<u>\$ 105,022,643</u>	<u>\$ 115,265,032</u>	<u>\$ 110,666,292</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
General Government	\$ 526,568	\$ 1,205,679	\$ 1,457,308	\$ 1,473,348
Public Safety	2,855,147	1,974,351	2,184,436	2,673,513
Highways and Streets	512,726	1,198,782	1,591,773	1,388,208
Sanitation	41,977	11,152	18,262	22,234
Culture and Recreation	1,528,853	1,934,872	2,184,192	2,812,868
Conservation and Development	20	163,315	180,977	222,594
Interest and Fiscal Charges	-	-	-	-
<b>Operating Grants and Contributions</b>				
General Government	-	-	-	754
Public Safety	427,641	626,056	612,615	675,529
Highways and Streets	3,088,013	2,652,451	2,749,547	3,020,966
Sanitation	-	219,005	191,330	204,699
Culture and Recreation	1,725,963	1,230,736	1,214,912	1,213,704
Conservation and Development	474,843	-	-	88,068
Interest and Fiscal Charges	-	-	-	-
<b>Capital Grants and Contributions</b>				
Public Safety	4,867	114,683	10,483	6,520
Highways and Streets	1,563,697	316,682	2,523,067	308,206
Culture and Recreation	48,857	15,669	11,518	26,167
Conservation and Development	-	850,000	-	-
<b>Total Government Activities</b>				
<b>Program Revenues</b>	<u>\$ 12,799,172</u>	<u>\$ 12,513,433</u>	<u>\$ 14,930,420</u>	<u>\$ 14,137,378</u>

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Business-type Activities</b>					
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	-	-	-
<b>Total Business-type Activities</b>					
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>
<b>Net (Expense) Revenue</b>					
Government Activities	\$ (41,125,164)	\$ (46,900,067)	\$ (46,065,211)	\$ (50,664,900)	\$ (57,216,120)
Business-Type Activities	\$ 9,305,890	\$ 14,034,285	\$ 4,572,079	\$ 3,432,934	\$ 2,624,398
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>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Government Activities</b>					
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>
<b>Business-Type Activities</b>					
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>
<b>Change in Net Assets</b>					
Government Activities	\$ 3,761,454	\$ (2,256,162)	\$ 2,130,331	\$ 5,411,333	\$ (2,682,777)
Business-Type Activities	\$ 10,625,687	\$ 14,059,489	\$ 5,399,047	\$ 5,116,375	\$ 4,462,601
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 Nine Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2008	2009	2010	2011
<b>Business-type Activities</b>				
Charges for Services				
Water Utility	\$ 7,948,314	\$ 8,301,523	\$ 8,893,173	\$ 9,076,055
Wastewater Utility	8,930,019	9,544,590	9,582,996	9,575,292
Transit System Utility	1,939,909	1,917,247	1,884,769	2,083,065
Parking Utility	496,504	699,123	658,252	565,953
Cemetery	418,272	545,209	399,956	340,505
Operating Grants and Contributions				
Wastewater Utility	21,419	-	-	-
Transit System Utility	6,244,561	5,258,616	6,419,809	5,916,301
Cemetery	1,285	-	-	-
Capital Grants and Contributions				
Water Utility	3,420,234	342,226	1,242,312	922,640
Wastewater Utility	1,286,810	-	333,803	-
Transit System Utility	1,078,665	158,384	-	589,274
Parking Utility	-	-	-	-
<b>Total Business-type Activities</b>				
Program Revenues	<u>\$ 31,785,992</u>	<u>\$ 26,766,918</u>	<u>\$ 29,415,070</u>	<u>\$ 29,069,085</u>
Total Primary Government Program Revenues	<u>\$ 44,585,164</u>	<u>\$ 39,280,351</u>	<u>\$ 44,345,490</u>	<u>\$ 43,206,463</u>
Net (Expense) Revenue				
Government Activities	\$ (59,971,156)	\$ (64,144,238)	\$ (72,106,577)	\$ (67,044,144)
Business-Type Activities	\$ 3,178,146	\$ (1,598,054)	\$ 1,187,035	\$ (415,685)
Total Primary Government Net Expense	<u>\$ (56,793,010)</u>	<u>\$ (65,742,292)</u>	<u>\$ (70,919,542)</u>	<u>\$ (67,459,829)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Government Activities</b>				
Property Taxes	\$ 47,448,481	\$ 50,124,296	\$ 53,220,732	\$ 53,760,855
Other Taxes	1,831,921	1,612,652	1,704,469	2,011,920
Intergovernmental Revenues Not Restricted For Specific Programs	4,951,903	5,673,564	5,096,020	5,958,954
Investment Income	666,365	733,155	638,108	342,006
Miscellaneous	417,021	125,940	147,281	494,851
Gain on Sale of Assets	101,903	-	-	-
Transfers	321,389	264,483	640,003	654,400
<b>Total Governmental Activities</b>	<u>\$ 55,738,983</u>	<u>\$ 58,534,090</u>	<u>\$ 61,446,613</u>	<u>\$ 63,222,986</u>
<b>Business-Type Activities</b>				
Property Taxes	\$ 1,415,730	\$ 1,798,409	\$ 2,032,767	\$ 2,070,170
Investment Income	539,293	134,914	91,227	54,066
Miscellaneous	9,713	1,213	18,901	174,885
Gain on Sale of Assets	-	-	-	-
Transfers	(321,389)	(264,483)	(640,003)	(654,400)
<b>Total Business-Type Activities</b>	<u>\$ 1,643,347</u>	<u>\$ 1,670,053</u>	<u>\$ 1,502,892</u>	<u>\$ 1,644,721</u>
Total Primary Government	<u>\$ 57,382,330</u>	<u>\$ 60,204,143</u>	<u>\$ 62,949,505</u>	<u>\$ 64,867,707</u>
<b>Change in Net Assets</b>				
Government Activities	\$ (4,232,173)	\$ (5,610,148)	\$ (10,659,964)	\$ (3,821,158)
Business-Type Activities	\$ 4,821,493	\$ 71,999	\$ 2,689,927	\$ 1,229,036
Total Primary Government Net Expense	<u>\$ 589,320</u>	<u>\$ (5,538,149)</u>	<u>\$ (7,970,037)</u>	<u>\$ (2,592,122)</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 Nine Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Fund</b>					
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	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 4,854,200</b>	<b>\$ 4,618,246</b>	<b>\$ 4,766,203</b>	<b>\$ 5,586,998</b>	<b>\$ 8,799,983</b>
<b>All Other Governmental Funds</b>					
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
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 28,025,734</b>	<b>\$ 13,339,388</b>	<b>\$ 12,351,087</b>	<b>\$ 17,381,007</b>	<b>\$ 15,106,429</b>
<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 32,879,934</b>	<b>\$ 17,957,634</b>	<b>\$ 17,117,290</b>	<b>\$ 22,968,005</b>	<b>\$ 23,906,412</b>

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

(2) The City of Waukesha adopted GASB #54 in 2011, which changes the categorizations of restrictions on fund balances.

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

	Fiscal Year			
	2008	2009	2010	2011 <sup>(2)</sup>
<b>General Fund</b>				
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	-	-	-	-
Nonspendable	-	-	-	440,815
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	128,569
Unassigned	-	-	-	11,771,664
<b>Total General Fund</b>	<u>\$ 8,860,782</u>	<u>\$ 9,978,340</u>	<u>\$ 11,793,552</u>	<u>\$ 12,341,048</u>
<b>All Other Governmental Funds</b>				
Reserved <sup>(1)</sup>	\$ 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	-
Nonspendable	-	-	-	2,350,471
Restricted	-	-	-	7,348,134
Committed	-	-	-	2,761,232
Assigned	-	-	-	-
Unassigned	-	-	-	(110,520)
<b>Total All Other Governmental Funds</b>	<u>\$ 17,265,185</u>	<u>\$ 12,391,019</u>	<u>\$ 16,204,878</u>	<u>\$ 12,349,317</u>
<b>Total Fund Balances - Governmental Funds</b>	<u>\$ 26,125,967</u>	<u>\$ 22,369,359</u>	<u>\$ 27,998,430</u>	<u>\$ 24,690,365</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>REVENUES</b>					
Taxes	37,042,669	38,060,990	39,415,507	42,205,920	43,030,745
Intergovernmental	10,107,805	9,976,038	9,816,714	9,731,619	9,477,774
Licenses and Permits	1,565,992	1,811,415	1,952,927	2,219,627	2,041,650
Fines, Forfeitures and Penalties	675,871	559,444	629,834	1,288,192	763,981
Public Charges for Services	2,368,102	2,592,655	3,561,051	2,999,948	3,557,417
Interdepartment Charges	1,446,362	1,879,999	1,692,263	1,143,504	1,063,537
Special Assessments	311,792	174,736	219,283	205,392	200,453
Investment Income	1,263,083	1,251,264	612,283	1,280,324	2,287,133
Miscellaneous	317,829	750,934	367,780	265,538	5,802,323
<b>Total Revenues</b>	<b>55,099,505</b>	<b>57,057,475</b>	<b>58,267,642</b>	<b>61,340,064</b>	<b>68,225,013</b>
<b>EXPENDITURES</b>					
Current					
General Government	6,337,653	6,266,880	6,573,408	6,599,033	7,182,305
Public Safety	21,398,048	21,874,357	22,853,636	23,619,054	24,805,391
Highways and Streets	7,427,007	7,507,712	7,625,220	7,404,333	7,565,959
Sanitation	1,731,046	1,811,016	1,958,663	1,960,635	2,070,610
Culture And Recreation	7,072,111	7,408,298	7,846,388	9,285,514	9,177,156
Conservation and Development	587,393	2,964,506	679,170	723,489	273,192
Community Development	0	0	0	0	0
Capital Outlay	11,904,125	9,782,773	17,899,709	19,252,583	14,076,164
Debt Service					
Principal	5,611,747	12,840,102	11,559,531	5,389,115	4,822,981
Interest and Fiscal Charges	3,098,889	3,322,552	2,643,733	3,059,795	3,636,320
Other	0	113,201	0	0	0
<b>Total Expenditures</b>	<b>65,168,019</b>	<b>73,891,397</b>	<b>79,639,458</b>	<b>77,293,551</b>	<b>73,610,078</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,068,514)</b>	<b>(16,833,922)</b>	<b>(21,371,816)</b>	<b>(15,953,487)</b>	<b>(5,385,065)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	14,000,000	15,140,000	31,565,174	19,760,546	20,740,000
Refunding Bonds Issued	0	0	0	0	0
Premium on Bonds	93,062	78,621	1,080,956	203,943	231,076
Principal Retirement	0	0	0	0	0
Payment to Refunding Escrow Agent	0	0	(18,884,788)	(5,641,882)	(9,900,000)
Discount and Issuance Costs	(91,147)	(48,361)	0	0	0
Insurance Recoveries	0	0	0	0	0
Sale of City Property	111,301	366,564	91,638	116,786	75,822
Refunds to Other Districts	0	0	0	0	0
Transfers In	1,655,723	2,042,894	2,309,302	3,173,944	1,329,498
Transfers Out	(1,941,766)	(1,610,701)	(1,932,052)	(2,500,194)	(1,240,616)
<b>Total Other Financing Sources (Uses)</b>	<b>13,827,173</b>	<b>15,969,017</b>	<b>14,230,230</b>	<b>15,113,143</b>	<b>11,235,780</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>3,758,659</b>	<b>(864,905)</b>	<b>(7,141,586)</b>	<b>(840,344)</b>	<b>5,850,715</b>
Debt Service As A Percentage of Noncapital Expenditures	16.354%	26.474%	21.506%	14.554%	14.477%

(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				
	2007	2008	2009	2010	2011
<b>REVENUES</b>					
Taxes	45,862,444	48,465,894	50,930,966	54,042,286	54,851,454
Intergovernmental	9,630,351	10,093,884	11,537,000	10,481,014	11,370,500
Licenses and Permits	1,700,404	1,932,918	1,714,949	1,711,763	2,071,295
Fines, Forfeitures and Penalties	807,893	652,839	603,643	717,453	879,553
Public Charges for Services	4,112,151	3,776,514	3,738,910	4,677,833	5,089,062
Interdepartment Charges	792,952	862,484	1,153,811	1,114,075	1,252,430
Special Assessments	159,536	143,770	114,420	103,324	116,474
Investment Income	2,650,342	666,364	734,567	638,106	341,983
Miscellaneous	661,962	986,893	445,368	493,726	425,089
<b>Total Revenues</b>	<b>66,378,035</b>	<b>67,581,560</b>	<b>70,973,634</b>	<b>73,979,580</b>	<b>76,397,840</b>
<b>EXPENDITURES</b>					
Current					
General Government	7,928,148	7,597,885	7,558,132	8,083,565	7,621,837
Public Safety	26,324,946	27,251,549	27,432,912	28,131,172	28,913,846
Highways and Streets	8,206,322	8,679,759	8,175,127	8,210,419	8,579,537
Sanitation	2,111,547	2,334,667	2,487,773	2,910,816	3,266,692
Culture And Recreation	9,451,167	9,705,206	9,560,819	9,818,465	10,203,505
Conservation and Development	1,997,933	370,640	394,962	299,427	515,428
Community Development	0	0	0	0	0
Capital Outlay	9,263,605	13,911,652	13,065,183	22,723,981	14,637,281
Debt Service					
Principal	11,338,804	6,681,918	9,372,419	8,152,131	19,572,470
Interest and Fiscal Charges	3,734,215	4,026,746	4,168,616	5,138,415	4,620,495
Other	0	0	0	0	0
<b>Total Expenditures</b>	<b>80,356,687</b>	<b>80,560,022</b>	<b>82,215,943</b>	<b>93,468,391</b>	<b>97,931,091</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(13,978,652)</b>	<b>(12,978,462)</b>	<b>(11,242,309)</b>	<b>(19,488,811)</b>	<b>(21,533,251)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	15,640,000	14,826,289	13,375,854	19,120,456	14,330,000
Refunding Bonds Issued	0	0	0	24,116,578	2,575,000
Premium on Bonds	188,575	61,678	150,402	314,826	551,060
Principal Retirement	0	0	0	(1,575,000)	0
Payment to Refunding Escrow Agent	0	0	(6,257,625)	(17,690,446)	0
Discount and Issuance Costs	0	0	0	0	0
Insurance Recoveries	0	0	0	0	245,000
Sale of City Property	165,884	101,903	75,585	191,464	60,577
Refunds to Other Districts	0	0	0	0	0
Transfers In	3,913,848	1,714,240	2,052,268	2,848,157	3,593,052
Transfers Out	(4,991,248)	(1,506,093)	(1,910,783)	(2,208,153)	(3,129,503)
<b>Total Other Financing Sources (Uses)</b>	<b>14,917,059</b>	<b>15,198,017</b>	<b>7,485,701</b>	<b>25,117,882</b>	<b>18,225,186</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>938,407</b>	<b>2,219,555</b>	<b>(3,756,608)</b>	<b>5,629,071</b>	<b>(3,308,065)</b>
Debt Service As A Percentage of Noncapital Expenditures	20.753%	14.612%	19.582%	18.787%	29.045%

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											
	Residential			Commercial			Manufacturing			Agriculture		
	Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total
2002	534,522,050	2,034,757,800	2,569,279,850	262,775,400	680,669,900	943,445,300	35,431,400	157,361,900	192,793,300	149,600	0	149,600
2003	549,023,900	2,089,831,700	2,638,855,600	273,241,100	707,073,500	980,314,600	33,912,000	154,918,100	188,830,100	65,800	0	65,800
2004	559,558,400	2,147,875,320	2,707,433,720	279,474,000	718,312,800	997,786,800	32,609,500	146,751,300	179,360,800	67,100	0	67,100
2005***	910,435,500	2,690,147,900	3,600,583,400	348,913,900	934,745,600	1,283,659,500	40,394,600	176,571,900	216,966,500	96,000	0	96,000
2006	950,445,200	2,763,196,500	3,713,641,700	349,674,500	944,890,000	1,294,564,500	40,614,700	161,727,200	202,341,900	29,800	0	29,800
2007	974,172,600	2,840,388,700	3,814,561,300	357,069,400	939,433,100	1,296,502,500	42,816,800	160,429,900	203,246,700	60,900	0	60,900
2008	987,738,700	2,891,618,000	3,879,356,700	379,507,100	981,241,300	1,360,748,400	41,802,000	161,373,900	203,175,900	150,600	0	150,600
2009***	1,280,242,800	2,688,537,400	3,968,780,200	507,995,500	999,858,100	1,507,853,600	46,082,500	159,228,400	205,310,900	152,100	0	152,100
2010	1,278,872,900	2,694,625,400	3,973,498,300	505,223,300	1,028,060,400	1,533,283,700	48,987,600	164,086,700	213,074,300	164,100	0	164,100
2011	1,249,050,000	2,443,952,200	3,693,002,200	504,235,500	942,891,500	1,447,127,000	49,370,900	156,400,500	205,771,400	158,500	0	158,500

Source: Wisconsin Department of Revenue, Bureau of Property Tax

(continued)

\*\*\* Indicates Reassessment

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

**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**

Other			Total Real Property			Personal Property				Direct City Tax Rate (a)	Total Taxable Assessed Valuation	Estimated Actual Value of Taxable Property	Ratio
Land	Improvements	Total	Land	Improvements	Total	Machinery, Tools, & Patterns	Furniture, Fixtures, & Equipment	All Other Personal Property	Total Personal Property				
230,000	519,000	749,000	833,108,450	2,873,308,600	3,706,417,050	46,232,350	76,382,640	5,756,560	128,371,550	\$9.45	3,834,788,600	4,093,368,800	93.680%
120,000	219,600	339,600	856,362,800	2,952,042,900	3,808,405,700	45,642,400	78,677,570	5,714,570	130,034,540	\$9.67	3,938,440,240	4,453,065,000	88.440%
249,800	350,000	599,800	871,958,800	3,013,289,420	3,885,248,220	42,146,360	76,732,430	2,585,630	121,464,420	\$10.26	4,006,712,640	4,828,733,700	82.980%
360,000	455,600	815,600	1,300,200,000	3,801,921,000	5,102,121,000	50,709,420	77,943,640	13,692,370	142,345,430	\$8.16	5,244,466,430	5,256,579,000	99.770%
215,000	283,300	498,300	1,340,979,200	3,870,097,000	5,211,076,200	49,309,020	76,877,280	13,933,630	140,119,930	\$8.41	5,351,196,130	5,716,891,600	93.600%
155,000	214,000	369,000	1,374,274,700	3,940,465,700	5,314,740,400	54,727,070	73,288,560	13,697,480	141,713,110	\$8.73	5,456,453,510	5,975,769,600	91.310%
593,800	805,400	1,399,200	1,409,792,200	4,035,038,600	5,444,830,800	58,628,200	85,631,970	15,711,140	159,971,310	\$8.83	5,604,802,110	6,223,441,200	90.060%
647,500	698,000	1,345,500	1,835,120,400	3,848,321,900	5,683,442,300	73,380,240	98,693,710	24,598,310	196,672,260	\$8.95	5,880,114,560	6,102,122,700	96.360%
647,500	605,000	1,252,500	1,833,895,400	3,887,377,500	5,721,272,900	64,442,140	109,143,950	30,453,590	204,039,680	\$8.94	5,925,312,580	5,904,933,100	100.350%
590,600	538,600	1,129,200	1,803,405,500	3,543,782,800	5,347,188,300	59,260,000	101,873,210	24,193,740	185,326,950	\$9.55	5,532,515,250	5,767,116,700	95.925%

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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**

<b>Fiscal Year</b>	<b>Basic Rate</b>	<b>Debt Service Rate 1</b>	<b>Transit Tax Rate</b>	<b>Total City Tax Rate</b>
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
2011	7.47	1.81	0.27	9.55

**Overlapping Rates 2**

<b>Fiscal Year</b>	<b>Total City Tax Rate</b>	<b>Total State Tax Rate</b>	<b>Total School Tax Rate</b>	<b>Total County Tax Rate</b>	<b>Total Technical College Tax Rate</b>	<b>Total State Tax Credit Rate</b>	<b>Total Direct &amp; Overlapping Rates</b>
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
2011	9.55	0.18	9.64	2.10	1.30	(1.56)	21.21

\*\* 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, 2011**

		2011			
<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	90,938,320	94,801,480	1	1.64%
General Electric Company	Medical Equipment	57,904,700	60,364,556	2	1.05%
Bielinski Development, Inc.	Apartments	45,661,530	47,601,282	3	0.83%
Thomas Thomson	Real Estate, Apartments	40,973,590	42,714,193	4	0.74%
Waukesha Memorial Hospital	Medical Facility	37,275,210	38,858,702	5	0.67%
Huelsman Properties	Real Estate, Apartments	31,102,910	32,424,196	6	0.56%
HCRI Wisconsin Properties LLC (Life Care Hospital)	Medical Facility	23,959,600	24,977,430	7	0.43%
CIP Equity LLC (Country Springs Inn)	Hotel and Conference Center	23,293,330	24,282,856	8	0.42%
Moreland Medical Building	Medical Facility	21,969,870	22,903,174	9	0.40%
Westgrove Woods LLP, Sunburst III Fleming Companies	Real Estate, Apartments	21,074,640	21,969,914	10	0.38%
Sunburst III Limited Partnership	Food Wholesale Distrib.				
The Laureate Group, Incorporated	Real Estate, Apartments				
Cooper / RTE Industries	Manufacturers of Power Transformers				
Pebble Valley Housing Partners, Inc.	Apartments				
Dresser Industries	Foundry				
		394,153,700	410,897,785		

Source: City of Waukesha Assessor

2002

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Taxable Assessed Value	Equalized Valuation	Rank	Percentage of Total Taxable Assessed Value
65,601,020	70,011,761	1	1.71%
64,212,600	68,529,989	3	1.67%
41,166,880	43,934,771	2	1.07%
24,214,050	25,842,102	4	0.63%
23,499,940	25,079,979	5	0.61%
19,762,270	21,091,003	6	0.52%
19,230,640	20,523,629	7	0.50%
17,807,100	19,004,376	8	0.46%
12,588,870	13,435,294	9	0.33%
12,350,500	13,180,896	10	0.32%
300,433,870	320,633,800		

**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
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	54,404,690	98.708%
2011	51,466,874	3,219,627	54,686,501	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

<u>Subsequent Collections</u>		<u>Total Collections to Date</u>	
<u>County Settlement (1)</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
474,703	15,981	37,984,397	99.974%
370,922	13,255	39,556,855	99.966%
312,660	11,130	42,642,773	99.969%
459,597	17,162	43,694,672	99.975%
584,583	20,534	46,083,514	99.974%
773,875	20,006	48,887,766	99.969%
738,806	23,194	51,125,652	99.966%
835,591	20,043	54,376,308	99.964%
665,682	9,028	55,079,400	99.932%

CITY OF WAUKESHA

**TABLE 9  
TAX INCREMENT DISTRICTS  
Last Ten Fiscal Years**

	Year Created	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>TID #4 Equalized Valuation</b>	<b>1983</b>					
Base		16,450,800	16,450,800	16,450,800		
Yearly Value		48,085,100	49,888,400	51,232,200		
Increment		31,634,300	33,437,600	34,781,400		
<b>Total TID #4</b>		<u>31,634,300</u>	<u>33,437,600</u>	<u>34,781,400</u>	0	0
<b>TID #7 Equalized Valuation</b>	<b>1989</b>					
Base		21,380,800	21,380,800	21,380,800	21,380,800	21,380,800
Yearly Value		45,676,100	46,877,100	48,131,900	50,339,600	52,226,500
Increment		24,295,300	25,496,300	26,751,100	28,958,800	30,845,700
<b>Total TID #7</b>		<u>24,295,300</u>	<u>25,496,300</u>	<u>26,751,100</u>	<u>28,958,800</u>	<u>30,845,700</u>
<b>TID #8 Equalized Valuation</b>	<b>1989</b>					
Base		4,260,200				
Yearly Value		43,032,200				
Increment		38,772,000				
<b>Total TID #8</b>		<u>38,772,000</u>	0	0	0	0
<b>TID #9 Equalized Valuation</b>	<b>1994</b>					
Base		2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
Yearly Value		10,097,400	12,373,200	13,644,100	14,609,800	15,552,200
Increment		8,072,100	10,347,900	11,618,800	12,584,500	13,526,900
<b>Total TID #9</b>		<u>8,072,100</u>	<u>10,347,900</u>	<u>11,618,800</u>	<u>12,584,500</u>	<u>13,526,900</u>
<b>TID #10 Equalized Valuation</b>	<b>1994</b>					
Base		3,195,800	3,195,800	3,195,800		
Yearly Value		19,171,300	20,857,400	21,602,900		
Increment		15,975,500	17,661,600	18,407,100		
<b>Total TID #10</b>		<u>15,975,500</u>	<u>17,661,600</u>	<u>18,407,100</u>	0	0
<b>TID #11 Equalized Valuation</b>	<b>1997</b>					
Base		37,524,600	37,524,600	37,524,600	37,524,600	37,524,600
Yearly Value		53,282,100	61,190,300	66,540,400	68,451,800	74,061,700
Increment		15,757,500	23,665,700	29,015,800	30,927,200	36,537,100
<b>Total TID #11</b>		<u>15,757,500</u>	<u>23,665,700</u>	<u>29,015,800</u>	<u>30,927,200</u>	<u>36,537,100</u>
<b>TID #12 Equalized Valuation</b>	<b>2001</b>					
Base		107,700	107,700	107,700	107,700	107,700
Yearly Value		483,500	4,948,400	6,206,800	7,692,700	13,533,900
Increment		375,800	4,840,700	6,099,100	7,585,000	13,426,200
<b>Total TID #12</b>		<u>375,800</u>	<u>4,840,700</u>	<u>6,099,100</u>	<u>7,585,000</u>	<u>13,426,200</u>
<b>TID #13 Equalized Valuation</b>	<b>2003</b>					
Base				481,800	481,800	481,800
Yearly Value				323,400	2,452,100	2,944,800
Increment				0	1,970,300	2,463,000
<b>Total TID #13</b>		0	0	0	1,970,300	2,463,000
<b>TID #14 Equalized Valuation</b>	<b>2003</b>					
Base (B)				1,898,300	1,898,300	1,898,300
Yearly Value				1,955,200	3,554,700	4,607,900
Increment				56,900	1,656,400	2,709,600
<b>Total TID #14</b>		0	0	56,900	1,656,400	2,709,600
<b>TID #15 Equalized Valuation</b>	<b>2006</b>					
Base						
Yearly Value						
Increment						
<b>Total TID #15</b>		0	0	0	0	0

CITY OF WAUKESHA

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>TID #4 Equalized Valuation</b>					
Base					
Yearly Value					
Increment					
<b>Total TID #4</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TID #7 Equalized Valuation</b>					
Base	21,380,800	21,380,800	21,380,800	21,380,800	21,380,800
Yearly Value	53,627,900	55,919,300	55,253,100	58,835,300	52,042,100
Increment	32,247,100	34,538,500	33,872,300	37,454,500	30,661,300
<b>Total TID #7</b>	<u>32,247,100</u>	<u>34,538,500</u>	<u>33,872,300</u>	<u>37,454,500</u>	<u>30,661,300</u>
<b>TID #8 Equalized Valuation</b>					
Base					
Yearly Value					
Increment					
<b>Total TID #8</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TID #9 Equalized Valuation</b>					
Base	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
Yearly Value	17,035,700	17,074,500	16,508,200	15,673,700	14,431,000
Increment	15,010,400	15,049,200	14,482,900	13,648,400	12,405,700
<b>Total TID #9</b>	<u>15,010,400</u>	<u>15,049,200</u>	<u>14,482,900</u>	<u>13,648,400</u>	<u>12,405,700</u>
<b>TID #10 Equalized Valuation</b>					
Base					
Yearly Value					
Increment					
<b>Total TID #10</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TID #11 Equalized Valuation</b>					
Base	37,524,600	37,524,600	37,524,600	37,524,600	37,524,600
Yearly Value	80,655,400	86,563,700	95,177,200	88,429,100	70,747,300
Increment	43,130,800	49,039,100	57,652,600	50,904,500	33,222,700
<b>Total TID #11</b>	<u>43,130,800</u>	<u>49,039,100</u>	<u>57,652,600</u>	<u>50,904,500</u>	<u>33,222,700</u>
<b>TID #12 Equalized Valuation</b>					
Base	107,700	107,700	107,700	107,700	107,700
Yearly Value	14,709,100	17,829,400	18,256,500	15,111,100	14,269,300
Increment	14,601,400	17,721,700	18,148,800	15,003,400	14,161,600
<b>Total TID #12</b>	<u>14,601,400</u>	<u>17,721,700</u>	<u>18,148,800</u>	<u>15,003,400</u>	<u>14,161,600</u>
<b>TID #13 Equalized Valuation</b>					
Base	481,800	481,800	481,800	481,800	481,800
Yearly Value	2,961,100	3,070,500	2,898,400	4,852,600	4,344,600
Increment	2,479,300	2,588,700	2,416,600	4,370,800	3,862,800
<b>Total TID #13</b>	<u>2,479,300</u>	<u>2,588,700</u>	<u>2,416,600</u>	<u>4,370,800</u>	<u>3,862,800</u>
<b>TID #14 Equalized Valuation</b>					
Base (B)	1,898,300	1,898,300	10,959,100	10,959,100	10,371,100
Yearly Value	4,750,600	6,412,700	16,275,200	52,580,300	55,846,200
Increment	2,852,300	4,514,400	5,316,100	41,621,200	45,475,100
<b>Total TID #14</b>	<u>2,852,300</u>	<u>4,514,400</u>	<u>5,316,100</u>	<u>41,621,200</u>	<u>45,475,100</u>
<b>TID #15 Equalized Valuation</b>					
Base	4,068,300	4,068,300			
Yearly Value	7,467,500	29,578,200			
Increment	3,399,200	25,509,900			
<b>Total TID #15</b>	<u>3,399,200</u>	<u>25,509,900</u>	<u>0</u>	<u>0</u>	<u>0</u>

CITY OF WAUKESHA

TABLE 9  
TAX INCREMENT DISTRICTS  
Last Ten Fiscal Years

	Year Created	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
TID #16 Equalized Valuation	2007					
Base (B)						
Yearly Value						
Increment						
Total TID #16		0	0	0	0	0
TID #17 Equalized Valuation	2007					
Base (B)						
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
TID #19 Equalized Valuation	2010					
Base						
Yearly Value						
Increment						
Total TID #19		0	0	0	0	0
TID #20 Equalized Valuation	2010					
Base						
Yearly Value						
Increment						
Total TID #20		0	0	0	0	0
<b>ALL PROPERTY</b>						
All Property Without TIDs		3,873,541,100	4,256,930,200	4,618,938,400	5,109,478,300	5,553,964,600
Base Valuation - TIDs		84,945,200	80,685,000	83,065,100	63,418,500	63,418,500
All Property Without TID Increment		3,958,486,300	4,337,615,200	4,702,003,500	5,172,896,800	5,617,383,100
Increment Valuation - TIDs (A)		134,882,500	115,449,800	126,730,200	83,682,200	99,508,500
Equalized Valuation - All Property		4,093,368,800	4,453,065,000	4,828,733,700	5,256,579,000	5,716,891,600

A) - Omits TIFs 16 and 20 which have negative increments

B) - The base value of TIFs 14, 16, and 17 were recalculated by the Wisconsin Department of Revenue to conform with new requirements

Note: The City closed TIF #8 in May 2003

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

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

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>TID #16 Equalized Valuation</b>					
Base (B)		51,142,800	51,142,800	51,142,800	49,974,700
Yearly Value		47,289,700	46,208,300	41,741,200	37,578,900
Increment		(3,853,100)	(4,934,500)	(9,401,600)	(12,395,800)
<b>Total TID #16</b>	<b>0</b>	<b>(3,853,100)</b>	<b>(4,934,500)</b>	<b>(9,401,600)</b>	<b>(12,395,800)</b>
<b>TID #17 Equalized Valuation</b>					
Base (B)		58,492,900	58,492,900	58,492,900	57,329,000
Yearly Value		59,505,700	71,640,200	63,255,600	58,743,200
Increment		1,012,800	13,147,300	4,762,700	1,414,200
<b>Total TID #17</b>	<b>0</b>	<b>1,012,800</b>	<b>13,147,300</b>	<b>4,762,700</b>	<b>1,414,200</b>
<b>TID #18 Equalized Valuation</b>					
Base				704,300	704,300
Yearly Value				5,469,300	5,932,100
Increment				4,765,000	5,227,800
<b>Total TID #18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,765,000</b>	<b>5,227,800</b>
<b>TID #19 Equalized Valuation</b>					
Base					13,626,400
Yearly Value					15,789,800
Increment					2,163,400
<b>Total TID #19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,163,400</b>
<b>TID #20 Equalized Valuation</b>					
Base					14,119,600
Yearly Value					14,070,100
Increment					(49,500)
<b>Total TID #20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(49,500)</b>
<b>ALL PROPERTY</b>					
All Property Without TIDs	5,794,562,300	5,896,344,400	5,774,971,100	5,549,583,300	5,410,876,800
Base Valuation - TIDs	67,486,800	177,122,500	182,115,000	182,819,300	207,645,300
All Property Without TID Increment	5,862,049,100	6,073,466,900	5,957,086,100	5,732,402,600	5,618,522,100
Increment Valuation - TIDs (A)	113,720,500	149,974,300	145,036,600	172,530,500	148,594,600
<b>Equalized Valuation - All Property</b>	<b>5,975,769,600</b>	<b>6,223,441,200</b>	<b>6,102,122,700</b>	<b>5,904,933,100</b>	<b>5,767,116,700</b>

**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	Promissory Note	General Obligation Debt	Bond & Note Anticipation Notes	WasteWater Enterprise Fund Revenue Bonds	Water Utility Enterprise Fund Revenue Bonds	Cemetery Revenue Bonds			
2002	69,827,181	0	0	2,594,622	0	23,945,597	5,215,000	0	101,582,400	4.05%	1,533.62
2003	53,982,079	18,145,000	0	2,245,231	4,345,000	21,709,835	4,490,000	0	104,917,145	4.05%	1,570.45
2004	68,395,821	1,875,000	0	6,495,350	0	19,378,114	3,860,000	0	100,004,285	3.54%	1,496.71
2005	67,784,859	10,775,000	855,546	6,061,023	0	16,946,315	3,195,000	0	105,617,743	3.41%	1,562.86
2006	78,836,878	5,740,000	855,546	5,540,855	0	14,410,144	10,375,000	0	115,758,423	3.27%	1,708.61
2007	87,073,075	1,805,000	855,546	5,029,695	0	11,765,120	9,740,000	0	116,268,436	2.93%	1,712.85
2008	86,582,446	10,440,000	855,546	4,578,599	0	9,006,571	14,025,000	0	125,488,162	3.26%	1,844.60
2009	92,418,454	2,530,000	855,546	6,141,602	0	6,129,626	13,225,000	0	121,300,228	3.37%	1,763.08
2010	106,282,009	2,530,000	2,476,002	8,512,805	0	3,129,202	12,305,000	0	135,235,018	3.61%	1,912.31
2011	100,354,539	5,790,000	2,476,002	10,190,462	0	0	11,350,000	0	130,161,003	*	1,840.12

\* 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**

<b>Fiscal Year</b>	<b>General Obligation Debt</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Equalized Valuation (TID Out)</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Population (1)</b>	<b>Per Capita</b>
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%	70,718	1,546.36
2011	110,545,001	1,911,889	108,633,112	5,618,522,100	1.933%	70,735	1,535.78

**Sources:**

**(1) Demographic Services Center, Wisconsin Department of Administration**

**City of Waukesha**  
**Table 12**  
**Computation of Direct and Overlapping Governmental Activities Debt**  
**December 31, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding as of December 31, 2011</u>	<u>Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Waukesha County Technical College District	30,940,000	11.261815%	3,484,406
Waukesha County	71,660,000	11.525869%	8,259,438
Waukesha School District	19,336,792	61.882390%	11,966,069
Subtotals	<u>121,936,792</u>		<u>23,709,912</u>
City of Waukesha Direct Debt			<u>108,620,541</u>
Total Direct and Overlapping Debt			156,040,366

**Source:**

Waukesha County Debt - Per Response to Survey Dated 06/07/12

Waukesha County Technical College Debt - Per Response to Survey Dated 06/07/12

Waukesha School District Debt - Per Department of Public Instruction

(1) Equalized Valuation Percentages - Per Wisconsin Department of Revenue was used to calculate the city's share of the overlapping debt.

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**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Debt Limit</b>	\$ 204,668,440	\$ 222,653,250	\$ 241,436,685	\$ 262,828,950
<b>Debt Applicable to Limit</b>	72,421,803	56,227,310	74,891,171	73,845,882
<b>Less Amount Available for Financing</b>				
<b>General Obligation Debt - Debt Service Fund</b>	2,568,354	1,835,466	1,738,134	1,312,199
<b>Outstanding General Obligation Debt</b>				
<b>Applicable to Debt Limitation</b>	69,853,449	54,391,844	73,153,037	72,533,683
<b>Legal Debt Margin</b>	134,814,991	168,261,406	168,283,648	190,295,267
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	34.130%	24.429%	30.299%	27.597%
<b>Equalized valuation as Certified by Wisconsin Department of Revenue (TID in)</b>	4,093,368,800	4,453,065,000	4,828,733,700	5,256,579,000
<b>Legal Debt percentage Allowed</b>	5.00%	5.00%	5.00%	5.00%
<b>Legal Debt Limit</b>	204,668,440	222,653,250	241,436,685	262,828,950
<b>Ratio</b>	93.680%	88.440%	82.980%	99.770%

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

2006	2007	2008	2009	2010	2011
\$ 285,844,580	\$ 298,788,480	\$ 311,172,060	\$ 321,216,990	\$ 295,246,655	\$ 288,355,835
84,377,733	92,102,770	91,161,045	98,560,056	117,324,814	116,335,001
1,089,976	1,127,450	956,413	565,762	5,439,329	1,911,889
83,287,757	90,975,320	90,204,632	97,994,294	111,885,485	114,423,112
202,556,823	207,813,160	220,967,428	223,222,696	183,361,170	173,932,723
29.137%	30.448%	28.989%	30.507%	37.896%	39.681%
5,716,891,600	5,975,769,600	6,223,441,200	6,102,122,700	5,904,933,100	5,767,116,700
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
285,844,580	298,788,480	311,172,060	305,106,135	295,246,655	288,355,835
93.600%	91.310%	90.060%	96.360%	100.350%	95.925%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Equalized Value	5,767,116,700
Debt Limit (5% of Equalized Valuation (TID in))	288,355,835
Total Outstanding General Obligation Debt Applicable to Debt Limitation	116,335,001
Less Amount Available for Financing General Obligation Debt	(1,911,889)
Net Outstanding General Obligation Debt Applicable to Debt Limitation	114,423,112
Legal Debt Margin For New Debt	173,932,723

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
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%
2011	9,576,213	43,537	7,218,064	2,401,686	3,129,202	67,153	75.1383%

**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
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%
8,893,717	15,141	4,197,029	4,711,829	920,000	581,811	313.7431%
9,154,837	11,536	4,501,578	4,664,795	955,000	545,888	310.8023%

**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)
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	4.20%	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	3.90%	381,651	75,958	19,941,935,000	52,252
2008	68,030	53,151	55,287	4.00%	382,697	72,179	20,431,664,000	53,389
2009	68,800	51,939	52,334	7.70%	383,190	68,711	20,053,855,000	52,334
2010	70,718	52,721	52,698	7.50%	389,891	71,071	20,228,950,000	51,884
2011	70,735	*	*	6.50%	390,267	*	*	*

\* 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	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
General Electric Medical Systems	3,700	1	9.9588%	4,000	1	10.8625%
Waukesha Memorial Hospital	2,126	2	5.7223%	2,800	2	7.6037%
Prohealth	2,115	3	5.6927%			
School District of Waukesha	1,876	4	5.0494%	1,483	4	4.0273%
Cooper Power Systems	1,500	5	4.0374%	1,200	5	3.2587%
Waukesha County	1,376	6	3.7036%	1,535	3	4.1685%
Generac Corp.	1,025	7	2.7589%	1,000	6	2.7156%
Nissen & Associates Staffing	1,000	8	2.6916%			
Dresser Inc. - Waukesha Engine Division	800	9	2.1533%	1,000	7	2.7156%
Waukesha Health System Inc.	734	10	1.9756%			
Husco International Inc.	550	11	1.4804%			
Fleming Companies				800	8	2.1725%
Milwaukee Electric Tool Corp.				790	9	2.1453%
Waukesha Electric Systems				610	10	1.6565%
Hein-Werner Corp.				585	11	1.5886%
<b>Total</b>	<u>16,802</u>		<u>45.2238%</u>	<u>15,803</u>		<u>42.9149%</u>

**Sources:**

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

2011: 2011 Wisconsin Business Services and Manufacturer's Directory.

**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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>										
Municipal Court	4.5	4.5	4	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	2.7	2.7	2.7	2.2	2.1	2.1	2.1	2.1
Attorney's Office	5.3	5.3	5.3	5.3	5.12	5.12	5.03	5.13	5.13	5.13
Assessor	7	7	7	7	7	7	6	6	6	5
Clerk-Treasurer's Office	7	7	6.88	6.75	6	6	6	6	6	6
Finance	5.63	4.63	5.63	5.63	5.63	5.63	5.63	5.63	5.63	5.63
Information Systems	12	12	12	11	11	11	11	11	11	11
Planning	8	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	7.25
<b>Total General Government</b>	<b>56.18</b>	<b>55.43</b>	<b>54.76</b>	<b>53.63</b>	<b>52.7</b>	<b>52.2</b>	<b>51.01</b>	<b>51.11</b>	<b>51.11</b>	<b>49.11</b>
<b>Public Safety</b>										
Police										
Officers	107	107	113	113	113	113	113	113	116	118
Civilian Employees - Police	37	37	37.5	37.5	38	37	37	37	37	34
Fire										
Firefighters and Officers	91	91	92	92	92	92	101	101	101	101
Civilian Employees - Fire	7	7	6	6	5	5.5	5.5	5	5	5
Building Inspection	8	8.25	8.25	8.25	8.25	7.75	7.75	7.75	7.75	7.75
<b>Total Public Safety</b>	<b>250</b>	<b>250.25</b>	<b>256.75</b>	<b>256.75</b>	<b>256.25</b>	<b>255.25</b>	<b>264.25</b>	<b>263.75</b>	<b>266.75</b>	<b>265.75</b>
<b>Highways and Streets</b>										
Engineering	29	29	29	29	29	28	27.2	27.2	26.2	25.2
Maintenance	56	56	56.75	56.75	55.75	55.75	54.75	54.75	54.75	54.25
<b>Total Highways and Streets</b>	<b>85</b>	<b>85</b>	<b>85.75</b>	<b>85.75</b>	<b>84.75</b>	<b>83.75</b>	<b>81.95</b>	<b>81.95</b>	<b>80.95</b>	<b>79.45</b>
<b>Culture and Recreation</b>										
Parks and Recreation	41	42	43	43.5	42.5	43.9	43.8	43.8	43.8	42.3
Library	45	46	48.6	48.11	46.73	45.5	46.1	45.45	43.9	43.9
Public Access Television	1	1	1	1	1	1	1	1	1	1
<b>Total Culture and Recreation</b>	<b>87</b>	<b>89</b>	<b>92.6</b>	<b>92.61</b>	<b>90.23</b>	<b>90.4</b>	<b>90.9</b>	<b>90.25</b>	<b>88.7</b>	<b>87.2</b>
<b>Internal Service / Enterprise</b>										
Printing	1	1	1	1	1	1	1	1	1	1
Parking	5.7	5.7	5.7	5.7	5.7	5.82	4.75	4.75	4.75	5.18
Waste Water Treatment Utility	30	32	27	27	25	25	25	25	25	25
Cemetery	6.5	6.5	5.5	6	4.5	4.8	4.8	4.8	4.8	4.8
<b>Total Internal Service &amp; Enterprise</b>	<b>43.2</b>	<b>45.2</b>	<b>39.2</b>	<b>39.7</b>	<b>36.2</b>	<b>36.62</b>	<b>35.55</b>	<b>35.55</b>	<b>35.55</b>	<b>35.98</b>
<b>TOTAL</b>	<b>521.38</b>	<b>524.88</b>	<b>529.06</b>	<b>528.44</b>	<b>520.13</b>	<b>518.22</b>	<b>523.66</b>	<b>522.61</b>	<b>523.06</b>	<b>517.49</b>

Source:  
2002 - 2011 City of Waukesha Budget Documents

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>FUNCTION</b>										
<b>Court</b>										
Traffic Citations	7,545	6,958	6,892	8,047	8,112	6,982	5,121	5,762	7,532	9,069
Ordinance Violations	3,456	2,472	2,370	1,848	1,881	2,161	2,429	2,142	1,985	2,037
Juvenile	NA	931	913	796	816	848	389	336	373	327
Building	NA	43	114	197	152	145	105	94	51	29
<b>Assessor</b>										
Number of Parcels	18,948	19,326	19,567	20,170	20,375	20,946	21,274	21,387	21,388	21,370
Personal Property	2,433	2,447	2,414	2,406	2,387	2,364	2,374	2,366	2,321	2,318
Assessment Appeals	12	6	4	61	6	11	11	37	51	15
<b>Treasurer</b>										
Tax Bills Issued	22,384	21,615	21,909	22,430	22,620	23,167	21,604	23,639	23,591	23,569
Tax Refunds Issued	1,100	687	375	475	1,525	440	505	556	485	891
Licenses Issued (excluding dog and cat)	786	887	775	975	800	920	732	804	1,075	828
<b>IT</b>										
Workstations Supported	410	425	443	463	463	482	541	550	574	574
Software supported	70	150	158	160	160	162	227	307	305	310
<b>Police</b>										
Calls for Service	77,479	78,223	75,093	77,796	74,264	70,057	66,897	49,774	50,952	47,615
Self-Initiated	47,855	49,273	47,202	47,924	46,444	42,968	43,500	13,477	13,087	12,853
Incident Reports	6,839	6,301	6,323	6,517	6,375	6,536	7,046	6,013	5,816	5,717
Accident Reports	2,381	2,453	2,477	2,642	2,272	2,396	2,135	1,904	1,756	1,662
Citations	6,869	6,585	6,729	7,597	7,225	6,685	6,123	6,864	10,730	11,797
Alarms Responses	977	865	872	793	827	805	910	805	909	793
<b>Fire</b>										
EMS Responses	3,834	3,769	4,022	4,205	4,461	4,478	4,536	4,685	4,823	4,938
Fire Responses	869	854	860	875	874	1,027	1,128	1,023	969	993
Fire Inspections	5,120	5,483	5,655	5,643	5,578	5,489	4,800	5,582	5,319	5,308
<b>Building Inspection</b>										
Building Permits	1,199	1,155	1,123	1,019	1,033	996	899	644	757	832
Electric Permits	1,893	1,993	1,778	1,735	1,731	1,642	1,534	1,281	1,555	1,303
Plumbing Permits	1,405	1,521	1,497	1,468	1,200	1,038	1,023	807	820	896
Heating Permits	1,098	1,064	1,159	1,094	927	867	882	717	845	813
Sign Permits	267	240	203	189	192	114	235	173	125	37
Heating Licenses	175	247	114	226	184	91	205	129	151	69
Electric Licenses	262	293	286	288	318	266	277	251	250	235
<b>Engineering</b>										
Erosion Control Permits	68	66	78	68	55	59	39	35	38	25
Digger's Hotline Tickets Received	9,705	9,906	9,781	9,193	8,697	8,017	3,489	5,900	8,100	7,674
Sidewalk Replacement (Square Feet)	38,000	37,500	42,900	40,750	49,527	47,446	49,000	49,150	59,000	47,800
Miles of Paving.	3.59	4.45	3.20	2.80	2.58	2.00	0.50	0.00	0.03	0.00
<b>Planning</b>										
Final Plats & CSMs	3	36	41	36	2	25	17	10	12	12
Rezoning	26	28	20	24	21	17	3	17	6	8
Residential PUD	18	9	11	16	11	5	0	3	1	0
Commercial PUD	12	4	31	0	3	0	0	0	3	0
Annexations	32	20	8	21	20	32	4	0	1	1
Site Plan Architectural Review	NA	79	98	84	47	49	47	60	34	43
Conditional Uses	NA	NA	23	25	23	19	13	17	17	20
Preliminary Plats	NA	NA	14	28	3	3	2	1	2	1
<b>Public Works Department</b>										
Catch Basins Repaired	26	19	85	130	60	85	86	98	104	98
Sewer Flushing (Miles)	236	236	259	285	280	212	186	208	200	204
Street Maintenance ( Grinding/Paving)(Miles)	7.30	3.20	0.10	0.30	3.00	4.00	4.00	5.00	8.50	2.00
Snow Plowing and Salting (Miles)	264	264	287	287	295	253	263	273	273	260
Salting (Tons Per Year)	6,400	7,100	8,010	8,250	10,700	9,600	7,730	4,920	8,031	6,037
Street Light Repair - Knockdowns	66	26	51	67	62	75	60	32	32	25
Street Light Repair - Replacement Bulbs	132	120	242	360	300	500	625	600	500	200
Street Light Repair - Fuses and Ballasts	225	161	196	190	125	280	350	60	60	30
Signal Repair	61	36	63	91	35	80	550	30	30	20
Tarring (Miles)	25	2	2	2	1	1	0	0	0	0
Street Repair - Paving (Miles)	4.40	1.20	3.30	4.50	0.70	6.00	4.00	5.00	4.50	1.50
Land Terracing (Miles)	2.10	1.30	1.50	3.20	1.00	4.00	0.50	0.00	0.00	0.00
Mason Repair Work	51	20	22	56	86	105	118	20	12	6

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Works Department (Continued)</b>										
Signs Installed/Repaired	630	737	1,041	980	1,125	285	0	100	100	250
Drop Off Center Rubbish (Tons)	2,176	2,318	2,554	1,909	1,914	1,981	1,923	1,725	1,986	1,964
Drop Off Center Rubbish (Container)	562	590	586	533	516	497	474	470	526	520
Metal Salvage (Tons)	113	109	112	103	91	86	74	80	65	59
Drop Off Center Traffic Volume	52,753	54,008	53,794	51,796	47,805	39,109	41,205	40,031	40,281	41,107
Leaves/Yard Waste (Tons)	2,926	2,357	3,812	3,043	4,672	3,019	2,448	3,215	3,396	4,003
Fall Leaf Pickup Equipment Hours	4,216	4,376	5,048	5,680	4,280	3,928	5,680	5,904	5,680	2,501
Curbside Households - rec.	18,878	19,200	19,529	19,716	19,885	20,042	20,267	20,304	20,411	20,445
Curbside Recyclables (Tons)	4,914	4,979	5,341	5,313	5,523	5,429	5,241	4,638	4,478	4,452
Drop Off Center Oil (Gallons)	16,390	16,460	15,980	14,035	11,300	9,375	7,300	11,090	11,400	10,750
Drop Off Center Antifreeze (Gallons)	650	880	750	715	440	385	450	485	860	735
Recycling Bins Sold (1)	274	290	331	168	7	1	1	5	50	31
<b>Library</b>										
Number of Visitors	491,537	515,112	505,647	480,452	469,017	479,294	548,000	530,166	470,011	468,698
Number of Items Circulated	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	1,351,493
Number of Questions Answered	135,953	140,428	128,902	130,910	132,327	132,816	132,153	116,225	133,206	132,749
Number of Cardholders (2)	75,391	81,294	83,253	76,497	70,934	68,680	66,058	64,688	63,402	59,592
Number of Children's Programs	543	544	515	465	493	503	493	323	462	473
Number Attending Children's Programs	19,094	24,249	23,522	20,208	22,495	21,254	21,782	17,502	22,111	22,078
Number Registrants Summer Reading Program	2,614	2,513	2,936	3,003	2,798	3,373	3,453	2,944	2,882	3,100
Number of Items in the Collection	302,754	315,667	336,093	332,062	333,162	339,998	337,239	329,482	326,459	343,968
Number of Circulations to the Homebound	26,417	22,492	24,831	25,354	28,318	30,672	29,260	25,077	21,582	19,554
Number of Hours Open	3,513	3,562	3,516	3,424	3,481	3,479	3,453	3,487	3,466	3,608
Number of Personal Computers	64	64	64	74	74	88	90	90	90	94
<b>Parks, Recreation, and Forestry</b>										
Pool Passes	1,166	1,017	895	985	1,225	1,471	1,308	1,328	1,334	1,437
Swim Lesson Enrollments	1,977	2,218	2,202	2,014	2,018	2,127	1,781	1,955	1,919	1,922
Recreation Program Enrollments	12,532	15,156	15,996	14,996	15,178	15,930	17,401	18,674	20,079	21,782
Park Acreage Mowed	573	603	610	610	580	582	582	582	582	586
Trees Planted	743	602	666	568	488	537	380	349	337	407
Trees Removed	NA	167	185	303	380	306	247	325	328	317
Stumps Removed	NA	NA	165	303	380	306	247	325	328	317
Trees Pruned	6,599	4,033	3,819	3,783	5,365	4,134	4,270	4,372	3,911	4,786
Service Requests	NA	NA	456	483	478	488	511	501	591	512
<b>Waste Water Treatment Plant</b>										
Gallons Treated (Millions)	3,822	3,035	3,656	3,194	3,619	3,902	4,190	3,909	3,829	3,640
Flow (Million Gals/Day Avg)	10	8	10	9	10	11	11	11	10	10
BOD5 (Thousands removed)	5,972	5,942	5,602	5,570	5,150	5,935	5,089	8,861	8,649	8,282
BOD5 (Thousands Discharged) (3)	1	8	8	2	0	0	30.6*	3	5	0
Suspended Solids (Thousands Disc)	21	7	12	9	15	12	31.6*	19	14	3,695
Biosolids Produced (Dry Metric Ton)	1,506	1,958	2,088	1,946	1,297	1,679	2,566	1,040	1,962	1,525
<b>Parking Utility</b>										
Ramp/Lot Parking - No. of Vehicles	68,365	58,199	46,042	48,382	56,235	47,484	46,732	47,868	46,944	51,483
Surface Lots - Number of Permits	2,125	1,995	1,869	1,877	1,854	1,599	1,695	1,907	1,900	2,532
Transit Center Permits	NA	NA	NA	NA	942	1,045	1,229	3,633	1,343	1,384
Tickets Issued	30,644	18,319	18,222	17,005	17,731	14,875	13,690	15,835	13,905	11,980
Overnight Permits Issued	4,008	3,492	3,053	3,013	3,675	3,560	2,864	4,092	5,077	4,169

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**

<b>FUNCTION</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Public Safety (1)</b>										
Police										
Police Stations/Substations	2	2	2	2	2	2	2	2	1	1
Patrol Units/Squads	24	25	25	25	25	21	21	24	24	23
Unmarked Vehicles	30	30	30	30	30	32	32	30	30	33
Fire										
Number of Stations (3)	4	4	4	4	4	4	5	5	5	5
Fire Engines/Trucks	8	8	8	8	8	8	9	9	9	9
Ambulances	5	5	5	5	5	5	7	7	7	7
<b>Highways and Streets (1)</b>										
Acres - Public Right of Way	1322.37	1349.25	1356.3	1381.3	1406.79	1,414.64	1,449.50	1,451.37	1452.30	1452.42
Miles of Streets	238.95	242	247.07	249.25	252.12	253.10	253.60	253.77	258.30	258.61
Sidewalks - Miles	272.66	278.91	287.85	294.47	301.82	301.82	304	304.54	304.68	304.68
Traffic Signals - Number	58	59	60	60	61	61	61	64	64	64
Bridges - Number	7	7	7	7	7	7	7	7	7	7
<b>Culture and Recreation (2)</b>										
Park Acreage	854	975	1,014	1,017	1,055	1,055	1,055	1,055	1,055	1,080
Picnic Area & Shelters								24	24	24
Restroom Facilities	27	27	27	29	29	29	29	29	29	29
Baseball/Softball Fields	24	24	24	27	27	27	27	27	26	26
Soccer Fields										12
Tennis Courts	39	39	41	41	42	42	42	42	42	46
Basketball Courts								12	12	12
Playgrounds with Equipment	25	25	26	26	26	27	28	28	28	29
Swimming Pools	2	2	2	2	2	2	2	2	2	2
<b>Sewers (1)</b>										
Sanitary Sewer - Miles	235.5	235.5	259.1	285.0	288.1	289.1	290.8	290.8	291.1	292.0

**Source:**

(1) 2011 Fixed Asset Records

(2) 2012 Park & Recreation Department Activity Guide

CITY OF WAUKEHSA

**Table 20  
INSURANCE COVERAGES  
December 31, 2011**

TYPE	2011 COVERAGE
Public Entity Liability Insurance Community Insurance Corporation Policy CGL 68 018 11	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 08	\$500,000 Limit Per Loss - Employee Theft \$5,000 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-Z91-524572-301	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 2011 Experience Modification Factor Applied (1.00 is Average): .69
Buildings, Personal Property, Inland Marine Floater, Property in the Open, and Builders' Risk Local Government Property Insurance Fund Policy 140839	Coverage: \$278,105,893 Deductible: \$5,000
Contractors Equipment Coverage (Replacement Cost) Local Government Property Insurance Fund Policy 140839	Coverage: \$9,419,720 Deductible: \$500
Motor Vehicle Comprehensive Coverage Local Government Property Insurance Fund Policy 140839	Coverage: \$12,875,670 Deductible: \$500
Motor Vehicle Collision Coverage Local Government Property Insurance Fund Policy 140839	Coverage: \$12,875,670 Deductible: \$500
Business Income Local Government Property Insurance Fund Policy 140839	Coverage: \$770,000; Deductible: \$5,000
Accounts Receivable Local Government Property Insurance Fund Policy 140839	Coverage: \$720,000; Deductible: \$5,000
Monies and Securities Local Government Property Insurance Fund Policy 140839	Coverage: \$271,000; Deductible: \$500