

## CREDIT OPINION

19 September 2025



Send Your Feedback

### Contacts

Umar Farooq +1.312.706.9959  
Associate Lead Analyst  
umar.farooq@moody's.com

Gera M. McGuire +1.312.706.9977  
Associate Managing Director  
gera.mcguire@moody's.com

### CLIENT SERVICES

Americas 1-212-553-1653  
Asia Pacific 852-3551-3077  
Japan 81-3-5408-4100  
EMEA 44-20-7772-5454

# City of Wauwatosa, WI

## Update to credit analysis

### Summary

[Wauwatosa \(City of\) WI's](#) (Aaa) credit profile is characterized by a healthy local economy near Milwaukee, strong financial performance, and long-term leverage that will remain near current levels because of additional borrowing plans.

### Credit strengths

- » Very strong and stable reserve position that is expected to hold in the near-term
- » Robust local economy with strong resident incomes

### Credit challenges

- » Ongoing capital needs
- » Levy constrained by state-imposed limits on growth

### Rating outlook

We do not assign outlooks to local government issuers with this amount of debt outstanding.

### Factors that could lead to an upgrade

- » Not applicable

### Factors that could lead to a downgrade

- » A long-term liabilities ratio consistently approaching 350% of revenues
- » An available fund balance ratio below 40%

## Key indicators

Exhibit 1

### Wauwatosa (City of) WI

	2021	2022	2023	2024	Aaa Medians
<b>Economy</b>					
Resident income ratio (%)	137.1%	131.2%	125.1%	N/A	168.9%
Full Value (\$000)	\$7,545,982	\$9,006,577	\$9,618,351	\$10,284,775	\$9,011,663
Population	48,072	47,919	47,718	N/A	36,103
Full value per capita (\$)	\$156,972	\$187,954	\$201,567	N/A	\$218,941
Annual Growth in Real GDP	4.3%	2.7%	1.4%	N/A	2.4%
<b>Financial Performance</b>					
Revenue (\$000)	\$104,234	\$108,259	\$121,613	\$135,044	\$108,194
Available fund balance (\$000)	\$68,420	\$72,130	\$80,172	\$92,514	\$68,159
Net unrestricted cash (\$000)	\$115,425	\$127,498	\$137,083	\$145,857	\$99,090
Available fund balance ratio (%)	65.6%	66.6%	65.9%	68.5%	62.6%
Liquidity ratio (%)	110.7%	117.8%	112.7%	108.0%	95.0%
<b>Leverage</b>					
Debt (\$000)	\$170,778	\$179,197	\$176,890	\$177,970	\$72,678
Adjusted net pension liabilities (\$000)	\$182,066	\$173,642	\$87,995	\$88,645	\$89,696
Adjusted net OPEB liabilities (\$000)	\$35,532	\$39,532	\$33,544	\$35,170	\$10,915
Other long-term liabilities (\$000)	\$2,898	\$3,436	\$3,379	\$12,197	\$4,029
Long-term liabilities ratio (%)	375.4%	365.6%	248.2%	232.5%	217.2%
<b>Fixed costs</b>					
Implied debt service (\$000)	\$12,528	\$11,978	\$12,515	\$12,288	\$4,949
Pension tread water contribution (\$000)	\$1,521	\$1,707	\$4,546	N/A	\$2,629
OPEB contributions (\$000)	\$2,836	\$3,314	\$3,694	\$2,703	\$594
Implied cost of other long-term liabilities (\$000)	\$201	\$203	\$240	\$235	\$274
Fixed-costs ratio (%)	16.4%	15.9%	17.3%	14.6%	10.0%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Milwaukee-Waukesha, WI Metropolitan Statistical Area.

Sources: US Census Bureau, Wauwatosa (City of) WI's financial statements and Moody's Ratings, US Bureau of Economic Analysis

## Profile

Wauwatosa, WI is located just west of the city of Milwaukee. The city provides basic municipal services including police, fire, streets and utilities to a population of about 48,000 residents.

## Detailed credit considerations

Wauwatosa benefits from a growing tax base near Milwaukee and strong institutional presence led by the Milwaukee Regional Medical Center. Developments around the medical campus are ongoing along with other residential and commercial developments throughout the city. While the city's economic indicators are strong, they lag the medians for Aaa rated cities nationally. The city's financial position has remained strong for several years with reserves over 65% of revenues across governmental and business type funds (water, sewer, stormwater).

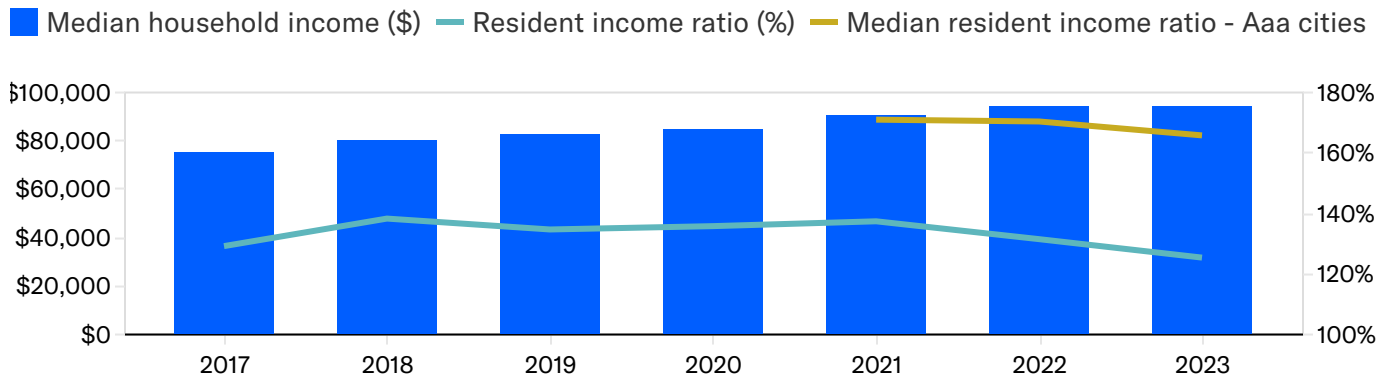
In August 2025, a large flooding event caused around \$7 million in damages within the city. The city is currently waiting to see if FEMA will reimburse costs associated with the damages. If FEMA does not provide the reimbursement, the city will be allowed by state law to temporarily increase the property tax levy for one year to cover the costs. In addition to this, the city settled a property tax appeal by a hospital and will have to pay \$10 million, \$6.6 million of which will be reimbursed by other taxing districts in fiscal 2026. Assuming the city uses reserves and does not receive any reimbursement in fiscal 2025 (year-end Dec. 31), the available fund balance will remain strong at around 60% of revenue. The city also has some unused levy capacity which can add some budget flexibility over the next few years. Currently, the city is issuing around \$26.6 million for various capital projects and will continue to issue bonds annually to address needs outlined in their long-term capital plan. Long-term leverage will remain near current levels through the rest of the decade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Economy

Exhibit 2

Resident incomes are stable but are lower than peers



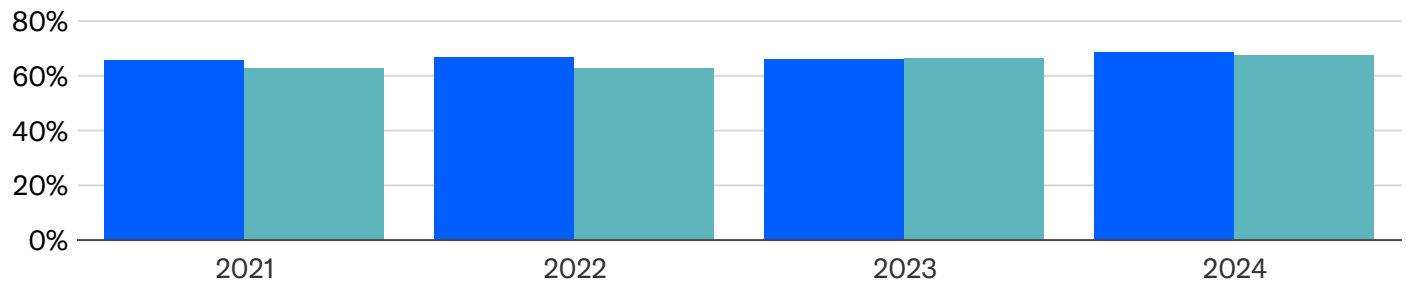
Source: US Census Bureau - American Community Survey 5-Year Estimates; US Bureau of Economic Analysis; Moody's Ratings

## Financial operations

Exhibit 3

Reserves have been very stable since 2021

■ Available fund balance ratio ■ Median available fund balance ratio - Aaa cities



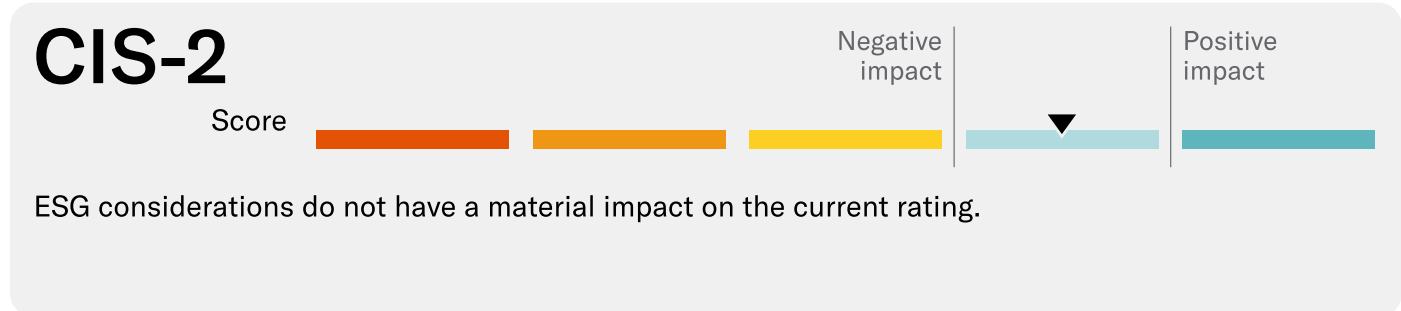
Source: Audited financial statements; Moody's Ratings

## ESG considerations

Wauwatosa (City of) WI's ESG credit impact score is CIS-2

Exhibit 4

ESG credit impact score

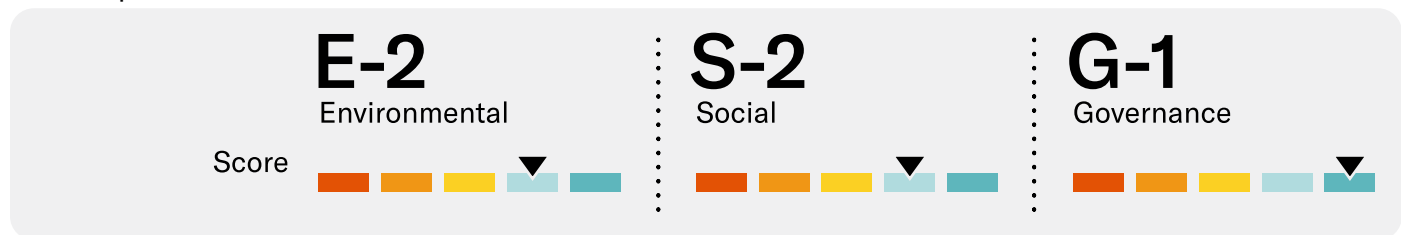


Source: Moody's Ratings

Wauwatosa, WI's overall ESG Credit Impact Score of **CIS-2** reflects moderate exposure to environmental and social risks, and positive exposure to governance risks.

Exhibit 5

ESG issuer profile scores



Source: Moody's Ratings

### Environmental

Wauwatosa's **E-2** issuer profile score reflects moderate exposure to environmental risks across all categories, including physical climate risk, carbon transition, natural resources management, waste and pollution. In the event of a disaster, Milwaukee County, where Wauwatosa is located, maintains a comprehensive plan for mitigation and response. In August 2025, a major flooding event occurred which caused around \$7 million in damages. The flooding mainly occurred in the city's floodplain but the rainfall was more than anticipated. The city will likely be reimbursed for the costs of the damages by FEMA and/or a temporary increase in the levy limit.

### Social

Wauwatosa's **S-2** issuer profile score reflects minimal exposure to social risks. Demographic trends are solid as the population has grown modestly over the last decade. The city benefits from above average labor force participation and resident income, as well as educational attainment. Risk associated with housing, health and safety and access to basic services are similar to peers.

### Governance

Wauwatosa's **G-1** issuer profile score is positive and reflects the city's good budgetary management balanced against a relatively restrictive institutional structure. The city's largest revenue source is property taxes, which are subject to a cap that limits increases to growth in net new construction. The city has an informal fund balance policy of maintaining two months of operating expenses in the general fund as unrestricted and unreserved and provides regular variance updates to the board that are posted on the city's website.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

The assigned rating is higher than the scorecard-indicated outcome because of the city's long history of strong reserves despite levy limits and institutional presence that anchors the economy.

Exhibit 6

### Wauwatosa (City of) WI

	Measure	Weight	Score
<b>Economy</b>			
Resident income ratio	125.1%	10.0%	Aaa
Full value per capita	212,127	10.0%	Aaa
Economic growth metric	-1.2%	10.0%	A
<b>Financial Performance</b>			
Available fund balance ratio	68.5%	20.0%	Aaa
Liquidity ratio	108.0%	10.0%	Aaa
<b>Institutional Framework</b>			
Institutional Framework	A	10.0%	A
<b>Leverage</b>			
Long-term liabilities ratio	232.5%	20.0%	A
Fixed-costs ratio	14.6%	10.0%	Aa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
<b>Assigned Rating</b>			<b>Aaa</b>

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Milwaukee-Waukesha, WI Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Wauwatosa (City of) WI's financial statements and Moody's Ratings

## Appendix

Exhibit 7

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
<b>Financial performance</b>		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
<b>Leverage</b>		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
<b>Fixed costs</b>		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [ir.moody.com](http://ir.moody.com) under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.





Contacts

Umar Farooq  
Associate Lead Analyst  
umar.farooq@moody's.com

+1.312.706.9959

Gera M. McGuire  
Associate Managing  
Director  
gera.mcguire@moody's.com

+1.312.706.9977

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454