

Annual Comprehensive Financial Report



For Fiscal Year Ended
December 31, 2022



CITY OF JANESVILLE
Wisconsin's Park Place

ADAPTABILITY. SERVICE.
RESPECT. COMMUNICATION.



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

Prepared By:

Finance Office

David T. Godek, Finance Director
Mandy Price, CPA, Accounting Manager
Steve Wanninger, CPA, Senior Accountant
Chelsea Kaas, Accountant

CITY OF JANESVILLE, WISCONSIN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022

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June 26, 2023

**CITIZENS OF JANESVILLE
MEMBERS OF THE CITY COUNCIL**

It is our pleasure to submit to you the *Annual Comprehensive Financial Report* of the City of Janesville for the year ended December 31, 2022.

This report was prepared by the City's Finance Office and contains representations concerning the finances of the City. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly represents the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The information presented in the *Annual Comprehensive Financial Report* is divided into three sections: Introductory, Financial, and Statistical. The financial section of this report includes Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the City's financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

This report includes all the funds and component units of the City of Janesville. The City provides a full range of services, including police and fire protection, construction and maintenance of streets, recreation and parks, community and economic development, library, and sanitation services. The water utility, wastewater utility, transit system, and stormwater utility are reported as enterprise funds. Internal service funds provide information on the operations of the risk management and vehicle operation and maintenance functions. The City has included the Janesville Community Development Authority (CDA), a legally separate organization, as a discretely presented component unit within its reporting entity.

Independent Audit

Wisconsin State Statutes require that an annual audit be conducted by an independent certified public accountant. Baker Tilly US, LLP, Certified Public Accountants have concluded, based upon its audit procedures, that the City's financial statements for the year ended December 31, 2022 are presented fairly in accordance with generally accepted accounting principles. The auditor's opinion is located at the front of the financial section of this report.

Internal Controls

In developing the City's overall accounting system, consideration was given to the adequacy of internal accounting controls. The City Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance

recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

The City Council has developed and maintains a Council Policy Statement concerning budgetary controls. The annual appropriation resolution adopted by the Common Council is intended to appropriate annual expenditures on a program basis. The City Manager is granted authority to allow the expenditure level for a program element to exceed the budget amount, provided that the overall program appropriation is not exceeded. The City Manager cannot use this authority to reestablish any position, program, or capital item that was specifically deleted from the program appropriation by Council motion. Amendments to the adopted General Fund budget require approval of the City Council by adoption of resolution.

Background Information

The City of Janesville, Wisconsin's tenth largest municipality is located in south central Wisconsin astride the Rock River. Wisconsin's State Capital, the City of Madison, is 40 miles northwest via Interstate 39/90. Other major population/industrial centers in the area include Beloit, Wisconsin and Rockford, Illinois, which are 10 miles and 30 miles, respectively, to the south via Interstate 39/90. Milwaukee is 71 miles to the northeast, and Chicago is 109 miles to the southeast.

In 1836, the Village of Rockport was platted on the west side of the Rock River. In 1839, Rockport was named the Rock County seat. In 1840, Mr. Henry Janes established the original plat of Janesville on the east side of the Rock River in the area of the current central business district. In 1853, seven and one-half square miles of land on both sides of the Rock River were incorporated into the City of Janesville. Population growth during the City's first 100 years was moderate but steady (1900 Census totaled 13,187, and 1950 Census 24,899), and was accommodated almost entirely within the City's original land area. However, the population doubled between 1940 and 1960. Between 1960 and 1970 the annual growth rate was over three percent per year. The growth rate between 1970 and 1980 was one percent per year. During the 1980's the population remained stable, increasing only two percent from 51,071 in 1980 to 52,210 in 1990. Between 1990 and 2000 the City experienced a population growth of 7,990, or 15.3%. Between 2000 and 2010 the City experienced population growth of 3,375 or 5.6%. The City of Janesville 2020 Census population is 65,615; this is a growth of 8.7% from the 2010 census.

Government Profile

The governing and legislative body of the City is the seven-member City Council, all of whom are elected at large on a non-partisan basis. The members serve without compensation. The City has operated under the Council-Manager form of government since 1923, longer than any other city in the state of Wisconsin. The appointed City Manager is responsible for the day-to-day operations of the City, the appointment of all staff members, and the supervision of the City's 538 full-time and part-time employees.

Major Initiatives

The local economy continued to grow, stimulated in part by the work of the City. Economic Development facilitated Tax Increment Financing Development Agreements which resulted in 1,183,014 new square feet, \$7.3 million in public incentives, guaranteeing \$1.1 million in annual property tax increment and \$47 million in new property value.

The City completed a street maintenance and utility program with approximately 13 miles improved. Significant transportation infrastructure improvements include the rehabilitation of Black Bridge Rd. and N. Parker Dr. to support the continued revitalization of the downtown.

The Janesville Police Department maintained the trend of decreasing violent crime in 2022, as well as replaced eight squad vehicles for the department, and completed the design of a state-of-the-art training facility.

The Janesville Fire Department handled approximately 11,257 calls for service in 2022, which averages almost 31 incidents per day. The Department continues to be one of the busiest fire departments in the state.

The City continues to work on the Woodman's Sports and Convention Center. This multipurpose community facility will serve large-scale athletic, entertainment, business, and community recreation events while generating economic impact and improving individual and family well-being.

The water utility continued to replace lead service lines throughout the City. This program will replace lead services by the end of 2024 which will improve the overall quality and safety of the City's drinking water.

Economic Condition and Outlook

Janesville is the county seat of Rock County, Wisconsin, the largest community, and the center of retail activity in the Janesville-Beloit MSA. Statistics from the last two comparable Business Census documents the solid growth of Janesville's commercial base. Since 1990, over 2.0 million square feet of retail space has been constructed in Janesville. Janesville's portion of the \$2.74 billion in retail sales reported for Rock County has grown extensively from 43% in 2007 to 63% in 2015 as reported by ESRI and Infogroup. Rock County, in 2022, continues to set new records in both quarterly and annual sales and use tax collections, which demonstrates the continued growth in retail sales activities:

2022 - \$19,469,822 2021 - \$18,119,348 2020 - \$15,920,000

The City continued its strong momentum of development with additional commercial and industrial projects, and also including multifamily. Developers, Hovde, fully completed The Glade multifamily development in 2022 with a near 100% occupancy of their 233 units. Hovde started the process to negotiate the next phase of multifamily in a large parcel across the street from The Glade, which would have an additional 200+ units.

In the downtown corridor, the Monterey Apartments, a 52-unit rehabilitation of the Historic former Art Deco Monterey Hotel, continued its extensive interior and exterior construction with revised completion slated in 2023. The Ben Duckart Apartments began construction downtown as well, adding a few units above the newly renovated retail space. Although units have been brought to the market and others are under construction, the City continues discussions with other interested developers for additional new market-rate multi-family housing.

Additional developments in the industrial sector include GEA Mechanical constructing an 85,000-square-foot manufacturing facility, and Zilber starting on three new industrial leasable facilities comprising a total of just under 1,000,000 square feet and representing approximately \$73 million in capital investment.

In Janesville's large regional retail corridor, a new hotel went under construction. Tru Hotel, a Townplace Suites product, started construction on a 42,000 square foot, 90-room facility. The City also sustained its diligent efforts to work through plans and budgets for the redevelopment of an abandoned Sears storefront, the front portion of the regional mall, to build a new sports and convention center. A project that could draw in additional hotels, restaurants, and retail businesses.

Overall, 2022 tax incremental financing agreements resulted in 1,183,014 new square feet, and \$7.3 million in new capital investment from the city, and \$107 million from developers, guaranteeing \$1.1 million in annual property tax increment and \$47 million in new property value.

The Janesville-Beloit MSA showed a decrease in the annual unemployment rate to 3.3% in 2022. This decrease is attributable to the increase in economic activity the City has seen as a result of economic growth.

The local real estate market is strong with the average sale price for houses now exceeding \$252,800, which is a 13.4% increase over 2022 sales prices. The average sales price for a home in Janesville (\$250,500) is 11.3% more than the City’s median assessed home value (\$222,200). The Janesville area’s strong real estate market has contributed to the City’s significant growth in equalized assessed value over the past few years. The City’s equalized assessed value grew 80.5% from 2015 to 2022, demonstrating Janesville’s phenomenal economic recovery from the Great Recession and the closure of General Motors.

Janesville and Rock County have continued its economic improvement with all economic indicators being above the levels before the Great Recession. Janesville’s continued progressiveness in the competitive economic development marketplace with preparation of industrial sites with necessary infrastructure and its’ “speed to market” approach to development approvals, has allowed the community to continue its strong residential, commercial, and industrial growth.

All of these positive factors will continue to position Janesville as “the community of choice to realize life’s opportunities.”

Reporting Achievements

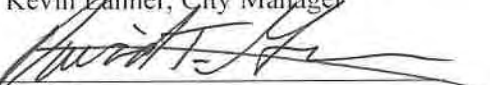
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Janesville for its *Comprehensive Annual Financial Report* for the fiscal year ended December 31, 2021. This was the twenty-ninth consecutive year that the City of Janesville has achieved this prestigious award. In order to be awarded a *Certificate of Achievement*, a government must publish an *Annual Comprehensive Financial Report* that demonstrates a “spirit of full disclosure” to clearly communicate the City’s financial story. 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 *Annual Comprehensive 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 *Annual Comprehensive Financial Report* was made possible by the dedicated commitment and hard work of each member of the Finance Office.


Kevin Lahner, City Manager


David T. Godek, Finance Director


Mandy Price, Accounting Manager

DIRECTORY OF OFFICIALS

As of June 15, 2023

CITY OF JANESVILLE, WISCONSIN General Information

ELECTED OFFICIALS

CITY COUNCIL

TERM EXPIRES

Paul Benson, Council President	April 2024
Dave Marshick, Council Vice President	April 2025
Aaron Burdick	April 2024
Michael Jackson	April 2025
Heather Miller	April 2025
Richard Neeno	April 2025
Paul Williams	April 2024

CERTIFIED PUBLIC ACCOUNTANTS

Baker Tilly US, LLP
Madison, Wisconsin

BOND COUNSEL

Kutak Rock
Chicago, Illinois

MUNICIPAL ADVISOR

Wisconsin Public Finance Professionals LLC
Milwaukee, Wisconsin

CITY OF JANESVILLE, WISCONSIN
General Information

APPOINTED OFFICIALS

City Manager – Kevin Lahner
Deputy City Manager – Ryan McCue

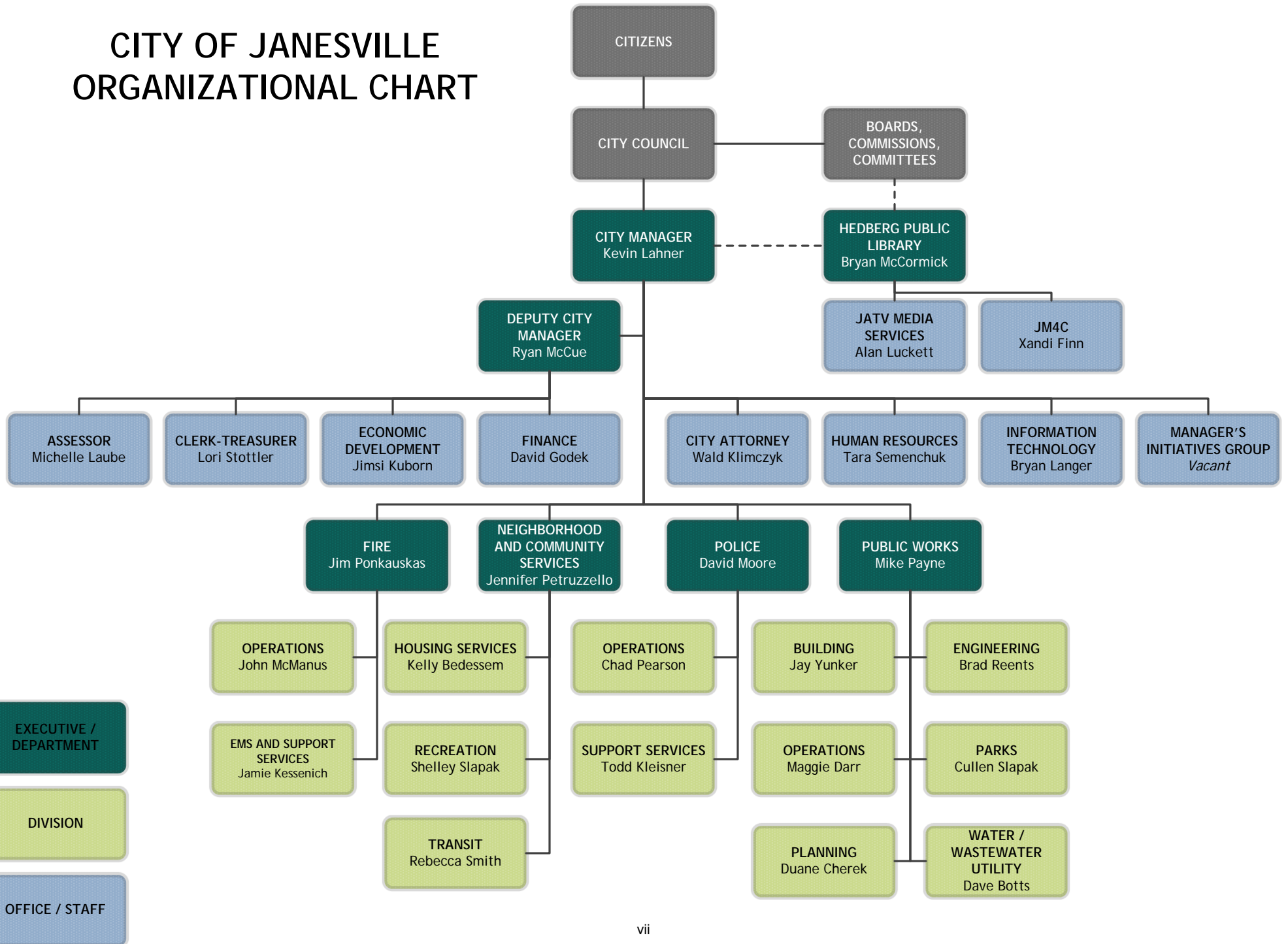
Department Heads

Bryan McCormick, Library Director
David Moore, Chief of Police
Jennifer Petruzzello, Director of Neighborhood and Community Services
Mike Payne, Director of Public Works
Jim Ponkauskas, Fire Chief

Division/Office Heads

Kelly Bedessem, Housing Services Director
Dave Botts, Water/Wastewater Utility Director
Duane Cherek, Planning Director
Maggie Darr, Operations Director
David Godek, Finance Director
Jamie Kessenich, Deputy Fire Chief of Professional Development, Support, and Safety
Todd Kleisner, Deputy Chief of Police of Support Services
Wald Klimczyk, City Attorney
Jimsi Kuborn, Economic Development Director
Bryan Langer, Information Technology Manager
Michelle Laube, City Assessor
Alan Lockett, JATV Media Services Director
John McManus, Deputy Fire Chief of Operations
Chad Pearson, Deputy Chief of Police of Operations
Brad Reents, City Engineer
Cullen Slapak, Parks Director
Shelley Slapak, Recreation Director
Tara Semenchuk, Human Resources Director
Rebecca Smith, Transit Director
Lori Stottler, City Clerk-Treasurer
Jay Yunker, Building Director

CITY OF JANESVILLE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Janesville
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Independent Auditors' Report

To the City Council of
City of Janesville

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Janesville, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information for the year ended December 31, 2022 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 15, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The supplementary information for major proprietary funds as listed in the table of contents for the year ended December 31, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for major proprietary funds as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introduction and statistical sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
June 26, 2023



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CITY OF JANESVILLE

Wisconsin's Park Place

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

We offer readers of the City of Janesville's financial statements this narrative overview and analysis of the financial activities of the City of Janesville for the fiscal year ended December 31, 2022, with comparative data for fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i – iv of this report.

Financial Highlights

- > The assets and deferred outflows of the City of Janesville exceeded its liabilities and deferred inflows as of December 31, 2022 by \$358,440,252 (net position). Of this amount, \$329,304,227 represented the City's net investment in capital assets, \$50,809,515 was restricted, and (\$21,673,490) was unrestricted. See page 16 for details.
- > During the year, the City's total net position increased by \$28,826,777, or 8.75%. This increase indicates that the City's overall financial position improved during 2022. Governmental activities' net position increased \$14,794,582, or 8.2%, while business-type activities' net position increased \$14,032,195, or 9.4%. See page 8 for explanations for changes in net position.
- > As of December 31, 2022, the City of Janesville's Governmental Funds reported combined ending fund balances of \$45,466,765, an increase of \$3,361,457, or 8%, in comparison with the prior year. Approximately 56% of the fund balance, \$25,642,866, is available for spending at the government's discretion (Committed, Assigned, and Unassigned Fund Balance). See pages 18 - 21 for details.
- > The General Fund is the main operating fund of the City, and the largest component of the Governmental Funds. As of December 31, 2022, the Unrestricted Fund Balance (Assigned and Unassigned) for the General Fund was \$12,104,929, or 26.8%, of the 2023 budgeted General Fund operating expenditures. See pages 18-21 for details.
- > During 2022, actual General Fund revenues and other financing sources were \$1,089,811 more than budgeted. Expenditures and other financing uses were \$3,419,122 less than budgeted. The City's original General Fund budget included usage of \$0 of Unassigned Fund Balance but was amended by \$3,211,000 to fund costs related to fuel costs and other contingencies. The fund balance increased by \$4,508,933 over budget, or 40.5%, primarily due to under realizing expenses. See pages 102 – 105 for details.
- > As of December 31, 2022, the City of Janesville's Proprietary Funds reported combined ending net position of \$162,745,925, an increase of \$14,032,195, or 9.4%, for 2022. Approximately 6.2% of the enterprise fund net position, \$10,123,676, is unrestricted and available for spending at the government's discretion. See pages 22 – 26 for details.
- > The City of Janesville's total notes, bonds and revenue bonds outstanding decreased by \$8,920,874, or 7.2%, to \$115.3 million. General Obligation debt decreased \$6,965,000, or 6.4%, and revenue bonds decreased \$1,955,874, or 13.2%, from 2021. See pages 59 – 63 for details.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Janesville's basic financial statements. These basic financial statements are comprised of three components: (1) Government-Wide Financial Statements; (2) Fund Financial Statements; and, (3) Notes to the Financial Statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Janesville's finances, in a manner similar to a private-sector business. The Government-Wide Financial Statements can be found on pages 16 and 17 of this report.

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

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

Both of the Government-Wide Financial Statements distinguish functions of the City of Janesville that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Janesville include General Government; Public Safety; Public Works; Recreation and Parks; Community and Economic Development; and Library. The business-type activities of the City of Janesville include the Water, Wastewater, and Stormwater Utilities, and the Transit System.

In addition to these various direct operations of the City, or primary government, the Government-Wide Financial Statements also include financial information related to two legally distinct entities for which the City has financial responsibility, known as Component Units. These Component Units are the Janesville Community Development Authority (CDA) and Janesville Innovation Incorporated (JII). These entities are described in Note I of the Financial Statements. Separately issued financial statements and management discussion information are not published for these component units.

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 Janesville, like other state and local governments, uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Funds of the City of Janesville can be divided into three categories: *Governmental Funds*, *Proprietary Funds*, and *Custodial Funds*.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financial decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds 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 Janesville maintains 28 individual Governmental Funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the Sanitation Fund, the Debt Service Fund, the Capital Projects Fund, and the Special Accounts Fund, which are considered to be major Funds. Data from the remaining 23 Governmental Funds are combined into a single, aggregated presentation. Individual Fund data for each of these non-major Governmental Funds (Special Revenue Funds including TIF districts) is provided in the form of Combining Statements later in this report. The basic Governmental Fund Financial Statements can be found on pages 18 – 21 of this report.

Proprietary Funds. Proprietary Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The City of Janesville maintains two types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The Proprietary Fund Financial Statements provide separate information for the Stormwater Utility, Water Utility, Wastewater Utility, and Transit System which are considered to be major Enterprise Funds of the City of Janesville. 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 Janesville uses Internal Service Funds to account for its Vehicle Operation & Maintenance (VOM), Insurance functions, and Benefits Funding (provides funds for payment of the non-general fund debt service borrowed in 2005 to payoff the Wisconsin Retirement System prior service liability). 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 basic Proprietary Fund Financial Statements can be found on pages 22 – 26 of this report.

Fiduciary Funds. Fiduciary Funds are used to account for, and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units. Fiduciary Funds are not reflected in the Government-Wide Financial Statement because the resources of those funds are not available to support the City of Janesville's programs. The Fiduciary Fund maintained by the City of Janesville is a Custodial Fund called the Tax Collection Fund. The Tax Collection Fund records the tax roll and tax collections for other taxing jurisdictions within the City of Janesville. The basic Custodial Fund Financial Statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The *Notes to the Financial Statements* can be found on pages 29 – 94 of this report.

Supplementary Information

In addition to the basic Financial Statements and accompanying Notes, required supplementary information presents budgetary comparison schedules for the General Fund and Sanitation Fund to demonstrate compliance with the budget and complements the statement included in the basic Governmental Fund Financial Statements. The budgetary comparison schedules are found on pages 95 and 96 of this report.

The additional required supplementary information schedules show the required Wisconsin Retirement System (WRS) net pension asset/liability information as well as the other postemployment benefits (OPEB) information. While WRS is fully funded, the City has not funded the actuarial value of the OPEB. The required WRS and OPEB schedules are found on pages 97 – 99 of this report.

Additional supplementary information has been provided as part of this report. This information includes the General Fund detailed schedule of revenues and other sources, and expenditure and other uses; combining statements in connection with non-major governmental, enterprise, internal service, and custodial funds; Water and Wastewater utilities operating revenues and expenses; utility plant; and component unit statement of cash flows. The supplementary information section can be found on pages 102 – 132 of this report.

The statistical section presents detailed information as a context for understanding the City's overall financial condition as presented in the financial statements, notes to the financial statements, and required supplementary information. The statistical section can be found at the end of this report.

Financial Analysis of the City Government-wide Statements

The City of Janesville's statements of net position at December 31, 2022 and 2021 are summarized in the table below.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Janesville, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$358.4 million at the close of 2022. This is an increase of \$28.8 million, or 8.8%, above 2021.

**City of Janesville
Summary Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$140,727,306	\$126,102,332	\$34,608,447	\$33,424,369	\$175,335,753	\$159,526,701
Capital assets (net)	258,175,199	254,727,849	176,619,546	168,181,656	434,794,745	422,909,505
Total Assets	<u>398,902,505</u>	<u>380,830,181</u>	<u>211,227,993</u>	<u>201,606,025</u>	<u>610,130,498</u>	<u>582,436,206</u>
Deferred outflows of resources	51,526,645	37,255,435	4,687,855	3,487,398	56,214,500	40,742,833
Long-term liabilities outstanding	125,701,994	139,106,923	45,423,339	50,994,313	171,125,333	190,101,236
Other liabilities	16,233,054	7,503,625	2,229,313	1,620,714	18,462,367	9,124,339
Total Liabilities	<u>141,935,048</u>	<u>146,610,548</u>	<u>47,652,652</u>	<u>52,615,027</u>	<u>189,587,700</u>	<u>199,225,575</u>
Deferred inflows of revenues	112,799,775	90,575,323	5,517,271	3,764,666	118,317,046	94,339,989
Net Position:						
Net investment in capital assets*	192,573,296	185,740,274	136,777,931	125,210,613	329,304,227	310,950,887
Restricted	39,449,363	35,463,046	11,360,152	14,182,603	50,809,515	49,645,649
Unrestricted (deficit)*	(36,328,332)	(40,303,575)	14,607,842	9,320,514	(21,673,490)	(30,983,061)
Total Net Position	<u>\$195,694,327</u>	<u>\$180,899,745</u>	<u>\$162,745,925</u>	<u>\$148,713,730</u>	<u>\$358,440,252</u>	<u>\$329,613,475</u>

* The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities column.

The largest portion of the City of Janesville's net position (approximately 91.8%) reflects its investment in capital assets (i.e., land, land improvements, buildings, furniture and fixtures, vehicles and equipment, plant in service, infrastructure and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Janesville uses these capital assets to provide services to

citizens; consequently, these assets are not available for future spending. Although the City of Janesville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Janesville's net position (approximately 14.2%) represents resources that are subject to external restrictions, such as grants, on how they may be used. The remaining balance is an Unrestricted Net Position deficit of (\$21,673,490).

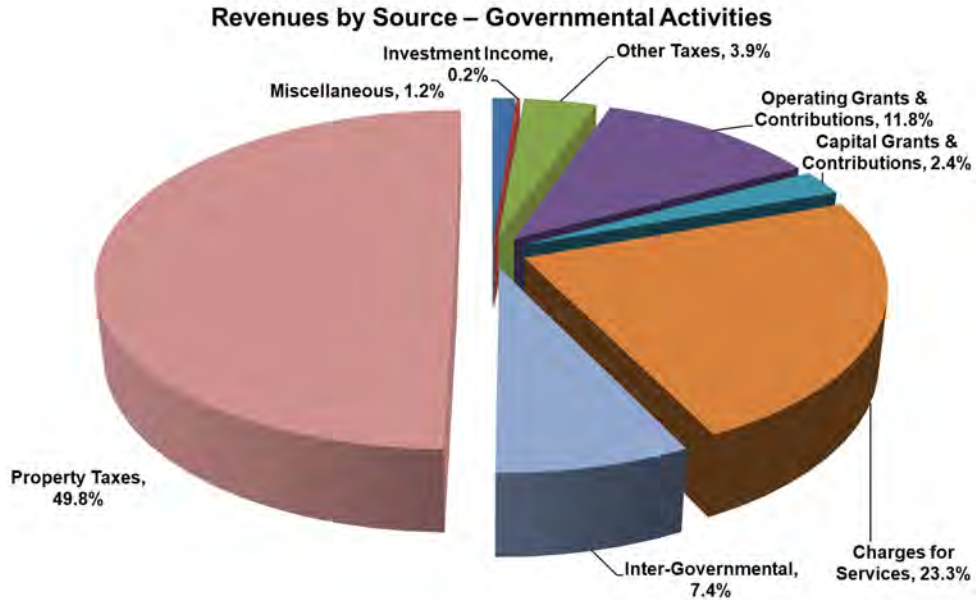
Net position increased \$14,794,852 (8.2%) for governmental activities and \$14,032,195 (9.4%) for business-type activities during 2022.

The following table provides a summary of the City's changes in net position.

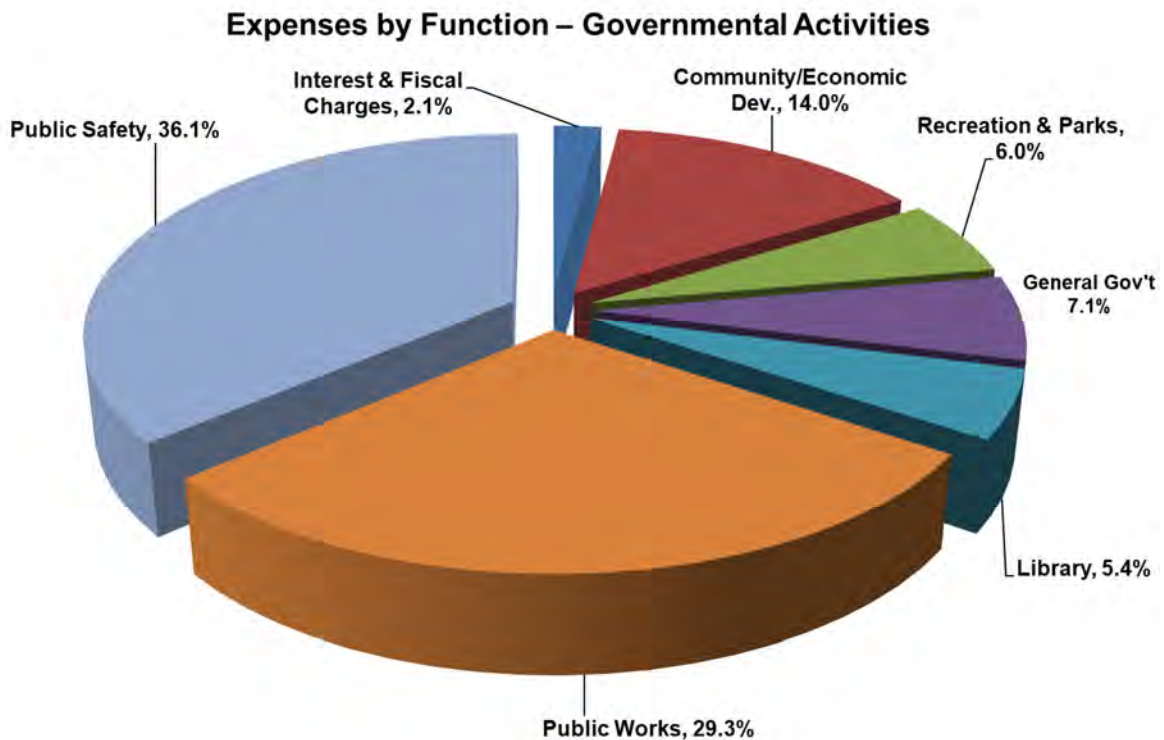
	City of Janesville Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 22,055,796	\$ 20,620,667	\$ 33,407,509	\$ 31,508,710	\$ 55,463,305	\$ 52,129,377
Operating Grants & Contributions	11,169,109	7,566,337	2,688,967	2,484,102	13,858,076	10,050,439
Capital Grants & Contributions	2,305,424	1,531,632	1,709,938	662,453	4,015,362	2,194,085
General Revenues:						
Property Taxes	47,079,418	44,554,866	-	-	47,079,418	44,554,866
Other Taxes	3,671,332	2,518,083	-	-	3,671,332	2,518,083
Inter-Governmental Revenues Not						
Restricted to Specific Programs	6,972,887	7,368,870	-	-	6,972,887	7,368,870
Investment Income	193,547	51,504	283,409	22,254	476,956	73,758
Miscellaneous	1,166,632	1,083,355	49,945	101,229	1,216,577	1,184,584
Total Revenues	<u>94,614,145</u>	<u>85,295,314</u>	<u>38,139,768</u>	<u>34,778,748</u>	<u>132,753,913</u>	<u>120,074,062</u>
EXPENSES						
General Government	5,246,061	5,262,872	-	-	5,246,061	5,262,872
Public Safety	28,432,532	27,453,518	-	-	28,432,532	27,453,518
Public Works	23,408,517	23,491,529	-	-	23,408,517	23,491,529
Recreation & Parks	4,735,378	4,045,931	-	-	4,735,378	4,045,931
Community/Economic Dev.	11,038,416	8,405,147	-	-	11,038,416	8,405,147
Library	4,283,211	4,054,363	-	-	4,283,211	4,054,363
Interest and Fiscal Charges	1,677,742	1,708,202	-	-	1,677,742	1,708,202
Water Utility	-	-	6,188,125	5,755,273	6,188,125	5,755,273
Wastewater Utility	-	-	9,399,745	9,309,584	9,399,745	9,309,584
Stormwater Utility	-	-	5,046,577	4,384,082	5,046,577	4,384,082
Transit	-	-	4,470,832	4,232,073	4,470,832	4,232,073
Total Expenses	<u>78,821,857</u>	<u>74,421,562</u>	<u>25,105,279</u>	<u>23,681,012</u>	<u>103,927,136</u>	<u>98,102,574</u>
Increase in Net Position Before Transfers	15,792,288	10,873,752	13,034,489	11,097,736	28,826,777	21,971,488
Transfers	(997,706)	678,738	997,706	(678,738)	-	-
Increase in Net Position	14,794,582	11,552,490	14,032,195	10,418,998	28,826,777	21,971,488
Net Position, beginning of year	<u>180,899,745</u>	<u>169,347,255</u>	<u>148,713,730</u>	<u>138,294,732</u>	<u>329,613,475</u>	<u>307,641,987</u>
Net Position, end of year	<u>\$ 195,694,327</u>	<u>\$ 180,899,745</u>	<u>\$ 162,745,925</u>	<u>\$ 148,713,730</u>	<u>\$ 358,440,252</u>	<u>\$ 329,613,475</u>

Total revenues increased by \$12,679,851, or 10.6%, primarily due to increases in Charges for Services (\$3,333,928); Operating Grants & Contributions (\$3,807,637); and Capital Grants & Contributions (\$1,821,277). Meanwhile, total expenses increased \$5,824,562, or 5.9%, primarily due to more Community/Economic Development (\$2,633,269); Public Safety (\$979,014); and Recreation/Parks (\$689,447) spending.

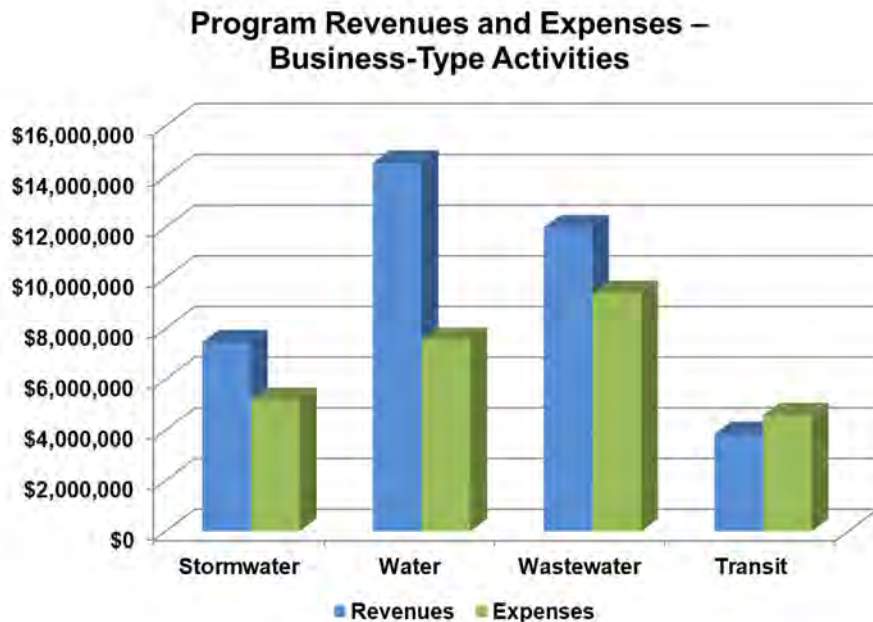
Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2022. Property taxes are the primary source of funding for governmental services providing just under half (49.8%) of the City's total governmental revenues. Charges for Services contributed 23.3%. Inter-Governmental Revenues decreased to 7.4%. Operating Grants contributed increased to 11.8%, and Capital Grants and Contributions were 2.4%. Capital grants and contributions vary depending upon the specific capital projects.



The pie chart below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 36.1% of the total. Public Works was the next largest expense category with 29.7% of the total governmental activities.



Business-Type Activities. Business-type activities are shown in the graph below comparing program revenues to costs of the City of Janesville’s business-type activities. This chart shows the Stormwater, Water, and Wastewater Utilities were fully self-supporting in 2022. The Transit fund requires annual transfers from the General Fund.



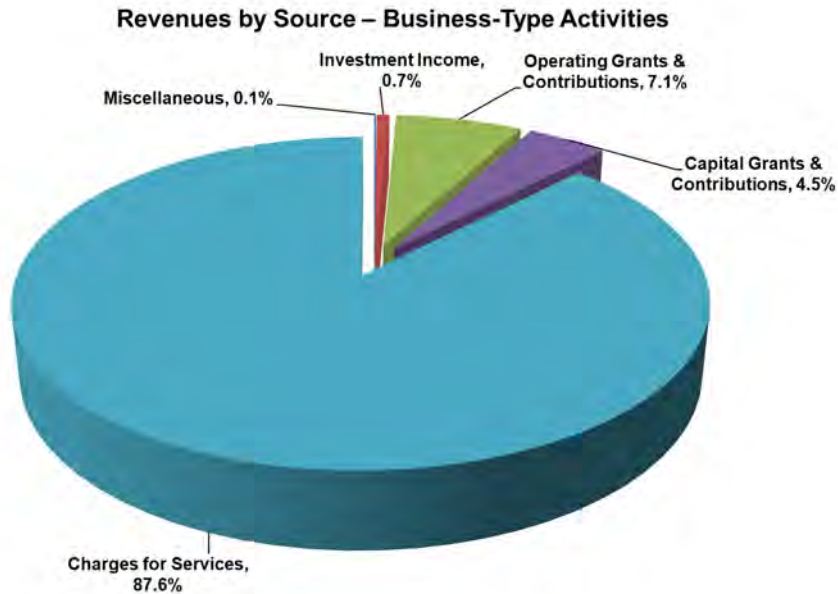
The Stormwater Utility is primarily funded by user charge rates per Equivalent Runoff Unit (ERU). The rate per ERU is designed to fund the budgeted expenditures. The Stormwater Utility generated net operating income of \$2,279,339. This income is used to pay its debt service requirements, which were \$649,967 in 2022.

The Water Utility produced a net operating income of \$7,896,129 in 2022 compared to \$8,571,745 in 2021. The Water Utility generated operating revenue of \$13,911,422. Water operating expenses and the payment in lieu of taxes (PILOT) transfer was \$7,541,434.

The Wastewater Utility produced a net operating income of \$2,564,311 in 2022 compared to \$2,142,690 in 2021. The Wastewater Utility generated operating revenue of \$11,611,774. Wastewater operating expenses were \$9,047,463.

Transit received about 68% of its operating budget from combined Federal and State operating grants. Historically, this funding has remained relatively constant near the maximum. Transit Fare revenue increased \$95,031 from the previous year, mostly due to increase ridership in 2022 as the COVID-19 pandemic subsided. Transit operations are funded in part by General Fund transfers, about 19% in 2022. The 2022 General Fund Subsidy for operation of the Transit system was \$730,240 primarily due to lower personnel costs and CARES act funding that replaced lost Transit Fare revenue.

As shown in the pie chart below, revenues from the business-type activities come primarily from Charges for Services (87.6%); Capital Grants and Contributions (4.5%); and Operating Grants (7.1%). Operating grants and contributions are primarily State and Federal grants for the Transit System while Capital grants and contributions are capital grants for new buses and special assessments in Water and Wastewater Utilities for system expansion.



Financial Analysis of the City's Major Funds

As noted earlier, the City of Janesville uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Janesville's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Janesville's financing requirements. In particular, Unrestricted Fund Balance 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, 2022, the City of Janesville's Governmental Funds reported combined ending balances of \$45,466,765, an increase of \$3,361,457, or 8.0%, in comparison with the prior year. The Nonspendable Fund Balance is reserved for long-term receivables (\$319,571) which are unavailable for spending or prepaid items and inventories (\$355,432) that have already been spent. The Restricted Fund Balance of \$19,148,896 is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$4,897,425); (2) capital projects activities (\$5,109,091); (3) special account activities (\$4,004,516); and (4) special revenue activities (\$5,137,864). Approximately \$25.6 million, or 56.4% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$1,776,286 that has been committed for special account purposes, \$324,743 that has been committed to special revenue purposes by resolutions and ordinances, \$5,802,437 committed for Sanitation, \$6,110,359 assigned to future capital projects, and unassigned funds of \$10,628,053.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2022, the total fund balance of the General Fund was \$12,430,273, of which \$11,103,941 was Unassigned. This Unassigned Fund Balance represents approximately 25% of total General Fund expenditures and transfers out for 2023.

The City of Janesville's General Fund balance increased \$1,297,933 versus an amended budget decrease of \$3,211,000 in 2022. Revenues were over the budgeted amount by \$1,038,104 while expenditures were under budget by \$3,615,296 and other financing sources (uses) were \$144,467 over budget when netted. The net increase in the General Fund balance is primarily due to the City experiencing lower personnel costs. Continued competition for employees in the job market in 2022 resulted in the City having funded positions go unfilled longer than expected. This resulted in under realized expenditures as follows: General Government (\$3,128,962); Public Safety (\$41,157); Public

Works (\$343,722); Recreation and Parks (\$98,563); and Community and Economic Development (\$2,892).

The *Sanitation Fund* provides for the collection of trash and recyclables and the related disposal cost of the sanitary landfill and compost site. The total fund balance as of December 31, 2022 was \$5,802,489, an increase of \$710,779, or 14%, from 2021. Strong operating results were primarily due to more tonnage received, increased contracted tonnage rates and recycling revenue.

The *Debt Service Fund* has a total fund balance of \$4,897,425 all of which is restricted for the payment of debt service. The fund balance increased by \$202,116, or 4.3%, in 2022.

The *Capital Projects Fund* provides funding for capital projects of the City of Janesville, or other unique expenditures that are not normal operating or maintenance-type expenditures reportable within the General Fund or other Governmental Funds. The total fund balance as of December 31, 2022 was \$11,518,900, an increase of \$963,496, or 9.1%, from the previous year. The increase is primarily due to project delays as a product of supply chain disruptions that were continued in 2022 resulting in not expending previously received note proceeds.

The *Special Accounts Funds* provides funding from special revenue sources that are restricted to expenditures for special projects. The accumulated fund balance of these special account funds is \$5,759,578 as of December 31, 2022. The majority of this fund balance is related to the deposit with Department of Natural Resources for the closure of the active landfill.

The aggregated *Other Governmental Funds* column includes various special revenue funds, such as Tax Incremental Financing (TIF) accounts, that are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The accumulated fund balances for these accounts decreased by \$883,152, or -14.1%, in 2022 primarily due to large developer incentive increases in TIF District No. 32 and transfers in TIF Districts 22 and 29 to other taxing jurisdictions related to the closure of the districts.

Proprietary Funds. The City of Janesville's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail.

The net position of the City's Enterprise Funds increased by \$13,526,889, or 9.4%, to \$158.3 million as of December 31, 2022. Most of this increase is due to assets placed into service. Meanwhile, the net position of the City's Internal Service Funds increased by \$1,465,438 to \$7,723,018 primarily due to favorable claims experience in the insurance fund.

General Fund Budgetary Highlights

The *Budgetary Comparison Schedule – General Fund* indicates that the amended 2022 budget for expenditures and transfers out was \$56,443,976, funded by anticipated property taxes and revenues (\$51,489,776), the Water Utility payment-in-lieu-of-taxes (\$1,693,200), and a Health Insurance transfer (\$50,000). The 2022 budget was amended by \$3,211,000 to fund fuel costs that exceeded budget (\$138,500) and other contingencies (3,072,500).

Actual revenues and transfers resulted in a favorable revenue variance of \$1,089,811, or 2.0%, more than the amount budgeted for 2022 as revenues related to development activity and ambulance services were very strong.

The major revenue budget to actual variances are as follows:

- General Fund Tax Levy – \$224,151 less than budget due primarily to refunds paid for claims of excessive assessment
- Hotel/motel Tax – \$59,252 more than budget as a result of more travel following the COVID-19 pandemic

- Community Development Permit Fees – \$687,252 more than budget primarily due to robust development for both residential and commercial property in the City in 2022.
- Fire Department Service Charges – \$634,571 more than budget primarily due to an increase in ambulance billings as ambulance services continued to be robust in 2022.

The expenditure and transfer budget results after the supplemental appropriation yielded a favorable variance of \$3,419,122, or 6.1%, less than the amended budget.

- General Government – Budget savings of \$3,128,962 were realized primarily in wages, salaries, and benefits related to vacant positions as well as unspent operating contingency funds
- Public Safety - Budget savings of \$41,157 were realized primarily in wages, salaries, and benefits related to vacant positions.
- Community and Economic Development – Budget savings of \$2,892 were realized primarily in wages, salaries, and benefits related to vacant positions.
- Public Works – Budget savings of \$343,722 were realized primarily in wages, salaries, and benefits related to vacant positions..
- Recreation and Parks - Budget savings of \$98,563 were realized primarily in wages, salaries, and benefits related to program reductions due to COVID-19 interruptions.

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 102 – 105.

Capital Assets and Long-Term Debt

Capital Assets. In accordance with the implementation requirements of GASB No. 34, the City has recorded historical cost and accumulated depreciation associated with all of its capital assets, including infrastructure. As shown in the table below, the City reported capital assets net of accumulated depreciation for its governmental and business-type activities of \$432.29 million as of December 31, 2022.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Right of Way	\$37,602,062	\$37,524,275	\$1,036,345	\$1,036,345	\$38,638,407	\$38,560,620
Construction in Progress	5,013,880	1,129,041	4,152,251	1,276,697	9,166,131	2,405,738
Land Improvements	10,504,887	10,504,887	937,694	937,694	11,442,581	11,442,581
Buildings	52,736,865	52,512,752	46,777,297	43,812,080	99,514,162	96,324,832
Furniture and Fixtures	8,967,689	9,122,580	5,877,479	5,501,061	14,845,168	14,623,641
Vehicles and Equipment	35,451,666	33,015,422	39,325,569	40,230,567	74,777,235	73,245,989
Plant in Service	-	-	183,325,674	175,769,435	183,325,674	175,769,435
Infrastructure	<u>242,859,883</u>	<u>239,010,521</u>	<u>1,374,060</u>	<u>500,864</u>	<u>244,233,943</u>	<u>239,511,385</u>
Total Capital Assets	<u>\$393,136,932</u>	<u>\$382,819,478</u>	<u>\$282,806,369</u>	<u>\$269,064,743</u>	<u>\$675,943,301</u>	<u>\$651,884,221</u>
Less Accumulated						
Depreciation	<u>(134,961,733)</u>	<u>(128,091,629)</u>	<u>(106,186,823)</u>	<u>(100,833,087)</u>	<u>(241,148,556)</u>	<u>(228,924,716)</u>
Capital Assets Net of						
Depreciation	<u>\$258,175,199</u>	<u>\$254,727,849</u>	<u>\$176,619,546</u>	<u>\$168,231,656</u>	<u>\$434,794,745</u>	<u>\$422,959,505</u>

In 2022, capital asset additions were \$27,433,697 and retirements were \$6,988,104. Significant capital asset additions include the following:

Stormwater Utility	Collection System Construction and Additons	\$ 912,736
Water Utility	Transmission and Distribution System Construction/Additions	7,801,384
Wastewater Utility	Collection System Construction/Additions	1,470,622
	Treatment and Disposal Building and Equipment	876,862
Transit	Buses and Equipment	905,334
Infrastructure	Street Construction/ Reconstruction	3,287,467
	Sidewalks	830,789
	Bridges	241,339
Furniture and Fixtures	Hedberg Public Library	372,737
Vehicles & Capital Equipment	2022 Landfill Steel Wheel Compactor	968,519
	2023 Mack Automated Collection Vehicle (2)	676,170
	2022 International Dump Truck (2)	416,703
	2022 Ford Explorer Interceptor - JPD Patrol Vehicles (8)	306,770
	2023 International Jammer Chassis	237,732
	2022 International Truck and Hoist	181,011

Additional information of the City of Janesville's capital assets can be found in Note IV.D on pages 51 – 56.

Long-Term Debt. At the end of the current fiscal year, the City of Janesville has \$115.3 million of long-term notes, bonds, and capital leases outstanding, as summarized in the following table.

	City of Janesville					
	Notes and Bonds Outstanding					
	Governmental Activities		Business Type-Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds and Notes	\$75,246,750	\$79,317,000	\$27,173,250	\$30,068,000	\$102,420,000	\$109,385,000
Revenue Bonds	-	-	12,881,424	14,837,298	12,881,424	14,837,298
Total	<u>\$75,246,750</u>	<u>\$79,317,000</u>	<u>\$40,054,674</u>	<u>\$44,905,298</u>	<u>\$115,301,424</u>	<u>\$124,222,298</u>

The 2022 rating for the City of Janesville from Standard and Poor's Global Ratings for General Obligation Debt remained at "AA".

State Statutes limit the amount of General Obligation Debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the City of Janesville is \$359,792,110 which significantly exceeds the City of Janesville's current outstanding General Obligation debt of

\$102,420,000. As of December 31, 2022, the City of Janesville's outstanding General Obligation debt equaled 28.5% of the State authorized debt limit.

The City of Janesville issued General Obligation Promissory Notes to finance the annual capital improvement program (CIP). The issue closed on July 27, 2022. It included funding for street infrastructure improvements (\$4,060,000); water, and wastewater infrastructure improvements (\$1,828,500); improvements to public buildings (\$1,445,000) and to acquire capital equipment (\$4,395,500).

Additional information of the City of Janesville's long-term debt can be found in Note IV.F. on pages 59 – 63 and in the *Statistical Information* section of this report.

Economic Factors and Next Year's Budget and Rates

- > The average annual unemployment rate for the City of Janesville was 2.5% for 2022, a decrease from 4.4% in 2021. This compares to the unemployment rate of 3.0% for the State of Wisconsin and a national unemployment rate of 3.5% in 2022.
- > The City's total equalized property value at January 1, 2022 was \$7,195,842,200. This compares to the previous year's total of \$6,069,240,100, an 18.6% increase. The City's equalized assessed value has grown 40.4% since 2018, which is 3.5 percentage points more than our peer cities' average (36.9%) and 4.8 percentage points more than the State of Wisconsin (35.6%) over the same period.
- > The State of Wisconsin continues to limit municipalities' ability to levy taxes. Generally, the City is limited to its prior year tax levy dollar amount (excluding TIF districts), increased by the percentage increase in value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from levy limits. The City is also required to reduce its allowable levy by fee revenue it collects for certain services if they were funded by the tax levy in the prior year. Levies may exceed the allowable limits if approved by referendum.
- > The City has rebounded the COVID-19 pandemic quicker than expected. The City has seen a strong rebound in development activity and ambulance service activity resulting in revenues that exceed pre-pandemic levels. Hotel/motel tax revenue have returned to pre-pandemic levels. Recreation programming has rebounded but has not yet reached pre-pandemic levels.

Request for Information

This *Annual Comprehensive Financial Report* is designed to provide our citizens, customers, investors, and creditors with a general overview of the City of Janesville's finances and to provide accountability for the financial resources it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed as follows:

City of Janesville
Finance Office
18 North Jackson Street
P.O. Box 5005
Janesville, WI 53547-5005

General information relating to the City of Janesville, Wisconsin, can be found at the City's website at <http://www.janesvillewi.gov>.



GOVERNMENT-WIDE STATEMENTS

CITY OF JANESVILLE

STATEMENT OF NET POSITION
As of December 31, 2022

	Governmental Activities	Business- type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 58,945,303	\$ 7,192,479	\$ 66,137,782	\$ 205,456
Receivables (net)				
Taxes receivable	50,266,433	-	50,266,433	-
Accounts	5,607,491	11,273,115	16,880,606	4,419
Special assessments receivable	610,454	305,532	915,986	-
Other receivables	36,523	267,209	303,732	-
Prepaid items and inventories	915,097	399,002	1,314,099	-
Internal balances	(3,047,636)	3,047,636	-	-
Restricted assets				
Cash and investments	-	10,190,296	10,190,296	-
Net pension assets	22,827,408	1,933,178	24,760,586	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Loans receivable (net)	2,962,113	-	2,962,113	-
Capital Assets				
Land and right of way	37,602,062	1,036,345	38,638,407	-
Construction in progress	5,013,880	4,152,251	9,166,131	-
Other capital assets, net of depreciation	215,559,257	171,430,950	386,990,207	7,582
Total Assets	<u>398,902,505</u>	<u>211,227,993</u>	<u>610,130,498</u>	<u>217,457</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	44,381,795	3,912,913	48,294,708	-
Deferred outflows related to health insurance OPEB	5,792,378	550,481	6,342,859	-
Deferred outflows related to life insurance OPEB	1,352,472	224,461	1,576,933	-
Total Deferred Outflows of Resources	<u>51,526,645</u>	<u>4,687,855</u>	<u>56,214,500</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	8,312,717	1,878,464	10,191,181	36,499
Unearned revenues	7,920,337	-	7,920,337	-
Payable from restricted assets	-	350,849	350,849	-
Noncurrent liabilities				
Due within one year	16,894,567	7,428,882	24,323,449	-
Due in more than one year				
Long-term debt and compensated absences	63,613,525	33,452,171	97,065,696	-
Health insurance OPEB	41,858,620	3,978,048	45,836,668	-
Life insurance OPEB	3,335,282	564,238	3,899,520	-
Total Liabilities	<u>141,935,048</u>	<u>47,652,652</u>	<u>189,587,700</u>	<u>36,499</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	49,579,188	-	49,579,188	-
Deferred inflows related to pensions	53,706,098	4,576,431	58,282,529	-
Deferred inflows related to health insurance OPEB	9,006,257	855,912	9,862,169	-
Deferred inflows related to life insurance OPEB	508,232	84,928	593,160	-
Total Deferred Inflows of Resources	<u>112,799,775</u>	<u>5,517,271</u>	<u>118,317,046</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	192,573,296	136,777,931	329,304,227	7,582
Restricted for				
Equipment replacement	-	7,204,729	7,204,729	-
Debt service	4,933,204	2,222,245	7,155,449	-
Grants	4,189,465	-	4,189,465	-
Library	770,917	-	770,917	-
TIF districts	3,186,379	-	3,186,379	-
Landfill long-term care	3,541,990	-	3,541,990	-
Pensions	22,827,408	1,933,178	24,760,586	-
Unrestricted (deficit)	<u>(36,328,332)</u>	<u>14,607,842</u>	<u>(21,673,490)</u>	<u>173,376</u>
TOTAL NET POSITION	<u>\$ 195,694,327</u>	<u>\$ 162,745,925</u>	<u>\$ 358,440,252</u>	<u>\$ 180,958</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 5,246,061	\$ 734,876	\$ 2,471,266	\$ -	\$ (2,039,919)	\$ -	\$ (2,039,919)	
Public safety	28,432,532	4,999,607	3,839,321	9,570	(19,584,034)	-	(19,584,034)	
Public works	23,408,517	11,229,309	3,369,686	2,295,854	(6,513,668)	-	(6,513,668)	
Recreation and parks	4,735,378	2,439,479	-	-	(2,295,899)	-	(2,295,899)	
Community and economic development	11,038,416	1,875,652	1,271,431	-	(7,891,333)	-	(7,891,333)	
Library	4,283,211	776,873	217,405	-	(3,288,933)	-	(3,288,933)	
Interest and fiscal charges	<u>1,677,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,677,742)</u>	<u>-</u>	<u>(1,677,742)</u>	
Total Governmental Activities	<u>78,821,857</u>	<u>22,055,796</u>	<u>11,169,109</u>	<u>2,305,424</u>	<u>(43,291,528)</u>	<u>-</u>	<u>(43,291,528)</u>	
Business-type Activities								
Water Utility	6,188,125	13,911,422	-	625,310	-	8,348,607	8,348,607	
Wastewater Utility	9,399,745	11,611,774	-	370,590	-	2,582,619	2,582,619	
Stormwater Utility	5,046,577	7,457,183	-	-	-	2,410,606	2,410,606	
Transit	<u>4,470,832</u>	<u>427,130</u>	<u>2,688,967</u>	<u>714,038</u>	<u>-</u>	<u>(640,697)</u>	<u>(640,697)</u>	
Total Business-type Activities	<u>25,105,279</u>	<u>33,407,509</u>	<u>2,688,967</u>	<u>1,709,938</u>	<u>-</u>	<u>12,701,135</u>	<u>12,701,135</u>	
Total Primary Government	<u>\$ 103,927,136</u>	<u>\$ 55,463,305</u>	<u>\$ 13,858,076</u>	<u>\$ 4,015,362</u>	<u>(43,291,528)</u>	<u>12,701,135</u>	<u>(30,590,393)</u>	
Component Unit- Community Development Authority	<u>\$ 3,319,849</u>	<u>\$ 74,230</u>	<u>\$ 3,258,682</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 13,063</u>
General Revenues								
Taxes								
Property taxes, levied for general purposes					35,405,580	-	35,405,580	-
Property taxes, levied for the library					3,545,460	-	3,545,460	-
Property taxes, levied for TIF Districts					8,128,378	-	8,128,378	-
Other taxes					3,671,332	-	3,671,332	-
Intergovernmental revenues not restricted to specific programs					6,972,887	-	6,972,887	-
Investment income					193,547	283,409	476,956	3,105
Miscellaneous					<u>1,166,632</u>	<u>49,945</u>	<u>1,216,577</u>	<u>-</u>
Total General Revenues					<u>59,083,816</u>	<u>333,354</u>	<u>59,417,170</u>	<u>3,105</u>
Transfers					<u>(997,706)</u>	<u>997,706</u>	<u>-</u>	<u>-</u>
Change in Net Position					<u>14,794,582</u>	<u>14,032,195</u>	<u>28,826,777</u>	<u>16,168</u>
NET POSITION - Beginning of Year					<u>180,899,745</u>	<u>148,713,730</u>	<u>329,613,475</u>	<u>164,790</u>
NET POSITION - END OF YEAR					<u>\$ 195,694,327</u>	<u>\$ 162,745,925</u>	<u>\$ 358,440,252</u>	<u>\$ 180,958</u>

See accompanying notes to financial statements.

MAJOR GOVERNMENTAL FUNDS

General Fund – This fund accounts for the city’s primary operating activities. Principal sources of revenue are property taxes, licenses and permits, and state shared revenues. Primary expenditures are for police protection, fire protection, public works, recreation activities, maintenance of parks, and general administration.

Sanitation Fund – This fund accounts revenues that are legally restricted to support expenditures for the recycling programs, solid waste collection, composting facility, solid waste disposal and landfill operations.

Debt Service Fund – This fund accounts for resources that are restricted for the payment of principal and interest on long-term debt other than enterprise fund debt.

Capital Projects Fund – This fund accounts for long-term borrowing and other resources that are restricted, committed, or assigned to be used for capital improvement projects.

Special Accounts – To account for the proceeds from specific revenue sources that are restricted to expenditures for special projects.

CITY OF JANESVILLE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	General Fund	Sanitation	Debt Service	Capital Projects	Special Accounts	Other Governmental Funds	Totals
ASSETS							
Cash and investments	\$ 10,660,958	\$ 4,479,867	\$ 4,891,342	\$ 12,185,695	\$ 13,094,664	\$ 5,817,181	\$ 51,129,707
Receivables (net)							
Taxes	38,033,092	314,235	166,527	-	-	11,752,579	50,266,433
Accounts	1,964,275	1,656,387	-	287,532	922,868	593,457	5,424,519
Special assessments	-	-	308,591	-	-	-	308,591
Delinquent special assessments	-	-	301,863	-	-	-	301,863
Accrued investment income	36,523	-	-	-	-	-	36,523
Due from other funds	1,875,189	-	-	393,797	-	-	2,268,986
Inventories	-	-	-	299,450	-	-	299,450
Prepaid items	5,773	52	-	-	-	50,157	55,982
Loans receivable (net)	-	-	-	-	-	2,962,113	2,962,113
TOTAL ASSETS	<u>\$ 52,575,810</u>	<u>\$ 6,450,541</u>	<u>\$ 5,668,323</u>	<u>\$ 13,166,474</u>	<u>\$ 14,017,532</u>	<u>\$ 21,175,487</u>	<u>\$ 113,054,167</u>

	General Fund	Sanitation	Debt Service	Capital Projects	Special Accounts	Other Governmental Funds	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 1,184,685	\$ 566,417	\$ -	\$ 1,149,415	\$ 307,299	\$ 705,265	\$ 3,913,081
Accrued liabilities	964,233	81,635	-	9,624	17,269	130,476	1,203,237
Due to other funds	-	-	393,797	-	4,479	434,180	832,456
Unearned revenues	-	-	-	-	7,920,337	-	7,920,337
Total Liabilities	<u>2,148,918</u>	<u>648,052</u>	<u>393,797</u>	<u>1,159,039</u>	<u>8,249,384</u>	<u>1,269,921</u>	<u>13,869,111</u>
Deferred Inflows of Resources							
Deferred revenues	37,613,224	-	-	94,738	8,570	11,862,656	49,579,188
Unavailable revenues	383,395	-	377,101	393,797	-	2,984,810	4,139,103
Total Deferred Inflows of Resources	<u>37,996,619</u>	<u>-</u>	<u>377,101</u>	<u>488,535</u>	<u>8,570</u>	<u>14,847,466</u>	<u>53,718,291</u>
Fund Balances							
Nonspendable	325,344	52	-	299,450	-	50,157	675,003
Restricted	-	-	4,897,425	5,109,091	4,004,516	5,137,864	19,148,896
Committed	-	5,802,437	-	-	1,776,286	324,743	7,903,466
Assigned	1,000,988	-	-	6,110,359	-	-	7,111,347
Unassigned (deficit)	11,103,941	-	-	-	(21,224)	(454,664)	10,628,053
Total Fund Balances	<u>12,430,273</u>	<u>5,802,489</u>	<u>4,897,425</u>	<u>11,518,900</u>	<u>5,759,578</u>	<u>5,058,100</u>	<u>45,466,765</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 52,575,810</u>	<u>\$ 6,450,541</u>	<u>\$ 5,668,323</u>	<u>\$ 13,166,474</u>	<u>\$ 14,017,532</u>	<u>\$ 21,175,487</u>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note IV.D.	258,175,199
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	4,139,103
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.	(126,459,058)
The net pension asset does not relate to current financial resources and is not reported in the governmental funds	22,827,408
Deferred outflows of resources related to pensions and OPEBs do not relate to current financial resources and are not reported in the governmental funds	51,526,645
Deferred inflows of resources related to pensions and OPEBs do not relate to current financial resources and are not reported in the governmental funds	(63,220,587)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds which primarily serve governmental activities are included as governmental activities.	<u>3,238,852</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 195,694,327</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022**

	General Fund	Sanitation	Debt Service	Capital Projects	Special Accounts	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 36,163,975	\$ -	\$ -	\$ -	\$ 2,714,476	\$ 11,799,978	\$ 50,678,429
Licenses and permits	2,296,191	-	-	-	-	-	2,296,191
Investment income, rents and fines	285,796	-	204,221	341,291	56,959	251,764	1,140,031
State and federal aids	9,255,313	226,051	-	1,465,963	6,630,079	1,974,523	19,551,929
Special assessments	-	-	697,485	518,869	-	-	1,216,354
Service charges and other	4,526,605	10,644,409	-	-	1,959,646	2,835,182	19,965,842
Miscellaneous	-	-	-	26,512	-	103,026	129,538
Total Revenues	52,527,880	10,870,460	901,706	2,352,635	11,361,160	16,964,473	94,978,314
EXPENDITURES							
Current							
General government	4,939,746	-	-	-	-	-	4,939,746
Public safety	27,317,286	-	-	-	2,994,419	-	30,311,705
Public works	4,634,835	8,324,976	-	-	3,150,193	-	16,110,004
Recreation and parks	3,037,392	-	-	-	150,254	1,459,674	4,647,320
Community and economic development	1,704,391	-	-	-	1,271,017	8,093,074	11,068,482
Library	-	-	-	-	214,706	3,764,341	3,979,047
Capital Outlay	-	-	-	13,239,468	1,943,625	417,029	15,600,122
Debt Service							
Principal retirement	-	-	13,678,000	-	-	-	13,678,000
Interest and fiscal charges	-	-	1,672,951	-	-	-	1,672,951
Total Expenditures	41,633,650	8,324,976	15,350,951	13,239,468	9,724,214	13,734,118	102,007,377
Excess (deficiency) of revenues over expenditures	10,894,230	2,545,484	(14,449,245)	(10,886,833)	1,636,946	3,230,355	(7,029,063)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	9,607,750	-	-	9,607,750
Premium on long-term debt	-	-	303,815	-	-	-	303,815
Transfers in	1,794,907	250,000	14,347,546	2,433,874	1,397,666	800,000	21,023,993
Transfers out	(11,391,204)	(2,084,705)	-	(191,295)	(2,014,327)	(4,863,507)	(20,545,038)
Total Other Financing Sources (Uses)	(9,596,297)	(1,834,705)	14,651,361	11,850,329	(616,661)	(4,063,507)	10,390,520
Net Change in Fund Balance	1,297,933	710,779	202,116	963,496	1,020,285	(833,152)	3,361,457
FUND BALANCES - Beginning of Year	11,132,340	5,091,710	4,695,309	10,555,404	4,739,293	5,891,252	42,105,308
FUND BALANCES - END OF YEAR	\$ 12,430,273	\$ 5,802,489	\$ 4,897,425	\$ 11,518,900	\$ 5,759,578	\$ 5,058,100	\$ 45,466,765

See accompanying notes to financial statements.

CITY OF JANESVILLE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$ 3,361,457
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay 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. Depreciation is reported as expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	15,600,122
Certain capital outlay expenditures were not capitalized and are reported as functional expenditures in the government-wide statements	(2,890,089)
Some assets were contributed by donors or developers	30,570
Depreciation expense is reported in the government-wide statements	(9,104,443)
Net book value of remaining assets retired plus adjustments	(188,810)

Some receivables are not currently available and are reported as deferred revenue in the fund financial statements but are recognized as revenue in the government-wide financial statements.

Loans receivable	(69,646)
Special assessments receivable	(207,534)
Grants and other receivables	(9,724)

Debt issues 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	(9,607,750)
Principal paid	13,678,000

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.

Net pension asset and related deferred outflows and inflows of resources	5,373,599
Total/Net OPEB liability and related deferred outflows and inflows of resources	(2,269,364)
Landfill liability	80,000
Compensated absences	(41,592)
Accrued interest on debt	(13,781)

Governmental funds report debt discount and issuance costs as expenditures. Premiums on debt issuance are recorded as revenues. However, in the statement of net assets, premiums and discounts are deferred and reported as additions to/subtractions from long-term debt. These balances are amortized over the period the debt is outstanding.

Premium on new debt	(303,815)
Amortization of premium	417,250

The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	<u>960,132</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 14,794,582</u>
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See accompanying notes to financial statements.



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MAJOR PROPRIETARY FUNDS

Stormwater Utility – To account for a stormwater drainage system with adequate capacity to accommodate major storms while maintaining the quality of stormwater discharged into receiving streams and rivers in compliance with state and federal regulations. Activities include street sweeping and maintenance of storm sewers, catch basins, and greenbelts.

Water Utility Fund – The Water Utility accounts for all activities necessary to provide cost effective water services to residents of the City of Janesville in accordance with current “safe drinking water” standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, financing, and related debt service.

Wastewater Utility Fund – The Wastewater Utility accounts for all activities necessary to provide cost effective sanitary sewer services to residents of the City of Janesville in accordance with current “treated effluent discharge” standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, collection system expansion, financing, and related debt service.

Transit System Fund – To account for state and federal funds granted to promote and provide a reliable, cost effective public transit system oriented to the needs of senior citizens, handicapped persons, children, major employment, and business centers.



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CITY OF JANESVILLE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2022

	Stormwater Utility	Water Utility	Wastewater Utility	Transit System	Totals	Governmental Activities Internal Service Funds
ASSETS						
Current Assets						
Cash and working funds	\$ 2,399,365	\$ 822,638	\$ 3,970,476	\$ -	\$ 7,192,479	\$ 7,815,596
Accounts receivable	1,130,731	2,558,915	2,216,723	1,829,181	7,735,550	182,972
Unbilled revenue	953,921	1,466,269	1,117,375	-	3,537,565	-
Other accounts receivable	-	143,894	123,315	-	267,209	-
Due from other funds	-	-	1,570,821	-	1,570,821	-
Inventories	-	314,345	-	81,657	396,002	555,300
Prepaid items	-	3,000	-	-	3,000	4,365
Special assessments receivable	-	108,389	197,143	-	305,532	-
Restricted Assets						
Revenue bond redemption account	-	233,471	2,035,377	-	2,268,848	-
Construction account	4,822	21,425	-	-	26,247	-
Total Restricted Assets	4,822	254,896	2,035,377	-	2,295,095	-
Total Current Assets	4,488,839	5,672,346	11,231,230	1,910,838	23,303,253	8,558,233
Noncurrent Assets						
Restricted Assets						
Construction account	293,418	397,054	-	-	690,472	-
Replacement account	-	-	7,204,729	-	7,204,729	-
Net pension assets	-	696,161	452,119	784,898	1,933,178	-
Total Restricted Assets	293,418	1,093,215	7,656,848	784,898	9,828,379	-
Deposit with risk pool	-	-	-	-	-	1,604,120
Utility Plant						
Land	-	308,314	18,000	710,031	1,036,345	-
Utility plant in service (at cost)	15,436,978	122,555,017	120,744,108	18,881,670	277,617,773	-
Construction work in progress	-	61,669	4,090,582	-	4,152,251	-
Accumulated depreciation	(2,964,702)	(38,982,409)	(58,382,159)	(5,857,553)	(106,186,823)	-
Net Plant	12,472,276	83,942,591	66,470,531	13,734,148	176,619,546	-
Total Noncurrent Assets	12,765,694	85,035,806	74,127,379	14,519,046	186,447,925	1,604,120
Total Assets	17,254,533	90,708,152	85,358,609	16,429,884	209,751,178	10,162,353
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	-	1,343,611	925,321	1,643,981	3,912,913	-
Deferred outflows related to health insurance OPEB	88,601	273,711	89,444	98,725	550,481	-
Deferred outflows related to life insurance OPEB	25,417	81,268	59,644	58,132	224,461	-
Total Deferred Outflows of Resources	114,018	1,698,590	1,074,409	1,800,838	4,687,855	-

	Stormwater Utility	Water Utility	Wastewater Utility	Transit System	Totals	Governmental Activities Internal Service Funds
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 13,077	\$ 392,024	\$ 177,726	\$ 150,518	\$ 733,345	\$ 263,464
Claims payable	-	-	-	-	-	2,052,434
Accrued salaries and wages	121,793	254,668	258,508	235,287	870,256	123,437
Accrued interest	29,550	157,125	88,188	-	274,863	-
Due to other funds	-	1,573,313	-	1,434,038	3,007,351	-
Current portion of long-term debt	541,250	3,144,250	1,744,250	-	5,429,750	-
Current Liabilities Payable from Restricted Assets						
Construction payables	4,822	21,425	277,999	-	304,246	-
Current maturities of revenue bonds	-	225,068	1,774,064	-	1,999,132	-
Interest accrued on revenue bonds	-	1,494	45,109	-	46,603	-
Total Current Liabilities	710,492	5,769,367	4,365,844	1,819,843	12,665,546	2,439,335
Noncurrent Liabilities						
General obligation long-term debt payable	2,814,313	11,977,658	7,777,908	-	22,569,879	-
Revenue bonds	-	139,449	10,742,843	-	10,882,292	-
Health insurance OPEB	640,276	1,977,971	646,366	713,435	3,978,048	-
Life insurance OPEB	63,638	194,140	156,016	150,444	564,238	-
Total Noncurrent Liabilities	3,518,227	14,289,218	19,323,133	863,879	37,994,457	-
Total Liabilities	4,228,719	20,058,585	23,688,977	2,683,722	50,660,003	2,439,335
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	-	1,567,091	1,069,171	1,940,169	4,576,431	-
Deferred inflows related to health insurance OPEB	137,761	425,578	139,071	153,502	855,912	-
Deferred inflows related to life insurance OPEB	9,181	30,712	22,806	22,229	84,928	-
Total Deferred Inflows of Resources	146,942	2,023,381	1,231,048	2,115,900	5,517,271	-
NET POSITION						
Net investment in capital assets	9,410,131	68,853,220	44,780,432	13,734,148	136,777,931	-
Restricted for:						
Debt service	-	231,977	1,990,268	-	2,222,245	-
Equipment replacement	-	-	7,204,729	-	7,204,729	-
Pensions	-	696,161	452,119	784,898	1,933,178	-
Unrestricted (deficit)	3,582,759	543,418	7,085,445	(1,087,946)	10,123,676	7,723,018
TOTAL NET POSITION	\$ 12,992,890	\$ 70,324,776	\$ 61,512,993	\$ 13,431,100	158,261,759	\$ 7,723,018
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>4,484,166</u>	
Net Position of Business-type Activities					<u>\$ 162,745,925</u>	

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Stormwater Utility	Water Utility	Wastewater Utility	Transit System	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 7,457,183	\$ 13,911,422	\$ 11,611,774	\$ 427,130	\$ 33,407,509	\$ 17,213,301
Total Operating Revenues	<u>7,457,183</u>	<u>13,911,422</u>	<u>11,611,774</u>	<u>427,130</u>	<u>33,407,509</u>	<u>17,213,301</u>
OPERATING EXPENSES						
Operation and maintenance	4,897,982	3,753,697	5,939,704	3,731,134	18,322,517	14,271,202
Depreciation	<u>279,862</u>	<u>2,261,596</u>	<u>3,107,759</u>	<u>841,019</u>	<u>6,490,236</u>	<u>-</u>
Total Operating Expenses	<u>5,177,844</u>	<u>6,015,293</u>	<u>9,047,463</u>	<u>4,572,153</u>	<u>24,812,753</u>	<u>14,271,202</u>
Operating Income (Loss)	<u>2,279,339</u>	<u>7,896,129</u>	<u>2,564,311</u>	<u>(4,145,023)</u>	<u>8,594,756</u>	<u>2,942,099</u>
NONOPERATING REVENUES (EXPENSES)						
Federal operating grants	-	-	-	1,739,840	1,739,840	-
State operating grants	-	-	-	877,218	877,218	-
Local operating subsidy	-	-	-	71,909	71,909	-
Investment income	39,132	24,520	219,757	-	283,409	-
Debt issuance costs	(24)	(10,044)	(10,880)	-	(20,948)	-
Amortization premium	15,758	93,166	51,562	-	160,486	-
Interest expense	(71,960)	(368,187)	(470,408)	-	(910,555)	-
Miscellaneous revenues	-	8,288	14,842	-	23,130	-
Total Nonoperating Revenues (Expenses)	<u>(17,094)</u>	<u>(252,257)</u>	<u>(195,127)</u>	<u>2,688,967</u>	<u>2,224,489</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,262,245	7,643,872	2,369,184	(1,456,056)	10,819,245	2,942,099
CAPITAL CONTRIBUTIONS	-	625,310	370,590	714,038	1,709,938	-
TRANSFERS IN	-	1,951,248	-	921,565	2,872,813	-
TRANSFERS OUT	-	(1,526,141)	(348,966)	-	(1,875,107)	(1,476,661)
Net Change in Net Position	2,262,245	8,694,289	2,390,808	179,547	13,526,889	1,465,438
NET POSITION - Beginning of Year	<u>10,730,645</u>	<u>61,630,487</u>	<u>59,122,185</u>	<u>13,251,553</u>	<u>144,734,870</u>	<u>6,257,580</u>
NET POSITION - END OF YEAR	<u>\$ 12,992,890</u>	<u>\$ 70,324,776</u>	<u>\$ 61,512,993</u>	<u>\$ 13,431,100</u>	<u>\$ 158,261,759</u>	<u>\$ 7,723,018</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with business-type activities.					<u>505,306</u>	
Change in net position of business-type activities					<u>\$ 14,032,195</u>	

See accompanying notes to financial statements.

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CITY OF JANESVILLE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2022

	Stormwater Utility	Water Utility	Wastewater Utility	Transit System	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 7,437,501	\$ 14,151,216	\$ 10,172,354	\$ 529,929	\$ 32,291,000	\$ 17,394,706
Cash paid to suppliers for goods and services	(3,581,135)	(1,373,219)	(3,366,044)	(1,168,109)	(9,488,507)	(13,197,475)
Cash payments to employees for services	(1,364,443)	(2,483,158)	(2,480,327)	(2,742,832)	(9,070,760)	(1,111,765)
Net Cash Flows From Operating Activities	<u>2,491,923</u>	<u>10,294,839</u>	<u>4,325,983</u>	<u>(3,381,012)</u>	<u>13,731,733</u>	<u>3,085,466</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Subsidies received - federal	-	-	-	542,718	542,718	-
Subsidies received - state	-	-	-	877,218	877,218	-
Subsidies received - local	-	-	-	71,909	71,909	-
Paid to municipality for tax equivalent	-	(1,693,200)	-	-	(1,693,200)	-
Negative cash balance implicitly financed by other utilities	-	-	-	1,158,898	1,158,898	-
Due to other funds	-	3,955	-	-	3,955	-
Transfers from (to) other funds	-	1,951,248	(348,966)	921,565	2,523,847	(50,000)
Transfer to debt service	-	-	-	-	-	(56,661)
Transfer to capital projects	-	-	-	-	-	(1,370,000)
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>262,003</u>	<u>(348,966)</u>	<u>3,572,308</u>	<u>3,485,345</u>	<u>(1,476,661)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Cash used to retire debt	(614,000)	(3,393,013)	(3,430,860)	-	(7,437,873)	-
Interest paid	(78,154)	(382,123)	(473,113)	-	(933,390)	-
Acquisition and construction of capital assets	(896,306)	(7,339,484)	(5,176,112)	(905,334)	(14,317,236)	-
Proceeds from long term debt issued	6,250	1,249,750	1,331,250	-	2,587,250	-
Issuance costs and premium on new debt	174	29,475	31,217	-	60,866	-
Construction grant received	-	-	-	714,038	714,038	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,582,036)</u>	<u>(9,835,395)</u>	<u>(7,717,618)</u>	<u>(191,296)</u>	<u>(19,326,345)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	<u>39,132</u>	<u>24,520</u>	<u>219,757</u>	<u>-</u>	<u>283,409</u>	<u>-</u>
Net Change in Cash Cash Equivalents	949,019	745,967	(3,520,844)	-	(1,825,858)	1,608,805
CASH AND CASH EQUIVALENTS -						
Beginning of Year	<u>1,748,586</u>	<u>728,621</u>	<u>16,731,426</u>	<u>-</u>	<u>19,208,633</u>	<u>6,206,791</u>
CASH AND CASH EQUIVALENTS -						
END OF YEAR	<u>\$ 2,697,605</u>	<u>\$ 1,474,588</u>	<u>\$ 13,210,582</u>	<u>\$ -</u>	<u>\$ 17,382,775</u>	<u>\$ 7,815,596</u>

	Stormwater Utility	Water Utility	Wastewater Utility	Transit System	Totals	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH						
FLOW FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ 2,279,339	\$ 7,896,129	\$ 2,564,311	\$ (4,145,023)	\$ 8,594,756	\$ 2,942,099
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities						
Nonoperating income (expense)	-	-	255	-	255	-
Depreciation	279,862	2,261,596	3,107,759	841,019	6,490,236	-
Depreciation charged to other accounts	-	156,736	-	-	156,736	-
Change in Noncash Components of Working Capital						
Accounts receivable	(98,878)	(19,648)	(221,771)	15,191	(325,106)	238,066
Other accounts receivable	-	(55,234)	(12,024)	-	(67,258)	-
Due from other funds	-	1,203	(1,205,624)	-	(1,204,421)	-
Inventories	-	(38,668)	-	(2,134)	(40,802)	(109,890)
Prepaid items	-	-	-	-	-	5,635
Accounts payable	8,488	148,439	122,365	50,753	330,045	52,183
Other current liabilities	2,749	13,174	(11,478)	(25,586)	(21,141)	(42,627)
Pension related deferrals and liabilities	79,196	(163,806)	(66,693)	(173,504)	(324,807)	-
Other post employment benefits	(58,833)	94,918	48,883	58,272	143,240	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 2,491,923	\$ 10,294,839	\$ 4,325,983	\$ (3,381,012)	\$ 13,731,733	\$ 3,085,466
Cash and investments - statement of net position	\$ 2,399,365	\$ 822,638	\$ 3,970,476	\$ -	\$ 7,192,479	\$ 7,815,596
Revenue bond redemption account - statement of net position	-	233,471	2,035,377	-	2,268,848	-
Restricted cash and investments - statement of net position	298,240	418,479	7,204,729	-	7,921,448	-
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	\$ 2,697,605	\$ 1,474,588	\$ 13,210,582	\$ -	\$ 17,382,775	\$ 7,815,596

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2022, \$625,310 and \$370,590 of capital additions were contributed to the water and wastewater utilities, respectively, by customers and Tax Incremental Financing (TIF).

See accompanying notes to financial statements.



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FIDUCIARY FUNDS

Fiduciary Funds are used to account for, and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units. The Fiduciary Fund maintained by the City of Janesville is a Custodial Fund called the Tax Collection Fund.

CITY OF JANESVILLE

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
As of December 31, 2022

	<u>Tax Collection</u>
ASSETS	
Cash and investments	\$ 9,301,109
Taxes receivable	<u>75,933,462</u>
TOTAL ASSETS	<u>\$ 85,234,571</u>
LIABILITIES	
Due to other taxing units	<u>\$ 85,234,571</u>
TOTAL LIABILITIES	<u>\$ 85,234,571</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND

For the Year Ended December 31, 2022

	<u>Tax Collection</u>
ADDITIONS	
Property taxes collected for other governments	\$ 39,783,868
TOTAL ADDITIONS	<u>39,783,868</u>
DEDUCTIONS	
Property taxes distributed to other governments	\$ 39,783,868
TOTAL DEDUCTIONS	<u>39,783,868</u>
CHANGE IN NET POSITION	<u>\$ -</u>

CITY OF JANESVILLE

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Janesville, Wisconsin (the city) conform to generally accepted accounting principles 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 Janesville. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit 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 or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, or blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

City of Janesville Community Development Authority

The government-wide financial statements include the City of Janesville Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. The city can impose its will on the CDA and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by the CDA. As a component unit, the CDA financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2022. See Note IV.I. the CDA does not issue separate financial statements.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

A. REPORTING ENTITY (cont.)

Blended Component Unit

Janesville Innovation, Inc.

The financial statements include Janesville Innovation, Inc. ("JII") as a component unit. JII is a legally separate organization. The board of JII is appointed by the city council. The city can impose its will on JII and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by JII. JII's activities benefit almost exclusively the city's economic development department. As a blended component unit, JII's financial statements have been presented as a nonmajor fund called Innovation Center in the financial statements. The information presented is for the fiscal year ended December 31, 2022. JII does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2017, the GASB issued Statement No. 87, Leases. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the County's leasing activities. This standard was implemented January 1, 2022; however, the applicable leases were not material to the financial statements.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. 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 JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

Fund Financial Statements

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

The city reports the following major governmental funds:

- General Fund – accounts for the city’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Sanitation Fund – special revenue fund for landfill grants and service charges committed to supporting expenditures for the recycling programs, solid waste collection, composting facility, solid waste disposal and landfill operations.
- Debt Service Fund – accounts for resources that are restricted, committed, or assigned for the payment of principal and interest on long-term debt other than enterprise fund debt.
- Special Accounts Fund – special revenue fund used to account for specific revenue sources that are legally restricted, committed, or assigned to expenditures for specific purposes.
- Capital Projects Fund – accounts for long-term borrowing and other resources that are restricted, committed, or assigned to be used for capital improvement projects.

The city reports the following major enterprise funds:

- Stormwater Utility – accounts for operations of the stormwater system.
- Water Utility – accounts for operations of the water system.
- Wastewater Utility – accounts for operations of the wastewater system.
- Transit System – accounts for the operations of the transit system.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

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

Library	East Van Buren – TIF No. 27	Capital Circle – TIF No. 39
JATV-12	Center Ave – TIF No. 28	Pheasant Field – TIF No. 40
Oak Hill Cemetery	Milton Ave at Mt Zion – TIF No. 29	Golf Courses
South Main St – TIF No. 17	Racine St – TIF No. 32	Other Housing Grants
Beloit Ave Industrial Park – TIF No. 22	Mineral Pt – TIF No. 33	Community Development Block Grant
Eastside Downtown – TIF No. 23	HWY 11/CTH G – TIF No. 35	Innovation Center
North Kennedy Rd – TIF No. 25	Downtown – TIF No. 36	
Beloit Ave/Kellogg Ave – TIF No. 26	Humes Rd – TIF No. 37	
	Milton Ave at Blackbridge – TIF No. 38	

In addition, the city reports the following fund types:

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

Vehicle Operation and Maintenance
Insurance
Benefits Funding

Custodial Funds are used to account for, and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for most revenues including taxes and 90 days for certain grants. 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 inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled to the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and unavailable revenues in the debt service fund.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

Fund Financial Statements (cont.)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the stormwater utility, water utility, wastewater utility, and transit system funds 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.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank, or trust company.
- 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, by 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 JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

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. See Note IV.A. for descriptions of that policy's guidelines in relation to the risks associated with its deposits and investments.

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 the methods and inputs outlined in Note IV.A. 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 monthly ending investment balances and investment income of some funds is allocated to the general fund. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, 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 IV.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 county governments as well as local school districts 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 statement of fiduciary net position.

Property tax calendar – 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale – 2022 delinquent real estate taxes	October 2025

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the stormwater, water, and wastewater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. There was \$319,571 outstanding at year-end.

The city has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$4,741.

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

3. Inventories and Prepaid Items

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

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 \$10,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their estimated acquisition value at the date of acquisition.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. 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.

The city has no significant intangible assets.

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

Buildings	10 – 50 Years
Land Improvements	10 – 50 Years
Machinery and Equipment	3 – 20 Years
Utility System	4 – 75 Years
Infrastructure	20 – 75 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

6. Deferred Outflows of Resources

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

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 pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

The outstanding balance of unmatured vacation pay is recorded as a noncurrent liability due within one year in the government-wide financial statements because the amount is not considered due to employees until January 1, 2023 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2023 and for most employee groups this vacation balance must be used by December 31, 2023. The balance is \$2,462,098 as of December 31, 2022.

Employees are granted sick leave in varying amounts. In general, accumulated sick leave is not paid to employees when they leave employment. Some employees who retire are allowed to convert some sick leave to paid up health insurance. No other sick leave is considered vested and no liability is recorded in the fund financial statements.

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, 2022 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 notes and bonds payable.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

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 amortized over the life of the issue using the effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5,915,935, made up of one issue.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by debt of the governmental activities column. The amount is a reduction of “net investment in capital assets,” and an increase in “unrestricted” net position, shown only in the total column.

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 192,573,296	\$ 136,777,931	\$ (47,000)	\$ 329,304,227
Unrestricted (deficit)	(36,328,332)	14,607,842	47,000	(21,673,490)

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 balances are displayed as follows:

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

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

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.

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund between 16.7% and 25% of the budgeted general fund operating expenditures for the subsequent year. The city complied with its policy with a working capital fund of 24.6% of the budgeted general fund operating expenditures for the subsequent year.

See Note IV. H. for further information.

11. Basis for Existing Rates

Stormwater Utility

Current stormwater utility rates approved by the City Council became effective on January 1, 2022. New stormwater rates were approved by the City Council to become effective on January 1, 2023.

Water Utility

Current water utility rates authorized by the Public Service Commission of Wisconsin became effective November 1, 2019.

Wastewater Utility

Current wastewater utility rates approved by the City Council became effective on January 1, 2022. New wastewater rates were approved by the City Council to become effective on January 1, 2023.

12. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

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

13. Postemployment Benefits Other Than Pensions (OPEB)

The city provides postemployment health insurance benefits for all eligible employees. Eligibility is based on age and years of service. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay-as-you-go basis.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the city OPEB Plan. For this purpose, the city OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2022, the city reported activity related to health and life insurance OPEB as follows:

	Health Insurance	Life Insurance	
	OPEB	OPEB	Total
Deferred outflows of resources	\$6,342,859	\$1,576,933	\$7,919,792
Deferred inflows of resources	9,862,169	593,160	10,455,329
OPEB liability	45,836,668	3,899,520	49,736,188
OPEB expense	3,318,252	509,364	3,827,616

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

General obligation notes payable	\$ 75,246,750
Premium on debt	2,546,244
Landfill super fund care	253,000
Accrued vacation	2,462,098
Accrued interest	757,064
Health insurance OPEB	41,858,620
Life insurance OPEB	<u>3,335,282</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 126,459,058</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, the debt service fund, the capital projects fund, and the following special revenue funds: Library, JATV-12, Oak Hill Cemetery, Golf Courses, Other Housing Grants, Community Development Block Grant, Sanitation, and Innovation Center. Budgets have not been formally adopted for other funds, although the city does approve an operating plan for each TIF district when it is created. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES AND OTHER USES OVER APPROPRIATIONS

Budgeted expenditures and other financing uses (transfers) in the following funds (including amendments) were exceeded by actual expenditures and transfers.

Fund	Budgeted Expenditures	Actual Expenditures	Excess
Debt Service	\$ 15,333,609	\$ 15,350,951	\$ 17,342
Capital Projects	11,509,477	13,430,763	1,921,286
Golf Courses	1,269,824	1,307,212	37,388
Sanitation	10,298,499	10,409,681	111,182
Innovation Center	146,036	198,074	52,038

The city controls expenditures at the program level. Some individual programs 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 JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

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

As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 17	\$ 40,887	Unfunded costs
TIF No. 25	74,964	Unfunded costs
TIF No. 28	81,681	Unfunded costs
TIF No. 39	25,657	Unfunded costs
TIF No. 40	92,662	Unfunded costs
Innovation Center	138,813	Unfunded costs

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's cash and investments at year-end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Demand deposits	\$ 62,777,458	\$63,026,937	Custodial credit
LGIP	15,904,238	15,904,238	Credit
U.S. agencies explicitly guaranteed	3,456,870	3,456,780	Custodial credit, interest rate
U.S. agencies implicitly guaranteed	204,394	204,394	Credit, custodial credit, interest rate
U.S. treasuries	977,863	977,863	Custodial credit, interest rate
Negotiable Certificates of Deposit	2,292,522	2,292,522	Custodial credit, interest rate, credit, concentration of credit
Petty cash	15,842	N/A	N/A
Total Cash and Investments	<u>\$ 85,629,187</u>	<u>\$85,862,734</u>	

Reconciliation to financial statements-primary government

Per statement of net position

Unrestricted cash and investments	\$ 66,137,782
Restricted cash and investments	10,190,296
Per statement of fiduciary net position	<u>9,301,109</u>
Total Cash and Investments	<u>\$ 85,629,187</u>

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

The city maintains full collateralization of account with its banks. At December 31, 2022, the City utilizes a Public Unit Deposit Program to insure deposits up to \$10,000,000 and an investment securities sweep for balances above that. At December 31, 2022, the banks had pledged various government securities in the amount of \$10,402,638 to secure the City's deposits.

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

The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The city's U.S. treasuries; implicitly and explicitly guaranteed U.S. agencies; and negotiable certificates of deposit are valued using matrix pricing techniques and Level 2 inputs.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. *DEPOSITS AND INVESTMENTS* (cont.)

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.

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.

The city does not have any deposits or investments exposed to custodial credit risk.

The city’s investment policy states that all deposits and investments shall be fully insured or collateralized. The city was in compliance with its policy.

Credit Risk

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

The city holds the following investments that are subject to credit risk: negotiable certificates of deposit, and US agencies – implicitly guaranteed. All US agencies – implicitly guaranteed are rated the highest or second highest rating category by Standard and Poor's or Moody's in accordance with the city's investment policy. Negotiable certificates of deposit are not rated.

As of December 31, 2022, the city had investments in the following external pool which is not rated:

Local Government Investment Pool (LGIP)

The city’s investment policy states that the city may only invest in securities of the highest or second highest rating category. The city was in compliance with this policy.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – 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, 2022, the city did not have any investments subject to concentration of credit risk requiring disclosure.

The city’s investment policy as it relates to diversification states “Investments shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, and/or a specific class of securities. In lieu of indicating specific investment amounts: (a) commercial paper shall be limited in size to \$500,000 per issuer; (b) no more than 40% of the portfolio may be invested beyond 24 months; (c) no more than 60% of the portfolio may be invested in the following categories: commercial paper or bank certificates of deposit and CDARS; and (d) local bank balances are restricted to Wisconsin financial institutions and shall be fully insured or collateralized.” The city was in compliance with its policy.

Interest Rate Risk

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

As of December 31, 2022, the city’s investments were as follows:

Investment Type	Fair Value	Maturity		
		Less than 60 Days	60 Days - 2 years	2 years - 40 years
U.S. agencies explicitly guaranteed	\$ 3,456,870	\$ 604,193	\$1,015,901	\$1,836,776
U.S. agencies implicitly guaranteed	204,394	1,006	-	203,388
U.S. treasuries	977,863	-	977,863	-
Negotiable CDs	2,292,522	-	1,156,737	1,135,785
Totals	\$ 6,931,649	\$ 605,199	\$3,150,501	\$3,175,949

The city’s investment policy states that no more than 40% of the cash and investments may be invested beyond 24 months. The city was in compliance with its policy.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year-end for the government’s individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Sanitation	Debt Service	Capital Projects	Special Accounts	Nonmajor and Other	Total
Net Total Receivables	<u>\$ 40,033,890</u>	<u>\$ 1,970,622</u>	<u>\$ 776,981</u>	<u>\$ 287,532</u>	<u>\$ 922,868</u>	<u>\$ 15,308,149</u>	<u>\$ 59,300,042</u>
Amounts not expected to be collected within one year	<u>\$ 383,395</u>	<u>\$ -</u>	<u>\$ 610,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,962,113</u>	<u>\$ 3,955,962</u>

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$9,024,533.

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 49,361,113	\$ -
Delinquent personal property taxes	-	383,395
Long-term loans receivable	-	2,962,113
Special assessments not yet due	-	770,898
Grants not available at year end	-	22,697
Miscellaneous	218,075	-
Grant funds not spent	<u>7,920,337</u>	<u>-</u>
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u>\$ 57,499,525</u>	 <u>\$ 4,139,103</u>
Unearned revenue included in liabilities	\$ 7,920,337	
Unearned revenue included in deferred inflows	<u>49,579,188</u>	
 Total Unearned Revenue for Governmental Funds	 <u>\$ 57,499,525</u>	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

- Construction – Used to report proceeds of revenue bond issuances that are restricted for use in construction.
- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.

Replacement Account

The wastewater utility established a replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The water utility established a replacement account to be used for water main replacements as required by the Public Services Commission of Wisconsin as part of the city's last convention rate case.

Net Pension Asset

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

Following is a list of restricted assets at December 31, 2022:

	Restricted Assets
Business-type Activities	
Construction account	\$ 716,719
Replacement account	7,204,729
Revenue bond redemption account	2,268,848
Net pension asset	1,933,178
Total Business-type Activities	<u>12,123,474</u>
Governmental Activities	
Net pension asset	22,827,408
Total Governmental Activities	<u>22,827,408</u>
Total Restricted Assets	<u>\$ 34,950,882</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 25,033,548	\$ 47,217	\$ -	\$ 25,080,765
Right of way	12,490,727	30,570	-	12,521,297
Construction in progress	1,129,041	4,738,053	(853,214)	5,013,880
Total Capital Assets Not Being Depreciated	38,653,316	4,815,840	(853,214)	42,615,942
Capital assets being depreciated				
Land improvements	10,504,887	-	-	10,504,887
Buildings	52,512,752	224,113	-	52,736,865
Furniture and fixtures	9,122,580	372,737	(527,628)	8,967,689
Vehicles and equipment	33,015,422	3,499,489	(1,063,245)	35,451,666
Landfill improvements	19,457,497	180,756	-	19,638,253
Storm sewer	33,572,996	125,273	-	33,698,269
Roads	122,641,427	3,287,467	(691,126)	125,237,768
Sidewalks	25,909,627	830,789	(141,150)	26,599,266
Street lights	4,756,759	16,014	-	4,772,773
Traffic signals	4,655,097	-	-	4,655,097
Bridges	16,014,020	241,339	-	16,255,359
Boat launches	286,199	-	-	286,199
Bike trails	8,254,324	-	-	8,254,324
Riverwall/retaining wall	3,130,645	-	-	3,130,645
Dams	331,930	-	-	331,930
Total Capital Assets Being Depreciated	344,166,162	8,777,977	(2,423,149)	350,520,990

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (5,156,517)	\$ (392,510)	\$ -	\$ (5,549,027)
Buildings	(17,762,076)	(1,251,575)	-	(19,013,651)
Furniture and fixtures	(6,431,592)	(396,796)	527,628	(6,300,760)
Vehicles and equipment	(18,759,779)	(2,570,255)	874,436	(20,455,598)
Landfill improvements	(6,219,063)	(977,394)	-	(7,196,457)
Storm sewer	(12,731,944)	(449,436)	-	(13,181,380)
Roads	(42,392,370)	(2,018,353)	691,125	(43,719,598)
Sidewalks	(7,840,533)	(438,449)	141,150	(8,137,832)
Street lights	(1,864,923)	(95,295)	-	(1,960,218)
Traffic signals	(1,520,702)	(93,102)	-	(1,613,804)
Bridges	(5,039,565)	(214,591)	-	(5,254,156)
Boat launches	(286,199)	-	-	(286,199)
Bike trails	(1,621,212)	(137,435)	-	(1,758,647)
Riverwall/retaining wall	(395,449)	(62,613)	-	(458,062)
Dams	(69,705)	(6,639)	-	(76,344)
Total Accumulated Depreciation	(128,091,629)	(9,104,443)	2,234,339	(134,961,733)
Net Capital Assets Being Depreciated	216,074,533	(326,466)	(188,810)	215,559,257
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 254,727,849	\$ 4,489,374	\$ (1,042,024)	\$ 258,175,199

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 289,175
Public safety	1,199,428
Public works, which includes the depreciation of infrastructure	6,298,298
Recreation and parks	691,921
Community and economic development	86,902
Library	538,719
Total Governmental Activities Depreciation Expense	\$ 9,104,443

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Business-type Activities				
<u>Stormwater</u>				
Capital assets being depreciated				
Detention ponds	\$ 2,614,136	\$ 1,490	\$ -	\$ 2,615,626
Greenbelt crossings	2,415,611	-	-	2,415,611
Stormwater mains	6,195,634	38,054	-	6,233,688
Dam Improvements	2,159,408	-	-	2,159,408
General assets	638,585	-	-	638,585
Roads - Curb & Gutter	500,866	873,194	-	1,374,060
Total Capital Assets Being Depreciated	<u>14,524,240</u>	<u>912,738</u>	<u>-</u>	<u>15,436,978</u>
Total Capital Assets	<u>14,524,240</u>	<u>912,738</u>	<u>-</u>	<u>15,436,978</u>
Less: Accumulated depreciation for				
Detention ponds	(916,317)	(52,298)	-	(968,615)
Greenbelt crossings	(646,316)	(32,208)	-	(678,524)
Stormwater mains	(569,638)	(82,862)	-	(652,500)
Dam Improvements	(99,169)	(43,188)	-	(142,357)
General assets	(448,391)	(45,869)	-	(494,260)
Roads - Curb & Gutter	(5,009)	(23,437)	-	(28,446)
Total Accumulated Depreciation	<u>(2,684,840)</u>	<u>(279,862)</u>	<u>-</u>	<u>(2,964,702)</u>
Stormwater Capital Assets, Net of Depreciation	<u>\$ 11,839,400</u>	<u>\$ 632,876</u>	<u>\$ -</u>	<u>\$ 12,472,276</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Business-type Activities				
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 308,314	\$ -	\$ -	\$ 308,314
Construction in progress	65,966	54,520	(58,817)	61,669
Total Capital Assets Not Being Depreciated	374,280	54,520	(58,817)	369,983
Capital assets being depreciated				
Source of supply	2,301,834	-	-	2,301,834
Pumping	8,729,842	-	-	8,729,842
Treatment	326,854	-	-	326,854
Transmission and distribution	98,412,327	7,801,384	(173,041)	106,040,670
Administrative and general assets	5,046,864	116,068	(7,115)	5,155,817
Total Capital Assets Being Depreciated	114,817,721	7,917,452	(180,156)	122,555,017
Total Capital Assets	115,192,001	7,971,972	(238,973)	122,925,000
Less: Accumulated depreciation for				
Source of supply	(1,448,597)	(66,753)	-	(1,515,350)
Pumping	(6,247,974)	(332,004)	-	(6,579,978)
Treatment	(258,501)	(19,611)	-	(278,112)
Transmission and distribution	(24,030,042)	(1,872,751)	173,041	(25,729,752)
Administrative and general assets	(4,740,460)	(145,872)	7,115	(4,879,217)
Total Accumulated Depreciation	(36,725,574)	(2,436,991)	180,156	(38,982,409)
Water Capital Assets, Net of Depreciation	\$ 78,466,427	\$ 5,534,981	\$ (58,817)	\$ 83,942,591

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Business-type Activities				
<u>Wastewater</u>				
Capital assets not being depreciated				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Construction in progress	1,210,730	3,818,359	(938,507)	4,090,582
Total Capital Assets Not Being Depreciated	<u>1,228,730</u>	<u>3,818,359</u>	<u>(938,507)</u>	<u>4,108,582</u>
Capital assets being depreciated				
Collection system	62,558,811	1,469,639	-	64,028,450
Treatment and disposal	54,360,688	876,862	(1,188,380)	54,049,170
General assets	2,513,907	186,777	(34,196)	2,666,488
Total Capital Assets Being Depreciated	<u>119,433,406</u>	<u>2,533,278</u>	<u>(1,222,576)</u>	<u>120,744,108</u>
Total Capital Assets	<u>120,662,136</u>	<u>6,351,637</u>	<u>(2,161,083)</u>	<u>124,852,690</u>
Less: Accumulated depreciation for				
Collection system	(20,020,327)	(872,693)	(41,821)	(20,934,841)
Treatment and disposal	(34,290,729)	(2,049,423)	1,188,380	(35,151,772)
General assets	(2,145,083)	(184,659)	34,196	(2,295,546)
Total Accumulated Depreciation	<u>(56,456,139)</u>	<u>(3,106,775)</u>	<u>1,180,755</u>	<u>(58,382,159)</u>
Wastewater Capital Assets, Net of Depreciation	<u>\$ 64,205,997</u>	<u>\$ 3,244,862</u>	<u>\$ (980,328)</u>	<u>\$ 66,470,531</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Business-type Activities				
<u>Transit</u>				
Capital assets not being depreciated				
Land and land rights	\$ 710,031	\$ -	\$ -	\$ 710,031
Total Capital Assets Not Being Depreciated	<u>710,031</u>	<u>-</u>	<u>-</u>	<u>710,031</u>
Capital assets being depreciated				
Building	7,873,220	-	-	7,873,220
Equipment	10,103,115	905,335	-	11,008,450
Total Capital Assets Being Depreciated	<u>17,976,335</u>	<u>905,335</u>	<u>-</u>	<u>18,881,670</u>
Total Capital Assets	<u>18,686,366</u>	<u>905,335</u>	<u>-</u>	<u>19,591,701</u>
Less: Accumulated depreciation for				
Building	(2,274,941)	(189,037)	-	(2,463,978)
Equipment	(2,741,593)	(651,982)	-	(3,393,575)
Total Accumulated Depreciation	<u>(5,016,534)</u>	<u>(841,019)</u>	<u>-</u>	<u>(5,857,553)</u>
Transit Capital Assets, Net of Depreciation	<u>\$ 13,669,832</u>	<u>\$ 64,316</u>	<u>\$ -</u>	<u>\$ 13,734,148</u>
	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Business-type Capital Assets, Net of Depreciation	<u>\$ 168,181,656</u>	<u>\$ 9,477,035</u>	<u>\$ (1,039,145)</u>	<u>\$ 176,619,546</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Stormwater	\$ 279,862
Water	2,261,596
Wastewater	3,107,759
Transit	841,019
Total Business-type Activities	<u>\$ 6,490,236</u>

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES 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	Water Utility	\$ 1,436,530	\$ -
General Fund	TIF 17	40,887	10,435
General Fund	TIF 25	74,964	-
General Fund	TIF 28	81,681	68,009
General Fund	TIF 39	25,657	25,657
General Fund	TIF 40	92,662	92,662
General Fund	Special Accounts	4,479	4,479
General Fund	Innovation Fund	118,329	118,329
Capital Projects Fund	Debt Service Fund	393,797	-
Wastewater Utility	Transit System	1,434,038	-
Wastewater Utility	Water Utility	136,783	-
	Subtotal- Fund Financial Statements	3,839,807	319,571
	Less: Fund eliminations	(2,403,277)	(319,571)
	Less: Internal service fund elimination adjustment	(4,484,166)	-
	Total Government-wide Statement of Net Position	\$ (3,047,636)	\$ -

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,436,530
Business-type Activities	Governmental Activities	(4,484,166)
	Total Government-wide Statement of Net Position	\$ (3,047,636)

The principal purpose of these interfunds is to cover deficit cash balances. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 1,526,141	Water Tax Equivalent
General Fund	Health Insurance	50,000	Health Insurance Transfer, as budgeted
General Fund	TIF 22	156,593	Closure
General Fund	TIF 29	62,173	Closure
Sanitation Fund	General Fund	250,000	Subsidy
Debt Service Fund	General Fund	10,035,934	Debt Payments
Debt Service Fund	Sanitation	1,753,419	Debt Payments
Debt Service Fund	Golf Courses	50,500	Debt Payments
Debt Service Fund	Library	242,956	Debt Payments
Debt Service Fund	TIF 25	233,650	Debt Payments
Debt Service Fund	TIF 26	181,800	Debt Payments
Debt Service Fund	TIF 35	488,010	Debt Payments
Debt Service Fund	TIF 36	1,102,964	Debt Payments
Debt Service Fund	TIF 37	17,925	Debt Payments
Debt Service Fund	TIF 38	129,270	Debt Payments
Debt Service Fund	Benefits Fund	56,661	Debt Payments
Debt Service Fund	General Fund	54,457	Debt Payments
Capital Projects Fund	Sanitation	331,286	Landfill Capital
Capital Projects Fund	General Fund	320,543	Subsidy
Capital Projects Fund	VOM	1,370,000	VOM Capital Equipment
Capital Projects Fund	Special Accounts Fund	412,045	Woodman's Community Center
Special Accounts Fund	TIF 22	1,308,431	TIF 22 - Affordable Housing
Special Accounts Fund	TIF 29	89,235	TIF 29 - Affordable Housing
TIF 36	TIF 23	300,000	Subsidy
TIF 36	TIF 32	250,000	Subsidy
TIF 36	TIF 33	250,000	Subsidy
Transit	Capital Projects	191,295	Capital Subsidy
Transit	General Fund	730,270	Subsidy
Water Utility	Special Accounts Fund	1,602,282	ARPA Lead Service Replacements
Water Utility	Wastewater Utility	348,966	Contributed Lead Lateral Replacements
Total - Fund Financial Statements		<u>\$ 23,896,806</u>	
Less: Fund Eliminations		(18,370,157)	
Less: Government-wide eliminations		(6,524,355)	
Total Transfers - Government-Wide Statement of Activities		<u>\$ (997,706)</u>	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 1,526,141
Business-type Activities	Governmental Activities	(2,523,847)
Total Transfers - Government-Wide Statement of Activities		<u>\$ (997,706)</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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 79,317,000	\$ 9,607,750	\$ 13,678,000	\$ 75,246,750	\$ 14,365,250
Premium on debt	2,659,679	303,815	417,250	2,546,244	-
Total Bonds and Notes Payable	81,976,679	9,911,565	14,095,250	77,792,994	14,365,250
Other Liabilities					
Landfill superfund care	333,000	-	80,000	253,000	67,219
Accrued vacation	2,420,506	2,462,098	2,420,506	2,462,098	2,462,098
Total Other Liabilities	2,753,506	2,462,098	2,500,506	2,715,098	2,529,317
Total Governmental Activities Long-Term Liabilities	\$ 84,730,185	\$ 12,373,663	\$ 16,595,756	\$ 80,508,092	\$ 16,894,567
Business-Type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 30,068,000	\$ 2,587,250	\$ 5,482,000	\$ 27,173,250	\$ 5,429,750
Premium on debt	905,051	81,814	160,486	826,379	-
Revenue bonds from direct borrowings and direct placement	14,837,298	-	1,955,874	12,881,424	1,999,132
Total Business-Type Activities Long-Term Liabilities	\$ 45,810,349	\$ 2,669,064	\$ 7,598,360	\$ 40,881,053	\$ 7,428,882

In addition to the liabilities above, information of the OPEB liabilities is provided in Note V. D.

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 JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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, 2022 was \$359,792,110. Total general obligation debt outstanding at year-end was \$102,420,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2022
Governmental Activities					
General Obligation Debt					
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	\$ 3,668,000	\$ 815,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	12,085,000	2,470,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	9,477,000	2,195,000
General obligation notes	7/13/2016	2/1/2026	1.50 - 3.00%	12,916,000	3,455,000
General obligation notes	7/13/2016	2/1/2026	1.50 - 3.00%	5,775,000	270,000
General obligation notes	7/12/2017	2/1/2027	2.00 - 3.00%	13,736,000	5,888,000
General obligation notes	7/11/2018	2/1/2028	1.50 - 4.00%	14,039,000	7,840,000
General obligation notes	7/9/2019	2/1/2029	1.50 - 4.00%	15,104,000	9,766,000
General obligation notes	7/9/2019	2/1/2029	1.50 - 4.00%	3,015,000	2,680,000
General obligation notes	7/28/2020	2/1/2030	1.25 - 2.00%	17,171,000	14,309,000
General obligation bonds	7/28/2020	2/1/2040	1.25 - 2.25%	3,510,000	3,405,000
General obligation notes	7/28/2021	2/1/2031	1.50 - 2.00%	13,710,000	11,831,000
General obligation notes	7/28/2021	2/1/2023	2.00%	1,435,000	715,000
General obligation notes	7/7/2022	2/1/2032	3.00 - 4.00%	9,607,750	9,607,750
Total Governmental Activities – General Obligation Debt					<u>\$ 75,246,750</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2022
Business-type Activities					
General Obligation Debt					
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	\$ 4,835,000	\$ 1,185,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	1,690,000	300,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	4,208,000	1,225,000
General obligation notes	7/13/2016	2/1/2026	1.50 - 3.00%	6,414,000	2,295,000
General obligation notes	7/12/2017	2/1/2027	2.00 - 3.00%	5,039,000	2,282,000
General obligation notes	7/11/2018	2/1/2028	1.50 - 4.00%	7,866,000	4,585,000
General obligation notes	7/9/2019	2/1/2029	1.50 - 4.00%	4,916,000	3,400,000
General obligation notes	7/28/2020	2/1/2030	1.25 - 2.00%	4,674,000	3,730,000
General obligation notes	7/28/2021	2/1/2031	1.50 - 2.00%	6,020,000	5,309,000
General obligation notes	7/28/2021	2/1/2023	2.00%	550,000	275,000
General obligation notes	7/7/2022	2/1/2032	3.00 - 4.00%	2,587,250	2,587,250
Total Business-type Activities General Obligation Debt					<u>\$ 27,173,250</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Government Activities		Business- Type Activities	
	General Obligation Debt		General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 14,365,250	\$ 1,642,494	\$ 5,429,750	\$ 593,746
2024	12,822,750	1,317,056	4,982,250	471,160
2025	10,886,250	1,027,811	4,228,750	361,645
2026	9,427,500	776,075	3,587,500	266,232
2027	7,865,000	553,838	2,840,000	184,150
2028-2032	18,175,000	818,002	6,105,000	223,525
2033-2037	1,025,000	127,928	-	-
2038-2040	680,000	23,008	-	-
Totals	<u>\$ 75,246,750</u>	<u>\$ 6,286,212</u>	<u>\$ 27,173,250</u>	<u>\$ 2,100,458</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The city has pledged future service revenues, net of specified operating expenses, to repay revenue bonds issued since 2003. Proceeds from the bonds provided financing for the water and wastewater systems. The bonds are payable solely from service revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 15.4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$13.9 million. Principal and interest paid for the current year and total customer net revenues were \$2.3 million and \$14.4 million, respectively.

Revenue debt payable at December 31, 2022 consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12/31/2022</u>
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 88,840
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	<u>275,677</u>
				Total Water Utility	<u>364,517</u>
<u>Wastewater Utility</u>					
Clean Water Fund loan	2004	2023	2.37%	2,032,973	132,302
Clean Water Fund loan	2010	2029	2.15%	27,212,000	11,882,562
Clean Water Fund loan	2011	2031	2.40%	983,325	<u>502,043</u>
				Total Wastewater Utility	<u>12,516,907</u>
Total Business-type Activities Revenue Debt					<u>\$ 12,881,424</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Bonds from Direct Borrowings and Direct Placement	
	Principal	Interest
2023	\$ 1,999,132	\$ 257,507
2024	1,816,637	215,654
2025	1,713,376	177,425
2026	1,750,347	140,056
2027	1,788,115	101,880
2028-2031	3,813,817	88,839
Totals	\$ 12,881,424	\$ 981,361

Other Debt Information

Estimated payments of accrued vacation and landfill superfund care are not included in the debt service requirement schedules. The accrued vacation liability attributable to governmental funds will be liquidated primarily by the general fund. The landfill superfund care liability will be liquidated by the sanitation special revenue fund.

A statutory mortgage lien upon the water and wastewater systems and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issues. The water and wastewater systems and the earnings of the systems remain subject to the lien until payment in full of the principal and interest on the bonds.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the city to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. During 2001, the city purchased an insurance policy to cover the costs of the remaining closure and post closure care. This policy transfers the risk of remaining costs to another entity. Therefore, the city no longer reports a long-term liability for closure and post closure care.

The city is required by state environmental laws to provide financial security to guarantee final site closure and post closure care. The city is in compliance with these requirements by having in place the insurance policy, which provides the required amount for closure and post closure care. Monies to pay for the insurance policy were from city investments, most notably annual payments the city had put in its own escrow account to fulfill the state requirements. The insurance policy allows the city to draw money from the account as a reimbursement against the expenditures for closure and post closure care. Those reimbursements will be claimed once the closure and long-term care requirements are fulfilled and approved by the State Environmental Agency (WDNR). The city will make a request against the insurance policy for a lump sum payment against the closure part of the policy and annually for 40 years against the long-term care portion of the policy.

H. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2022 include the following:

Net investment in capital assets	
Land and right of way	\$ 37,602,062
Construction in progress	5,013,880
Other capital assets, net of accumulated depreciation	215,559,257
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(65,601,903)</u>
Total net investment in capital assets	<u>192,573,296</u>
Restricted	
Debt service	4,933,204
Grants	4,189,465
Library	770,917
TIF districts	3,186,379
Landfill long-term care	3,541,990
Pension	<u>22,827,408</u>
Total restricted	<u>39,449,363</u>
Unrestricted (deficit)	<u>(36,328,332)</u>
Total Governmental Activities Net Position	<u>\$ 195,694,327</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

Nonspendable	
Major Funds	
General Fund	
Prepaid items	\$ 5,773
Noncurrent interfund balances	319,571
Total General Fund	<u>325,344</u>
Sanitation fund	
Prepaid items	<u>52</u>
Total Sanitation Fund	<u>52</u>
Capital Projects	
Inventories	<u>299,450</u>
Total Capital Projects	<u>299,450</u>
Nonmajor Funds	
Prepaid items	<u>50,157</u>
Restricted	
Major Funds	
Debt Service - debt service	4,897,425
Capital Projects - unspent bond proceeds	5,109,091
Special Accounts - grants and landfill long-term care	<u>4,004,516</u>
Total Major Funds	<u>14,011,032</u>
Nonmajor Funds	
Special Revenue Funds	
Library	770,917
TIF No. 23	255,618
TIF No. 26	415,742
TIF No. 27	93,975
TIF No. 32	1,550,477
TIF No. 33	290,064
TIF No. 35	545,760
TIF No. 36	163,953
TIF No. 37	184,664
TIF No. 38	101,868
Other Housing Grants	604,227
Community Development Block Grant	<u>160,599</u>
Total Nonmajor Funds	<u>\$ 5,137,864</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Committed

Major Funds	
Sanitation	\$ 5,802,437
Special Accounts	1,776,286
Total Major Funds	<u>7,578,723</u>

Nonmajor Funds

Special Revenue Funds	
JATV-12	165,381
Oak Hill Cemetery	66,105
Golf Courses	93,257
Total Nonmajor Special Revenue Funds	<u>324,743</u>

Assigned

Major Funds	
General Fund - applied to 2023 budget	1,000,988
Capital Projects	6,110,359
Total Major Funds	<u>7,111,347</u>

Unassigned (deficit)

Major Funds	
General Fund	11,103,941
Special Revenue Funds	<u>(21,224)</u>
Total Major Funds	<u>11,082,717</u>

Nonmajor Funds

TIF No. 17	(40,887)
TIF No. 25	(74,964)
TIF No. 28	(81,681)
TIF No. 39	(25,657)
TIF No. 40	(92,662)
Innovation Center	<u>(138,813)</u>
Total Nonmajor Special Revenue Funds (Deficit)	<u>\$ (454,664)</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Business-type activities net position reported on the government wide statement of net position at December 31, 2022 include the following:

Net Investments in Capital Assets

Land and right of way	\$ 1,036,345
Plant in service	277,617,773
Accumulated depreciation	(106,186,823)
Construction work in progress	<u>4,152,251</u>
Sub-Total	<u>176,619,546</u>
Current portion of general obligation debt	(5,429,750)
Current portion of revenue bonds	(1,999,132)
General obligation debt	(22,569,879)
Noncapital general obligation debt	348,966
Revenue bonds	(10,882,292)
Construction payables	<u>(26,247)</u>
Sub-Total	<u>(40,558,334)</u>
Construction Funds (unspent debt)	<u>716,719</u>
Sub-Total	<u>716,719</u>
Total Net Investment in Capital Assets	<u>\$ 136,777,931</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT

This report contains the Community Development Authority (CDA) which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the 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 CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The CDA's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 205,456	\$ 205,456	Custodial credit

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

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

Custodial Credit Risk

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

c. Cash and Cash Equivalents

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

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Equipment	\$ 87,158	\$	\$ -	\$ 87,158	4-20
Less: accumulated depreciation	(77,409)	(2,167)	-	(79,576)	
Totals	\$ 9,749	\$ (2,167)	\$ -	\$ 7,582	

NOTE V – OTHER INFORMATION

A. EMPLOYEES’ RETIREMENT SYSTEM

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings are the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)%	(7.0)%
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,550,158, in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

Pension Asset, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the city reported an asset of \$24,760,586 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the city's proportion was 0.30719629%, which was a decrease of 0.00126201% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the city recognized pension expense (revenue) of \$(2,198,995).

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2022, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 39,999,475	\$ 2,884,394
Changes in actuarial assumptions	4,619,478	-
Net differences between projected and actual earnings on pension plan investments	-	55,391,490
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,288	6,645
Employer contributions subsequent to the measurement date	3,652,467	-
Totals	\$ 48,294,708	\$ 58,282,529

\$3,652,467 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2023	\$ (1,147,261)
2024	(6,709,145)
2025	(2,950,338)
2026	(2,833,544)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*:	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns¹
As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long Term Expected Real Rate of Return % ²
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
<u>Variable Fund Asset</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 6.8% was used to measure total pension liability as opposed to a discount rate of 7.0% from the prior year. This single discount rate was based on expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. Projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to make all projected future benefit payments (including expected dividends) of current plan members. The investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the city’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the city’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City’s proportionate share of the net pension liability (asset)	\$ 17,569,391	(\$ 24,760,586)	(\$ 55,230,293)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2022, the city reported a payable to the pension plan of \$514,506, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city maintains a risk management program to safeguard its financial security by protecting its human, financial and property assets from the adverse impact of loss. Various techniques and programs are utilized to reduce the possibility of a loss from occurring and manage the adverse consequences should an event occur resulting in a loss. Risk treatment devices utilized include control, reduction, retention and transfer through proactive safety programs and loss control practices, contractual risk transfer, self-insurance funding, and the purchase of insurance.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool – Transit Mutual Insurance Corporation of Wisconsin (TMI)

The Transit Mutual Insurance Corporation of Wisconsin (TMI) is a mutual insurance corporation, which insures auto liability and auto physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The city insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

The city's auto liability insurance policy as a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,500,000 and reinsures \$4,500,000 with Great American Insurance Company. In addition, the city's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMI to the city provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and services units and a \$1,000 per accident deductible for bus units.

Management of TMI consists of a board of directors comprised of one representative for each member. The city does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The city's share of this corporation is 3.11% for auto liability and 4.12% of physical damage liability. A list of the other members and their share of participating is available in the TMI report, which can be obtained directly from the TMI's offices.

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin statutes governing intergovernmental cooperation commissions.

CVMIC insures the municipalities up to \$5,000,000 per occurrence above the self-insured retention amount selected by each individual city or village. CVMIC also provides excess insurance of \$5,000,000 over the CVMIC layer through a group purchase program paid proportionately by members for a total limit of \$10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC) (cont.)

Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The city does not exercise any control over the activities of the CVMIC and WMIC beyond the election of the officers and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The city's Mutual Member Participation Calculation for 2022 was calculated at \$893,186 or 3.919%. This calculation is based on premiums, claims and self-insured retention of the city as compared to the entire membership. The city's participation portion of available funds would be distributed upon dissolution. The initial investment in WMIC is not refundable upon withdrawal from the commission and has been reported at the original amount of \$1,604,120 in the insurance internal service fund. WMIC is not required to have an audit.

The city pays an annual premium to CVMIC for its general liability insurance as noted. The city's self-insured retention amount annually is \$100,000 per occurrence and \$400,000 in the aggregate.

The city accounts for its participation in the company in the insurance internal service fund. Payments to CVMIC for current year insurance coverage are reflected in the general operating statements of the various funds. The city has recorded claims payable at year-end in the insurance internal service fund of \$280,371. For liability claims, the city's uninsured risk of loss is \$100,000 per incident with a \$5,000,000 limit per occurrence. \$449,000 was designated for that reserve at year-end and is included in liabilities of the internal service fund.

Self-Insurance – Health Claims

The city has a self-funded health insurance program with claims processed by an administrative firm on behalf of the city. The claims are accounted for and financed by the city in the insurance internal service fund.

For health claims, the uninsured risk of loss is \$250,000 per incident with a \$2,000,000 lifetime maximum per individual. Stop loss insurance is purchased for claims in excess of \$250,000. Actual claims have exceeded the stop loss limit for some claimants in each of the last five years.

All funds of the city participate in the risk management program. Amounts payable to the internal service fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$719,000 was designated for that reserve at year-end and is included in liabilities of the internal service fund.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self-Insurance – Health Claims (cont.)

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

Claims Liability	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 744,000	\$ 634,000
Current year claims and changes in estimates	8,831,755	9,082,878
Claim payments	(8,941,755)	(8,997,878)
Unpaid Claims – End of Year	\$ 634,000	\$ 719,000

Self-Insurance – Worker's Compensation

The city is also self-insured for workers compensation, which are accounted for and financed by the insurance internal service fund. For these claims, the uninsured risk of loss is \$500,000 per incident for all other employees. The city has purchased commercial insurance for claims in excess of \$500,000. Settled claims have not exceeded the commercial coverage in any of the past five years.

All funds of the city participate in the risk management program. Amounts payable to the internal fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$446,000 was designated for that reserve at year-end and is included in liabilities 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 non-incremental costs to the claims liability.

Claims Liability	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 1,091,866	\$ 1,194,466
Current year claims and changes in estimates	361,368	226,398
Claim payments	(258,768)	(352,425)
Unpaid Claims – End of Year	\$ 1,194,466	\$ 1,068,439

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

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

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

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

In 2015, the city entered into an incentive agreement with a developer in TIF No. 35. If the developer adheres to the terms of the agreement, the city has committed a total of \$5,296,000 in incentive payments that are payable through 2027. Incentive payments in the amount of \$617,149 occurred in 2022.

During 2022, the city borrowed \$12,195,000 for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the capital projects fund, special revenue funds, and enterprise funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The balance of contract amounts is \$3,316,947 at year-end and is included in fund balance in the capital project fund and special revenue funds and in net investment in capital assets in the enterprise funds.

The city-owned landfill is a source of potential liability to the city. The U.S. Environmental Protection Agency (EPA) has issued a Record of Decision on a city owned landfill that accepted wastes during the period 1953 through 1985. The EPA determined the landfill had environmental impacts that required clean-up and long-term care. The estimated net present value cost is \$8.3 million. Remediation construction activities are complete and remaining long-term care will occur over the next 4 years. The City of Janesville, General Motors Corporation, Manpower, and the other responsible parties have entered into a Federal District Court approved settlement agreement with the EPA. The city estimates its remaining present value cost for long-term care of this facility will be approximately \$0.25 million. This amount is recorded in the governmental activities statement of net position. The city's costs under the agreement may be spread over the next four years. The city has paid \$3.1 million in costs to date. The remaining \$4.9 million of construction clean-up costs were borne by those industries that caused the environmental problem.

At December 31, 2022, there were \$2,452,092 of unrecorded deferred assessments which are not recorded as receivables because collection is subject to certain events occurring in the future, and no formal repayment schedule has been established. The breakdown of deferred assessments is as follows:

Water	\$ 1,280,216
Wastewater	<u>1,171,876</u>
Total	<u>\$ 2,452,092</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

Health Insurance Plan

The city administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the city's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive healthcare insurance until the retiree reaches age 65 at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contributions are established through collective bargaining agreements and may be amended only through negotiations between the city and the union. The city makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The city contributes 87.5% and 85.8% of the total premiums for family and single plans, respectively, for eligible retired plan members and their spouses. For fiscal year 2022, the city contributed \$9,192,061, or 88.6% of the total premiums, to the plan. Plan members receiving benefits contribute 12.5% and 14.2% of their premium costs for family and single plans, respectively. For fiscal year 2022, total member contributions were \$1,185,166 or 11.4% of the total premiums, through required contributions.

General Information About the OPEB Plan

Plan description. The city defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the city. RBP is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the city council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided. The city provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 50 to 100 percent of health insurance premiums for non-Medicare-eligible retirees and 0 percent of supplemental health insurance premiums for Medicare-eligible retirees. The plan also provides all retirees with 100 percent of life insurance benefits.

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	103
Inactive plan members entitled to but not yet receiving benefit payments	5
Active plan members	464
	<hr/>
	572
	<hr/>

Total OPEB Liability

The city's total OPEB liability of \$45,836,668 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2021.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3.1% - 7.8%
Healthcare cost trend rates	6.40% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	10.0%

The discount rate was based on a 20-year AA municipal bond rate of 2.25% reflective as of the measurement date.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the valuation were based on the results of an experience study for the period conducted in 2018 using Wisconsin Retirement System experience from 2015-2017.

Changes in the Total OPEB Liability	<u>Total OPEB Liability</u>
Balances at December 31, 2021	<u>\$ 50,597,083</u>
Changes for the year:	
Service cost	2,806,926
Interest	1,152,375
Changes of benefit terms	-
Differences between expected and actual experience	(1,756,985)
Changes of assumptions or other input	(5,394,939)
Benefit payments	<u>(1,567,792)</u>
Net changes	<u>(4,760,415)</u>
Balances at December 31, 2022	<u><u>\$ 45,836,668</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the city, as well as what the city total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total OPEB liability	\$ 49,349,787	\$ 45,836,668	\$ 42,557,345

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB liability	\$ 41,377,800	\$ 45,836,668	\$ 51,064,891

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the city recognized an OPEB expense of \$3,318,252. At December 31, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,264,179
Changes in actuarial assumptions or other input	5,033,919	5,597,990
City contributions subsequent to the measurement date	1,308,940	-
Totals	\$ 6,342,859	\$ 9,862,169

\$1,308,940 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized as OPEB expenses as follows:

Year Ended December 31:	Deferred Outflows (Inflows) of Resources (net)
2023	\$ (641,049)
2024	(641,049)
2025	(641,049)
2026	(641,049)
2027	(440,426)
Thereafter	(1,823,631)

The OPEB liability attributable to governmental funds will be liquidated primarily by the general fund.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan description. The LRLIF is a cost-sharing multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at the link above.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2022 are:

Coverage Type	Employer Contributions
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

**Life Insurance Employee Contribution Rates For
The Plan Year**

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$13,504 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2022, the city reported a liability of \$3,899,520 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net OPEB liability was based on the city's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the city's proportion was 0.65977600%, which was an increase of 0.06907400% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the city recognized OPEB expense (revenue) of \$495,328. The OPEB liability attributable to governmental funds will be liquidated primarily by the general fund.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

At December 31, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 198,368
Net differences between projected and investment earnings on plan investments	50,735	-
Changes of actuarial assumptions	1,178,180	189,012
Changes in proportion and differences between employer contributions and proportionate share of contributions	333,982	205,780
Employer contributions subsequent to the measurement date	14,036	-
Total	\$ 1,576,933	\$ 593,160

\$14,036 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended December 31:	Deferred Outflows (Inflows) of Resources (net)
2023	\$ 215,993
2024	210,107
2025	191,341
2026	228,810
2027	88,163
Thereafter	35,323

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00	1.82
US Mortgages	Bloomberg US MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single discount rate. A single discount rate of 2.17% was used to measure the total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12 percent as of December 31, 2020 to 2.06 percent as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the city's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the Net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the Net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

	1% Decrease Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's proportionate share of the net OPEB liability (asset)	\$ 5,290,243	\$ 3,899,520	\$ 2,853,058

E. TAX ABATEMENTS

The city through various Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with developers in the form of a tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

The city has disclosed each tax abatement individually.

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
Greene Bros Holdings, Inc	\$425,000 incentive for building rehabilitation.	Rehabilitate the 23,600 sq. ft. building and guarantee value of \$1,395,232 and increment of \$33,076.	One Time Payment of \$425,000	Guaranteed additional increment of \$33,076.
Capital Circle I Corp	\$1,274,437 forgivable loan for land and incentive for building construction. Developer annually pays \$174,250 in tax increment, until Property Break-Even Amount is reached.	Construction of 150,000 sq. ft. building and guarantee value of \$5,400,000. Amended to \$6,967,800 assessed value following the construction of a 23,400 sq ft freezer addition.	One time payment of \$957,330 in land and cash incentive, and then a \$200,000 incentive for freezer addition.	Guarantee Increment of \$129,561 annually for ten years, then raised to \$174,250 after freezer addition.
Shine	\$1.53M in land, \$1.5M for replacement of prototype building, \$578,000 stormwater assessment forgivable loan, \$345,000 for utilities extended by the City.	Construct a 35,000 sq. ft. new building valued at \$50M, guaranteed annual tax equivalent payment of \$1,166,564, guarantee 125 jobs within 5 years of initiating production. \$3M for replacement of prototype building requires replacement building to be completed on campus.	Only the storm water assessment forgivable loan and the extension of utilities has been fulfilled, the remaining portions of the agreement have not. Anticipating \$1.5M forgivable loan to be issued upon occupancy at the end of 2022.	Guaranteed annual tax equivalent payment of \$1,166,564

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
Dollar General Land	\$5,296,600 incentive and land for the development	Build 1,000,000 sq. ft. warehouse and guarantee value of \$40 per square foot and \$25 million in personal property	\$134,660 in 2017, \$529,660 from 2018-2026 and \$134,660 in 2027	Agreement is a pay-go, thus payment is reduced if building or personal property values not met. Personal property did not meet the \$25M requirement and State has reduced Personal Property taxes
Dollar General Jobs	If at least 552 FTE jobs reported, then pay to developer \$178,830. If less than 552, then payment to developer equals (Actual # of Jobs / 552) * \$178,830	Developer to retain at least 552 FTE jobs on the facility.	If at least 552 FTE jobs reported, then pay to developer \$178,830. If less than 552, then payment to developer equals (Actual # of Jobs / 552) * \$178,830	Agreement is a Pay-Go, thus the incentive payment is prorated in the event the jobs guarantee is not fully met.
3800 Enterprise Drive Inc. (AM Castle Building)	\$1,968,841 forgivable loan in land and building value.	Build 208,000 sq. ft. facility, guarantee \$10,450,000 in value	One time payment of \$1,968,841 in land and cash incentive	Guarantee Increment of \$250,725 annually for ten years
Capital Circle II Corp (as revised)	\$1,005,535 in the form of land and building incentive	Build 100,000 sq. ft. facility and guarantee value of \$4,557,000	One time payment of the incentive in the form of land and cash	Guarantee increment of \$105,553.
Westphal Electric	\$66,288 forgivable loan in the form of land.	Build 12,000 sq. ft. facility and guarantee increment of \$7,380 annually for 10 years	One time payment in the form of land	Guarantee increment of \$7,380 annually
Playstar	\$410,000 forgivable loan for building construction.	Build 58,300 sq. ft. facility, guaranteed value increment \$1,779,899 (total \$2,216,299), tax increment of \$46,381 (total \$54,425) for 10 years, and retain 13 FTE LWL and create 10 FT LWL.	One time payment cash incentive of \$410,000	Guaranteed annual increment of \$46,381 (Total tax equivalency payment = \$54,425)
Janesville Hotel Group LLC	\$1,055,000 in land costs and incentive for the building	Build 33,064 sq. ft. facility, tax increment guarantee of \$86,644 for 10 years	\$1,055,000 in cash incentive and land	Guaranteed annual tax equivalent payment of \$86,644
TJF Development Inc.	\$2,865,775 reimbursement for building rehabilitation.	Rehabilitate 78,000 sq. ft. facility, guaranteed value of \$9,160,000 (\$6,096,300 incremental value)	Annual reimbursement payments vary over 14 years with max payment of \$2,865,775	None
J&L Targets, Inc.	\$131,272 incentive for addition to the building	Build 9,000 sq. ft. addition to facility and guarantee value of \$872,693 for entire facility. Developer to employ & retain at least 40 full time equivalent jobs, and then create within 3 yrs 16 new full time equivalent jobs.	One time cash incentive of \$131,272, Developer pays to City for every employee not hired an amount that gradually decreases over the 3 yrs following completion in accordance with the promises made in the agreement.	A \$6,366 portion of the \$15,193 annual debt service can be forgiven through the jobs portion of the agreement, and the balance (\$8,827) shall be paid by the annual tax increment.
Pontiac Place Hotel Developers, Inc	\$2,011,000 for new hotel construction.	Build 52,851 sq. ft. facility with guaranteed value of \$6,039,000	Annual reimbursement payments vary over 11 years with a max total of \$2,011,065.	Agreement is a pay-go, thus payment is reduced if building values not met.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
Northwoods Holdings 2018	Land value of \$568,789 and construction incentive of \$234,000, and a jobs incentive of \$160,000 with at least \$80,283 ("Tax Equivalent Guarantee Payment") until the Property Break-Even Amount totalling \$962,789 is reached.	Build 100,000 sq. ft. facility and guarantee value of \$3,600,000, and create not less than 52 of the projected 66 additional FTE jobs over the next 3 yrs.	Land value of \$568,789 and one time construction incentive of \$234,000, and a job creation incentive by the TENANT of \$160,000	Guaranteed increment of \$80,283 annually. A \$15,996 portion of the \$96,279 debt service payment may be forgiven if jobs commitment is met, with the balance of \$80,283 to be paid by the increase in annual tax increase for the property.
Halverson Holdings	Land value of \$59,659 and construction incentive of \$80,341	Build 29,300 square foot facility on the property with a guarantee value of \$720,000	Land value of \$59,659 and construction incentive of \$80,341	Guaranteed increment of \$17,275 annually
100 Innovation Drive Corp. (Naturpak)	Land value of \$548,848 and development incentive of \$625,000.	Build 150,000 square foot facility on the property with a guarantee value of \$5,400,000	Land value of \$548,848 and development incentive of \$625,000	Guaranteed increment of \$134,122 annually
TI Janesville II, LLC (Zilber)	\$2,445,623 Maximum Paygo Construction Incentive over Ten years. No land included.	Build 302,000 square foot industrial facility on the property with a guaranteed value of \$13,045,468 and guaranteed annual increment of at least \$304,829.	Payment of Paygo payment of \$244,562 annually for up to 10 years if projected value and increment are met.	Paygo reduced to a maximum of 80% of created value if project does not achieve guaranteed value and annual increment.
Diamond Ridge Apartments, LLC (Horizon)	Cash Development incentive of \$3,300,000 to be paid when 20% of the project is completed. City will cover debt with a 20-year bond.	Build 115 MF Residential units, complete by Dec 31, 2020. Guaranteed value of \$10,711,000 and a guaranteed annual increment of \$232,436. Developer pays principal and interest for the 20-year bond issued for the project.	Payment of principal and interest for the bond will be derived from the guaranteed minimum taxes from the project for 20 years.	Minimum tax requires developer to be invoiced for any annual shortfall in the guaranteed property tax.
Grafft Irrevocable Trust	Cash Development incentive of \$102,500 paid as a pay as you go incentive over a total of 15 years.	Develop 5-MF upper-floor residential units over 4,140 square feet in area. Guaranteed value of \$500,000 and guaranteed increment of \$11,425 in each year of the 15 year agreement.	Pay as you go of 15 years equaling 95% of the new increment created by the project with a maximum payment of \$102,500.	Payments are reduced annually if project does not achieve guaranteed increment generation.
MW Residences, LLC (Hovde)	Development incentive of \$3,600,000 for phase one to be paid for phase 1 in 2020 after occupancy each of the two buildings. Development incentive of \$4,000,000 to be paid at occupancy of each of the three buildings.	Build five MF Residential buildings totaling 233 units, in two phases over four years. Projected total property value of \$23,739 after build out and a guaranteed annual increment of \$528,000 after build out.	Agreement projects phased in increment for payback of entire incentives over 17 years through minimum increased property taxes.	Minimum tax requires developer to be invoiced for any annual shortfall in the guaranteed property tax. In addition any payment of an incentive is tied to completion of each building, thus if a building is not granted occupancy, the incentive is not paid.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (CONT.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
River Flats	City owned land at no cost. Forgivable loans totaling \$546,000 and amortized over 20 years at 3% interest. Paygo totaling \$1,905,500 over 20 years.	Build 5-story MF Residential Project with 92 affordable units to be completed by August 1, 2021. Guaranteed value of the project of \$4.8 million and a guaranteed increment of \$98,635 first year after completion and increasing .5% annually for 20 years of the agreement.	Pay as you go of 20 years. Payment is 95% of new increment generated with maximum payment over time of \$1,905,500.	Payments are reduced annually if project does not achieve guaranteed increment generation.
TI Investors of Janesville - Venture Drive, LLC	Cash Development incentive of up to \$1,503,597 over the course of ten years after completion.	Construct two 178,000 sq. ft. warehouse/manufacturing facilities on 24.65 acres with a guaranteed value of \$12,851,600 and guaranteed new increment of at least \$293,645 annually after completion.	Cash incentive of \$150,360 annually paid for 10 years with a guaranteed increment of \$290,645 to be paid by the developer. If increment minimum is not achieved, cash assistance is reduced after repayment of land incentive.	Payments are reduced annually if project does not achieve guaranteed increment generation.
1312 Barberrry Drive, LLC	Cash Development Incentive upfront of \$170,000.	Build a 60,000 sq. ft. manufacturing/warehouse facility on 5.26 acres within the City Industrial Park. Guaranteed value of \$2,400,000 and total increment of at least \$51,099 annually.	Cash incentive of \$170,000 and land valued under policy at \$116,225. Repayment of cash and land incentives over six years after completion.	Minimum guarantee of at least \$2,400,000 and increment of at least \$51,099 annually to repay land and cash incentive.
Genisa, LLC	Cash Development incentive of \$258,134 paid as a pay as you go incentive over a total of 15 years after completion.	Revelop properties at 11 and 13 North Main Street with 11 North Main being a bar with residential rental on third floor and 13 North Main Street being an outdoor patio for bar in conjunction with 11 North Main Street. Guaranteed value of \$930,000 with guranteed new increment of \$17,596 in 2022 payable in 2023 (Total tax bill to be at least \$20,851)	Pay as you go of 15 years beginning in 2022 payable in 2023. Increment to be paid is to be 90% of the new increment not to exceed \$258,134 over the 15 year period.	Payments are reduced annually if project does not achieve guaranteed increment generation.
Western Container	Land incentive of \$164,654 (4.8 acres) as established by City Council Policy. No cash incentive.	Build a manufacturing facility of at least 43,750 square feet on 4.8 acres owned by the City. Minimum value of \$1,750,000 and guaranteed increment of \$32,931. Increment payment to be paid annually for 5 years to pay for land value.	Land incentive of \$164,654 (4.8 acres) as established by City Council Policy	Developer must hit minimum guarantee or pay the difference (Note: Development proceeded with second phase in initial development. Building nearly doubled the required size.)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (CONT.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
Murton, LLC (Murphy Brothers, LLP - 313 Wall Street)	Provide land for \$1 and a pay as you go development incentive of \$120,255 over 15 years after completion.	Build a commercial building on vacant property with a minimum value of \$418,100 and a minimum increment of at least \$8,907 annually.	Land was discounted to \$1. Cash incentive is reduced if minimum increment is not achieved. In short the assistance is 90% of the new increment with \$120,255 being the maximum assistance over 15 years.	Payments are reduced annually if project does not achieve guaranteed increment generation.
LKQ Midwest, Inc.	Cash Development incentive of \$158,000 to be issued at time of occupancy of expanded building.	Expand existing industrial/warehouse facility by at least 73,000 sq. ft with a minimum increase of \$2,109,000 value and a minimum increase in increment of at least \$52,544 annually.	Cash incentive to be repaid over the course of three years after completion of the expansion (2023, payable in 2024, through in 2026, payable 2027) total min property tax shall be \$121,572.	Developer must hit minimum guarantee or pay the difference.
Zilber 9	Cash Development incentive of \$1,164,871.22 over the course of nine years.	Build a 300,000 sq.ft. industrial/manufacturing/distribution facility within TIF 35 Industrial park	Pay as you go over 9 years equaling 80% of the new increment created by the project with a maximum payment of \$1,164,871 over nine years	Annual Pay-Go incentive payments to developer based on the actual RE Tax increment created." Developer is to pay City back for the value of the land that was given to them as part of the total combined incentive.
Duckworth Revocable Trust	Upfront cash assistance of \$220,000 and repayment of the incentive over 15 years	Redevelop existing downtown building with upper floor residential units. Minimum guaranteed value of \$850,000 with a new increment of at least \$10,504. Assistance to be repaid over 15 years.	Minimum guaranteed value of \$850,000 with a new increment of at least \$10,504. Assistance to be repaid over 15 years after completion (first year 2023 payable in 2024).	Developer must hit minimum guarantee or pay the difference.
Monterey Apartments	Cash Development incentive of \$1,770,000 to be paid as a pay as you go incentive over a total of 19 years.	Redevelop existing former hotel totaling 44,851 square feet into 51 MF residential units. Guaranteed value of \$4,950,000 in the first year after completion with an annual increase of .5% and guaranteed increment of \$110,980 in the first year after completion with an annual increase of .5% over the 19 years of the agreement.	Pay as you go of 19 years equaling 90% of the new increment created by the project with a maximum payment of \$1,770,000.	Payments are reduced annually if project does not achieve guaranteed increment generation.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (CONT.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
AMTEC Corporation	Completion year assessed value surpassed requirements, so they get \$18,000 annually for 10 years. If 118 jobs are retained across the two facilities, then they get \$6,000 annually for 10 years. Max aggregate total incentive of \$240,000	Expansion of 30,000SF secondary facility, resulting in a newly created increment of \$1,170,000, and create 18 new LWE jobs and retain the existing 118 jobs.	Incentive payments to developer paid annually after determining if they hit their jobs target	None.
Clinton Aluminum Inc - Glenmorangie LLC	Property tax payments of at least \$52,141 for 10 years, developer gets billed for the difference if tax amount falls short of the target.	Maintain the \$13,000 newly created property tax increment arising from the construction of a 28,000SF facility expansion. Guarantee property assessed value increase of \$588,000. Developer to pay \$52,141 for 10 years, no Property Break-Even amount.	Annual property tax payments to City in the amount of at least \$52,141 for 10 years.	None.
Impact Confections	Annual debt service payments of \$11,653. Each job below 184 causes \$271 of annual debt service to not be forgiven.	Maintain 141 existing jobs and create 43 new jobs within 3 yrs, for a total of 184 positions.	\$99,400 forgivable loan to business based on job creation & retention.	None.
Coextruded Plastic Technologies, Inc. - CPT Plastics	Each job below 86 causes \$172 of annual debt service to not be forgiven.	Jobs incentive based on retaining 43 jobs, retain an already created 15, create 28 new jobs, for a total of 86 employees.	\$118,250 industrial/manufacturing development and jobs incentive loan to developer, annual debt service of \$14,579 forgivable if jobs commitment is held.	None.
Foremost Media	Each job below 44 causes \$261 of annual debt service to not be forgiven.	Retain 24 existing jobs, create 20 new LWE FTE jobs.	\$75,000 forgivable loan given to business based on job retention & creation.	None.
EOE LLC - Chiropractic	Incentive payment amount equals the RE Taxes above the base value of \$2,414, multiplied by 90%	Renovate the 4,052 SF vacant commercial interior to a guaranteed assessed value of at least \$485,000, creating approx. \$8,463 in new tax increment.	Pay-as-you-go agreement, development incentive based on the actual new increment created over a term of 15 years.	None.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2022

NOTE V – OTHER INFORMATION (cont.)

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

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes for Error Corrections – An Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 36,215,924	\$ 36,215,924	\$ 36,163,975	\$ (51,949)
Licenses and permits	1,565,712	1,565,712	2,296,191	730,479
Investment income, rents and fines	599,600	599,600	285,796	(313,804)
State and federal aids	9,225,320	9,225,320	9,255,313	29,993
Service charges and other	<u>3,883,220</u>	<u>3,883,220</u>	<u>4,526,605</u>	<u>643,385</u>
Total Revenues	<u>51,489,776</u>	<u>51,489,776</u>	<u>52,527,880</u>	<u>1,038,104</u>
EXPENDITURES				
Current				
General government	4,996,208	8,068,708	4,939,746	3,128,962
Public safety	27,313,635	27,358,443	27,317,286	41,157
Public works	4,906,465	4,978,557	4,634,835	343,722
Recreation and parks	3,114,355	3,135,955	3,037,392	98,563
Community and economic development	<u>1,707,283</u>	<u>1,707,283</u>	<u>1,704,391</u>	<u>2,892</u>
Total Expenditures	<u>42,037,946</u>	<u>45,248,946</u>	<u>41,633,650</u>	<u>3,615,296</u>
Excess of revenues over expenditures	<u>9,451,830</u>	<u>6,240,830</u>	<u>10,894,230</u>	<u>4,653,400</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,743,200	1,743,200	1,794,907	51,707
Transfers out	<u>(11,195,030)</u>	<u>(11,195,030)</u>	<u>(11,391,204)</u>	<u>(196,174)</u>
Total Other Financing Sources (Uses)	<u>(9,451,830)</u>	<u>(9,451,830)</u>	<u>(9,596,297)</u>	<u>(144,467)</u>
Net change in fund balance	-	(3,211,000)	1,297,933	4,508,933
FUND BALANCES - Beginning of Year	<u>11,132,340</u>	<u>11,132,340</u>	<u>11,132,340</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,132,340</u>	<u>\$ 7,921,340</u>	<u>\$ 12,430,273</u>	<u>\$ 4,508,933</u>

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

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SANITATION
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 225,000	\$ 225,000	\$ 226,051	\$ 1,051
Service charges and other	10,105,911	10,105,911	10,644,409	538,498
Total Revenues	<u>10,330,911</u>	<u>10,330,911</u>	<u>10,870,460</u>	<u>539,549</u>
EXPENDITURES				
Current				
Public works	7,905,080	7,905,080	8,324,976	(419,896)
Total Expenditures	<u>7,905,080</u>	<u>7,905,080</u>	<u>8,324,976</u>	<u>(419,896)</u>
Excess of revenues over expenditures	<u>2,425,831</u>	<u>2,425,831</u>	<u>2,545,484</u>	<u>119,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(2,393,419)	(2,393,419)	(2,084,705)	308,714
Total Other Financing Sources (Uses)	<u>(2,143,419)</u>	<u>(2,143,419)</u>	<u>(1,834,705)</u>	<u>308,714</u>
Net change in fund balance	282,412	282,412	710,779	428,367
FUND BALANCES - Beginning of Year	<u>5,091,710</u>	<u>5,091,710</u>	<u>5,091,710</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,374,122</u>	<u>\$ 5,374,122</u>	<u>\$ 5,802,489</u>	<u>\$ 428,367</u>

See independent auditor's report and accompanying notes to required supplementary information.

CITY OF JANESVILLE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM*
For the Year Ended December 31, 2022

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2015	0.28181434%	\$ (6,922,131)	\$ 29,934,378	23.12%	102.74%
12/31/2016	0.28540220%	\$ 4,637,730	\$ 32,131,966	14.43%	98.20%
12/31/2017	0.28922280%	\$ 2,383,886	\$ 31,418,359	7.59%	99.12%
12/31/2018	0.29663873%	\$ (8,807,555)	\$ 31,900,964	27.61%	102.93%
12/31/2019	0.30053965%	\$ 10,692,258	\$ 32,815,852	32.58%	96.45%
12/31/2020	0.30522708%	\$ (9,841,914)	\$ 33,669,491	29.23%	102.96%
12/31/2021	0.30845830%	\$ (19,231,728)	\$ 34,629,836	55.54%	105.26%
12/31/2022	0.30719629%	\$ (24,760,586)	\$ 34,642,164	71.48%	106.02%

SCHEDULE OF EMPLOYER CONTRIBUTIONS -
WISCONSIN RETIREMENT SYSTEM*
For the Year Ended December 31, 2022

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2015	\$ 2,859,533	\$ 2,859,533	\$ -	\$ 32,131,966	8.90%
12/31/2016	\$ 2,761,662	\$ 2,761,662	\$ -	\$ 31,415,079	8.79%
12/31/2017	\$ 3,133,047	\$ 3,133,047	\$ -	\$ 31,899,493	9.82%
12/31/2018	\$ 3,233,976	\$ 3,233,976	\$ -	\$ 32,815,853	9.85%
12/31/2019	\$ 3,245,361	\$ 3,245,361	\$ -	\$ 33,669,491	9.64%
12/31/2020	\$ 3,547,686	\$ 3,547,686	\$ -	\$ 34,629,837	10.24%
12/31/2021	\$ 3,578,607	\$ 3,578,607	\$ -	\$ 34,642,165	10.33%
12/31/2022	\$ 3,652,467	\$ 3,652,467	\$ -	\$ 35,579,069	10.27%

*Note: These schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

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

CITY OF JANESVILLE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY -
LOCAL RETIREE LIFE INSURANCE FUND*
For the Year Ended December 31, 2022

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2018	0.61893000%	\$ 1,862,100	\$ 26,027,777	7.15%	44.81%
12/31/2019	0.62949200%	\$ 1,624,302	\$ 31,750,000	5.12%	48.69%
12/31/2020	0.67865900%	\$ 2,889,862	\$ 32,769,000	8.82%	37.58%
12/31/2021	0.59070200%	\$ 3,249,288	\$ 32,981,000	9.85%	31.36%
12/31/2022	0.65977600%	\$ 3,899,520	\$ 33,234,000	11.73%	29.57%

SCHEDULE OF EMPLOYER CONTRIBUTIONS -
LOCAL RETIREE LIFE INSURANCE FUND*
For the Year Ended December 31, 2022

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 12,158	\$ 12,158	\$ -	\$ 26,774,454	0.05%
12/31/2019	\$ 12,327	\$ 12,327	\$ -	\$ 32,575,233	0.04%
12/31/2020	\$ 12,945	\$ 12,945	\$ -	\$ 32,665,936	0.04%
12/31/2021	\$ 13,297	\$ 13,297	\$ -	\$ 32,781,881	0.04%
12/31/2022	\$ 14,036	\$ 14,036	\$ -	\$ 33,871,274	0.04%

*Note: These schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

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

CITY OF JANESVILLE

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE
December 31, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 2,025,566	\$ 2,025,566	\$ 1,921,076	\$ 2,507,154	\$ 2,806,926
Interest	1,469,385	1,523,002	1,739,616	1,301,072	1,152,375
Changes of benefit terms	-	-	653,319	-	-
Differences between expected and actual experience	-	-	(4,053,621)	-	(1,756,985)
Changes of assumptions	-	(1,604,981)	5,386,678	1,855,031	(5,394,939)
Benefit payments	<u>(2,084,453)</u>	<u>(1,841,628)</u>	<u>(1,988,953)</u>	<u>(2,248,616)</u>	<u>(1,567,792)</u>
Net Change in Total OPEB Liability	1,410,498	101,959	3,658,115	3,414,641	(4,760,415)
Total OPEB Liability - Beginning	<u>42,011,870</u>	<u>43,422,368</u>	<u>43,524,327</u>	<u>47,182,442</u>	<u>50,597,083</u>
Total OPEB Liability - Ending	<u>\$ 43,422,368</u>	<u>\$ 43,524,327</u>	<u>\$ 47,182,442</u>	<u>\$ 50,597,083</u>	<u>\$ 45,836,668</u>
Covered-employee payroll	\$ 28,774,761	\$ 28,774,761	\$ 31,419,755	\$ 31,419,755	\$ 32,063,373
Total OPEB liability as a percentage of covered-employee payroll	150.90%	151.26%	150.17%	161.04%	142.96%

Notes to Schedule:

Benefit changes. There were no changes to the benefits.

Changes in assumptions. The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.25%) as of the measurement date in order to be compliant with GASB 75

Valuation date:

Actuarial valuation performed as of December 31, 2021 and a measurement date of December 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percent of salary)
Amortization method	Average remaining member service life
Amortization period	9 years
Asset valuation method	N/A
Inflation	2.00%
Healthcare cost trend rates	6.40% decreasing by 0.10% per year down to 5.00% and level thereafter
Salary increases	3.1% - 7.8%
Investment rate of return	N/A
Mortality	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplies 60%)

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The city implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

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

CITY OF JANESVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2022

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The city manager may allow the expenditure level for a program element to exceed the budget amount provided the program appropriation is not exceeded. Amendments to the adopted budget to provide for a new or significantly expanded program activity or a new capital item (greater than \$2,000) for which funding will not exceed the original program appropriation will be considered allocations within the original program appropriation and will require a majority vote of the entire membership of the council. Amendments to the adopted budget to provide for a new or significantly expanded program activity or a new capital item (greater than \$2,000) for which funding is expected to exceed the original program appropriation included in the program appropriation will require the adoption of a resolution by a two-thirds vote of the entire membership of the council. Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the program level of expenditure. Programs represent groupings of similar city departments or activities, such as the Public Safety Program being comprised of the police and fire departments or the Community and Economic Development Program being comprised of the community development, property maintenance, and EDA departments.

WISCONSIN RETIREMENT SYSTEM

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

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

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

See independent auditors' report.

CITY OF JANESVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2022

LOCAL RETIREE LIFE INSURANCE FUND

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table



SUPPLEMENTARY INFORMATION

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CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
TAXES				
General property tax	\$ 35,355,824	\$ 35,355,824	\$ 35,131,673	\$ (224,151)
Penalties and interest on taxes	200,000	200,000	276,698	76,698
Mobile home taxes	100,000	100,000	123,392	23,392
Hotel/motel tax	360,100	360,100	419,352	59,252
Wheel tax	200,000	200,000	212,860	12,860
Totals	<u>36,215,924</u>	<u>36,215,924</u>	<u>36,163,975</u>	<u>(51,949)</u>
LICENSES				
Alcoholic beverage licenses	77,000	77,000	110,578	33,578
Publication fees	3,800	3,800	3,550	(250)
Food and cigarettes	18,000	18,000	20,947	2,947
Weights and measures	23,000	23,000	26,074	3,074
Dog licenses	70,000	70,000	68,831	(1,169)
Bartender licenses	11,000	11,000	24,378	13,378
Amusement center licenses	18,000	18,000	17,441	(559)
Cable TV	550,915	550,915	517,190	(33,725)
Other regulatory licenses and permits	37,622	37,622	63,575	25,953
Totals	<u>809,337</u>	<u>809,337</u>	<u>852,564</u>	<u>43,227</u>
COMMUNITY DEVELOPMENT PERMITS				
Application fees	83,725	83,725	153,835	70,110
Resident permit fees	286,150	286,150	433,182	147,032
Commercial permit fees	386,500	386,500	856,610	470,110
Totals	<u>756,375</u>	<u>756,375</u>	<u>1,443,627</u>	<u>687,252</u>
INVESTMENT INCOME, RENTS AND FINES				
Investment income	126,000	126,000	(171,220)	(297,220)
Rents - city owned property	148,600	148,600	158,775	10,175
Municipal court fines	265,000	265,000	223,554	(41,446)
Sale of city property	10,000	10,000	24,687	14,687
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>599,600</u>	<u>599,600</u>	<u>285,796</u>	<u>(313,804)</u>
STATE AND FEDERAL AIDS				
Shared taxes from state	5,600,865	5,600,865	5,627,301	26,436
Local road allotment	2,478,128	2,478,128	2,471,266	(6,862)
State payment - municipal services	100,000	100,000	102,603	2,603
Connecting street maintenance	336,553	336,553	336,553	-
Computer value reimbursement	186,040	186,040	185,928	(112)
Exempt personal property aid	151,022	151,022	151,021	(1)
Exempt cable tv fee aid	137,712	137,712	137,712	-
State aid - fire insurance	235,000	235,000	242,929	7,929
Totals	<u>9,225,320</u>	<u>9,225,320</u>	<u>9,255,313</u>	<u>29,993</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.) For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SERVICE CHARGES AND OTHER				
Parking	\$ 51,620	\$ 51,620	\$ 19,545	\$ (32,075)
Public works	302,600	302,600	478,020	175,420
Police department	40,000	40,000	36,998	(3,002)
Fire department	2,574,500	2,574,500	3,209,071	634,571
Leisure services	864,500	864,500	732,971	(131,529)
Wastewater service charge	50,000	50,000	50,000	-
Totals	<u>3,883,220</u>	<u>3,883,220</u>	<u>4,526,605</u>	<u>643,385</u>
TRANSFERS IN				
Water utility taxes	1,693,200	1,693,200	1,526,141	(167,059)
Special revenue	-	-	218,766	218,766
Insurance fund premium rebate	50,000	50,000	50,000	-
Totals	<u>1,743,200</u>	<u>1,743,200</u>	<u>1,794,907</u>	<u>51,707</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 53,232,976</u>	<u>\$ 53,232,976</u>	<u>\$ 54,322,787</u>	<u>\$ 1,089,811</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 6,680	\$ 6,680	\$ 6,792	\$ (112)
City Manager	452,073	452,073	431,683	20,390
Community Information	66,915	66,915	65,992	923
City Assessor	554,092	554,092	562,158	(8,066)
City Attorney	576,034	576,034	662,133	(86,099)
Elections	161,297	161,297	136,883	24,414
City Clerk - Treasurer	512,236	512,236	512,300	(64)
Finance	464,835	464,835	463,027	1,808
Human Resources	315,401	315,401	363,466	(48,065)
Information Systems	1,242,998	1,242,998	1,170,829	72,169
Insurance	54,317	54,317	54,318	(1)
Economic Adjustments	63,728	63,728	38,563	25,165
Unclassified and Sundry	525,602	3,598,102	471,602	3,126,500
Totals	<u>4,996,208</u>	<u>8,068,708</u>	<u>4,939,746</u>	<u>3,128,962</u>
PUBLIC SAFETY				
Police department	14,728,047	14,750,910	14,684,495	66,415
Fire department	12,585,588	12,607,533	12,632,791	(25,258)
Totals	<u>27,313,635</u>	<u>27,358,443</u>	<u>27,317,286</u>	<u>41,157</u>
PUBLIC WORKS				
Administration				
Engineering	795,427	795,427	716,336	79,091
Sub-Totals	<u>795,427</u>	<u>795,427</u>	<u>716,336</u>	<u>79,091</u>
Street Maintenance and Repair				
Paved Streets	669,172	676,592	661,374	15,218
Snow Removal	1,470,982	1,530,636	1,372,521	158,115
Weed Cutting	60,949	60,949	38,065	22,884
Sub-Totals	<u>2,201,103</u>	<u>2,268,177</u>	<u>2,071,960</u>	<u>196,217</u>
Public Buildings and Parking				
Public Buildings	696,877	696,877	655,744	41,133
Parking Facilities	143,931	143,931	121,461	22,470
Sub-Totals	<u>840,808</u>	<u>840,808</u>	<u>777,205</u>	<u>63,603</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
PUBLIC WORKS (cont.)				
Traffic Control				
Traffic Signs	\$ 165,645	\$ 165,645	\$ 144,848	\$ 20,797
Traffic Signals	173,194	173,194	181,840	(8,646)
Street Painting	94,006	96,016	86,420	9,596
Street Lighting	537,658	537,658	511,406	26,252
Traffic Management	98,624	101,632	144,820	(43,188)
Sub-Totals	1,069,127	1,074,145	1,069,334	4,811
Total Public Works	4,906,465	4,978,557	4,634,835	343,722
RECREATION AND PARKS				
Recreation Administration	75,130	75,130	86,085	(10,955)
Senior Citizens Center	265,462	265,462	240,553	24,909
Park Management	1,680,069	1,701,669	1,626,219	75,450
Recreation Programs	455,737	455,737	435,582	20,155
Ice Skating Center	367,829	367,829	377,929	(10,100)
Aquatics	270,128	270,128	271,024	(896)
Totals	3,114,355	3,135,955	3,037,392	98,563
COMMUNITY AND ECONOMIC DEVELOPMENT				
Economic Development	177,431	177,431	138,226	39,205
Community Development	1,215,470	1,215,470	1,281,245	(65,775)
Housing Services-Property Maintenance	314,382	314,382	284,920	29,462
Totals	1,707,283	1,707,283	1,704,391	2,892
GENERAL FUND TRANSFERS				
Transit System	834,095	834,095	730,269	103,826
Debt Service	10,285,935	10,285,935	10,285,935	-
Special Assessments	75,000	75,000	75,000	-
Special Accounts	-	-	300,000	(300,000)
Totals	11,195,030	11,195,030	11,391,204	(196,174)
TOTAL EXPENDITURES AND OTHER USES				
	\$ 53,232,976	\$ 56,443,976	\$ 53,024,854	\$ 3,419,122

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NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds from specific revenue sources that are restricted or committed to expenditures for specific purposes.

Library – To account for funds provided to maintain a member library system.

JATV-12 – To account for funds used to provide public access television to share local events with the community.

Oak Hill Cemetery – To account for the operation and maintenance of the Oak Hill Cemetery.

Tax Incremental Financing (TIF) District #17 – To account for the financing and construction of City improvements related to South Main Street.

Tax Incremental Financing (TIF) District #22 – To account for the financing and construction of City improvements related to the Beloit Avenue Industrial Park, west side of Beloit Avenue.

Tax Incremental Financing (TIF) District #23 – To account for the financing and construction of City improvements related to the eastside downtown.

Tax Incremental Financing (TIF) District #25 – To account for the financing and construction of City improvements related to North Kennedy Road/I-90.

Tax Incremental Financing (TIF) District #26 – To account for the financing and construction of City improvements related to Beloit Avenue/Kellogg Avenue.

Tax Incremental Financing (TIF) District #27 – To account for the financing and construction of City improvements related to the East Van Buren Area.

Tax Incremental Financing (TIF) District #28 – To account for the financing and construction of City improvements related to the Center Avenue/Near Westside.

Tax Incremental Financing (TIF) District #29 – To account for the financing and construction of City improvements related to the Milton Avenue at Mt. Zion Street Area.

Tax Incremental Financing (TIF) District #32 – To account for the financing and construction of City improvements related to mixed industrial and commercial development along Racine Street.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Tax Incremental Financing (TIF) District #33 – To account for the financing and construction of City improvements related to neighborhood revitalization near the Mercy Health Systems campus on Mineral Point.

Tax Incremental Financing (TIF) District #35 – To account for the financing and construction of City improvements and stimulate commercial and industrial development projects in the area near HWY 11 and CTH G.

Tax Incremental Financing (TIF) District #36 – To account for the financing and construction of City improvements and stimulate commercial development or redevelopment in the downtown, an area in need of rehabilitation or conservation.

Tax Incremental Financing (TIF) District #37 – To account for the financing and construction of City improvements and stimulate commercial development or redevelopment south of Humes Road, west of I-39/90, east of N. Pontiac Dr., and north of Holiday Dr., an area in need of rehabilitation or conservation.

Tax Incremental Financing (TIF) District #38 – To account for the financing and construction of City improvements and spur residential and commercial development related to the Milton Avenue at Blackbridge Road Area.

Tax Incremental Financing (TIF) District #39 – To account for the financing and construction of City improvements and spur residential and commercial development related to the Enterprise Drive at Wuthering Hills Road Area.

Tax Incremental Financing (TIF) District #40 – To account for the financing and construction of City improvements and spur residential and commercial development related to the Center Avenue at State Highway 11 Area.

Golf Courses – To account for the operation of the City's two golf courses (Blackhawk and Riverside) managed by KemperSports.

Other Housing Grants – To account for state/federal funds provided to promote revitalization of Janesville's downtown and central city neighborhoods.

Community Development Block Grant – To account for federal funds provided to assist low and moderate-income families, including elderly and handicapped individuals, to obtain affordable, decent, safe and sanitary housing.

Innovation Center (Blended Component Unit) – To account for funds related to the office/commercial/industrial business incubator which provides services, infrastructure, education, and mentorship to entrepreneurs. The facility is key to the implementation of the City's Economic Development Strategy by fostering growth of start-up businesses to create jobs and expand the tax base.



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CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
As of December 31, 2022

	Library	JATV-12	Oak Hill Cemetery	South Main St TIF No. 17
ASSETS				
Current Assets				
Cash and investments	\$ 929,481	\$ 137,248	\$ 67,664	\$ -
Taxes receivable	3,546,742	-	-	30,420
Accounts receivable	6,339	34,774	1,300	-
Prepaid items	16	-	-	-
Loans receivable (net)	-	-	-	-
TOTAL ASSETS	<u>\$ 4,482,578</u>	<u>\$ 172,022</u>	<u>\$ 68,964</u>	<u>\$ 30,420</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ 51,640	\$ 108	\$ 984	\$ -
Accrued liabilities	113,263	6,533	1,875	-
Due to other funds	-	-	-	40,887
Total Liabilities	<u>164,903</u>	<u>6,641</u>	<u>2,859</u>	<u>40,887</u>
Deferred Inflows of Resources				
Deferred revenues	3,546,742	-	-	30,420
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>3,546,742</u>	<u>-</u>	<u>-</u>	<u>30,420</u>
Fund Balances				
Nonspendable	16	-	-	-
Restricted	770,917	-	-	-
Committed	-	165,381	66,105	-
Unassigned (deficit)	-	-	-	(40,887)
Total Fund Balances	<u>770,933</u>	<u>165,381</u>	<u>66,105</u>	<u>(40,887)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,482,578</u>	<u>\$ 172,022</u>	<u>\$ 68,964</u>	<u>\$ 30,420</u>

Continued on
Next Page

Beloit Ave Industrial Park TIF No. 22	Eastside Downtown TIF No. 23	North Kennedy Rd TIF No. 25	Beloit Ave/ Kellogg Ave TIF No. 26	East Van Buren TIF No. 27	Center Ave TIF No. 28	Milton Ave at Mt Zion TIF No. 29	Racine St TIF No. 32
\$ 137,611	\$ 255,618	\$ -	\$ 372,417	\$ 93,975	\$ -	\$ 333,723	\$ 1,550,699
-	49,770	285,126	467,302	6,665	13,672	-	2,806,230
-	-	-	43,325	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 137,611</u>	<u>\$ 305,388</u>	<u>\$ 285,126</u>	<u>\$ 883,044</u>	<u>\$ 100,640</u>	<u>\$ 13,672</u>	<u>\$ 333,723</u>	<u>\$ 4,356,929</u>
\$ 137,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333,723	\$ 18
-	-	-	-	-	-	-	204
-	-	74,964	-	-	81,681	-	-
<u>137,611</u>	<u>-</u>	<u>74,964</u>	<u>-</u>	<u>-</u>	<u>81,681</u>	<u>333,723</u>	<u>222</u>
-	49,770	285,126	467,302	6,665	13,672	-	2,806,230
-	-	-	-	-	-	-	-
-	49,770	285,126	467,302	6,665	13,672	-	2,806,230
-	-	-	-	-	-	-	-
-	255,618	-	415,742	93,975	-	-	1,550,477
-	-	-	-	-	-	-	-
-	-	(74,964)	-	-	(81,681)	-	-
-	255,618	(74,964)	415,742	93,975	(81,681)	-	1,550,477
<u>\$ 137,611</u>	<u>\$ 305,388</u>	<u>\$ 285,126</u>	<u>\$ 883,044</u>	<u>\$ 100,640</u>	<u>\$ 13,672</u>	<u>\$ 333,723</u>	<u>\$ 4,356,929</u>

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
As of December 31, 2022

	Mineral Pt TIF No. 33	HWY 11/CTH G TIF No. 35	Downtown TIF No. 36	Humes Rd TIF No. 37
ASSETS				
Current Assets				
Cash and investments	\$ 290,064	\$ 482,036	\$ 193,543	\$ 184,664
Taxes receivable	370,738	2,533,819	839,445	425,887
Accounts receivable	-	71,336	-	-
Prepaid items	-	-	-	-
Loans receivable (net)	-	-	-	-
TOTAL ASSETS	<u>\$ 660,802</u>	<u>\$ 3,087,191</u>	<u>\$ 1,032,988</u>	<u>\$ 610,551</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ -	\$ 5,160	\$ 29,386	\$ -
Accrued liabilities	-	2,452	204	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>7,612</u>	<u>29,590</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred revenues	370,738	2,533,819	839,445	425,887
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>370,738</u>	<u>2,533,819</u>	<u>839,445</u>	<u>425,887</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	290,064	545,760	163,953	184,664
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>290,064</u>	<u>545,760</u>	<u>163,953</u>	<u>184,664</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 660,802</u>	<u>\$ 3,087,191</u>	<u>\$ 1,032,988</u>	<u>\$ 610,551</u>

Milton Ave TIF No. 38	TIF No. 39	TIF No. 40	Golf Courses	Other Housing Grants	Community Development Block Grant	Innovation Center	Totals
\$ 101,868	\$ -	\$ -	\$ 30,595	\$ 496,382	\$ 159,593	\$ -	\$ 5,817,181
376,763	-	-	-	-	-	-	11,752,579
-	-	-	189,124	116,863	110,447	19,949	593,457
-	-	-	50,141	-	-	-	50,157
-	-	-	-	1,131,985	1,830,128	-	2,962,113
<u>\$ 478,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,860</u>	<u>\$ 1,745,230</u>	<u>\$ 2,100,168</u>	<u>\$ 19,949</u>	<u>\$ 21,175,487</u>
\$ -	\$ -	\$ -	\$ 37,778	\$ 7,787	\$ 81,977	\$ 19,093	\$ 705,265
-	-	-	82	1,231	4,595	37	130,476
-	25,657	92,662	-	-	-	118,329	434,180
-	25,657	92,662	37,860	9,018	86,572	137,459	1,269,921
376,763	-	-	88,602	-	172	21,303	11,862,656
-	-	-	-	1,131,985	1,852,825	-	2,984,810
376,763	-	-	88,602	1,131,985	1,852,997	21,303	14,847,466
-	-	-	50,141	-	-	-	50,157
101,868	-	-	-	604,227	160,599	-	5,137,864
-	-	-	93,257	-	-	-	324,743
-	(25,657)	(92,662)	-	-	-	(138,813)	(454,664)
101,868	(25,657)	(92,662)	143,398	604,227	160,599	(138,813)	5,058,100
<u>\$ 478,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,860</u>	<u>\$ 1,745,230</u>	<u>\$ 2,100,168</u>	<u>\$ 19,949</u>	<u>\$ 21,175,487</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
For the Year Ended December 31, 2022

	Library	JATV-12	Oak Hill Cemetery	South Main St TIF No. 17
REVENUES				
Taxes	\$ 3,545,460	\$ -	\$ -	\$ 35,846
Investment income	-	-	-	-
State and federal aids	20,659	34,428	-	32
Service charges and other	641,369	135,654	178,250	-
Miscellaneous	-	-	-	-
Total Revenues	<u>4,207,488</u>	<u>170,082</u>	<u>178,250</u>	<u>35,878</u>
EXPENDITURES				
Current				
Recreation and parks	-	-	202,962	-
Community and economic development	-	-	-	793
Library	3,586,727	177,614	-	-
Capital Outlay	<u>399,757</u>	<u>17,272</u>	-	-
Total Expenditures	<u>3,986,484</u>	<u>194,886</u>	<u>202,962</u>	<u>793</u>
Excess (deficiency) of revenues over expenditures	<u>221,004</u>	<u>(24,804)</u>	<u>(24,712)</u>	<u>35,085</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfer out	<u>(242,956)</u>	-	-	-
Total Other Financing Sources (Uses)	<u>(242,956)</u>	-	-	-
Net change in fund balance	(21,952)	(24,804)	(24,712)	35,085
FUND BALANCES (DEFICIT) - Beginning of Year	<u>792,885</u>	<u>190,185</u>	<u>90,817</u>	<u>(75,972)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 770,933</u>	<u>\$ 165,381</u>	<u>\$ 66,105</u>	<u>\$ (40,887)</u>

Beloit Ave Industrial Park TIF No. 22	Eastside Downtown TIF No. 23	North Kennedy Rd TIF No. 25	Beloit Ave/ Kellogg Ave TIF No. 26	East Van Buren TIF No. 27	Center Ave TIF No. 28	Milton Ave at Mt Zion TIF No. 29	Racine St TIF No. 32
\$ 1,308,431	\$ 58,647	\$ 310,324	\$ 443,666	\$ 6,890	\$ 8,908	\$ 89,235	\$ 2,438,437
2,971	19,653	495	7,181	1,452	-	2,185	35,360
553	2,160	10,259	65,310	3,016	-	5,794	248,489
-	157,442	(3,314)	2,054	-	-	-	10,000
-	32,105	-	-	-	-	-	61,826
<u>1,311,955</u>	<u>270,007</u>	<u>317,764</u>	<u>518,211</u>	<u>11,358</u>	<u>8,908</u>	<u>97,214</u>	<u>2,794,112</u>
-	-	-	-	-	-	-	-
48,849	539	3,041	160,420	539	1,816	433,956	2,934,672
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>48,849</u>	<u>539</u>	<u>3,041</u>	<u>160,420</u>	<u>539</u>	<u>1,816</u>	<u>433,956</u>	<u>2,934,672</u>
<u>1,263,106</u>	<u>269,468</u>	<u>314,723</u>	<u>357,791</u>	<u>10,819</u>	<u>7,092</u>	<u>(336,742)</u>	<u>(140,560)</u>
-	-	-	-	-	-	-	-
(1,465,024)	(300,000)	(233,650)	(181,800)	-	-	(151,408)	(250,000)
<u>(1,465,024)</u>	<u>(300,000)</u>	<u>(233,650)</u>	<u>(181,800)</u>	<u>-</u>	<u>-</u>	<u>(151,408)</u>	<u>(250,000)</u>
(201,918)	(30,532)	81,073	175,991	10,819	7,092	(488,150)	(390,560)
<u>201,918</u>	<u>286,150</u>	<u>(156,037)</u>	<u>239,751</u>	<u>83,156</u>	<u>(88,773)</u>	<u>488,150</u>	<u>1,941,037</u>
<u>\$ -</u>	<u>\$ 255,618</u>	<u>\$ (74,964)</u>	<u>\$ 415,742</u>	<u>\$ 93,975</u>	<u>\$ (81,681)</u>	<u>\$ -</u>	<u>\$ 1,550,477</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
For the Year Ended December 31, 2022

	Mineral Pt TIF No. 33	HWY 11/CTH G TIF No. 35	Downtown TIF No. 36	Humes Rd TIF No. 37
REVENUES				
Taxes	\$ 354,501	\$ 1,914,151	\$ 548,199	\$ 419,806
Investment income	7,987	8,823	-	2,631
State and federal aids	549	454,303	36,801	-
Service charges and other	3,189	10,000	2,791	10,000
Miscellaneous	-	-	9,095	-
Total Revenues	<u>366,226</u>	<u>2,387,277</u>	<u>596,886</u>	<u>432,437</u>
EXPENDITURES				
Current				
Recreation and parks	-	-	-	-
Community and economic development	916	1,249,910	1,171,005	352,350
Library	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>916</u>	<u>1,249,910</u>	<u>1,171,005</u>	<u>352,350</u>
Excess (deficiency) of revenues over expenditures	<u>365,310</u>	<u>1,137,367</u>	<u>(574,119)</u>	<u>80,087</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	800,000	-
Transfer out	<u>(250,000)</u>	<u>(488,010)</u>	<u>(1,102,964)</u>	<u>(17,925)</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(488,010)</u>	<u>(302,964)</u>	<u>(17,925)</u>
Net change in fund balance	115,310	649,357	(877,083)	62,162
FUND BALANCES (DEFICIT) - Beginning of Year	<u>174,754</u>	<u>(103,597)</u>	<u>1,041,036</u>	<u>122,502</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 290,064</u>	<u>\$ 545,760</u>	<u>\$ 163,953</u>	<u>\$ 184,664</u>

Milton Ave at Blackbridge TIF No. 38	Capital Circle TIF No. 39	Pheasant Field TIF No. 40	Golf Courses	Other Housing Grants	Community Development Block Grant	Innovation Center	Totals
\$ 317,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,799,978
1,453	-	-	-	5,912	500	155,161	251,764
-	-	-	-	431,194	660,976	-	1,974,523
-	10,000	-	1,410,305	110,034	157,108	300	2,835,182
-	-	-	-	-	-	-	103,026
<u>318,930</u>	<u>10,000</u>	<u>-</u>	<u>1,410,305</u>	<u>547,140</u>	<u>818,584</u>	<u>155,461</u>	<u>16,964,473</u>
-	-	-	1,256,712	-	-	-	1,459,674
1,028	35,657	92,662	-	526,833	880,014	198,074	8,093,074
-	-	-	-	-	-	-	3,764,341
-	-	-	-	-	-	-	417,029
<u>1,028</u>	<u>35,657</u>	<u>92,662</u>	<u>1,256,712</u>	<u>526,833</u>	<u>880,014</u>	<u>198,074</u>	<u>13,734,118</u>
<u>317,902</u>	<u>(25,657)</u>	<u>(92,662)</u>	<u>153,593</u>	<u>20,307</u>	<u>(61,430)</u>	<u>(42,613)</u>	<u>3,230,355</u>
-	-	-	-	-	-	-	800,000
<u>(129,270)</u>	<u>-</u>	<u>-</u>	<u>(50,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,863,507)</u>
<u>(129,270)</u>	<u>-</u>	<u>-</u>	<u>(50,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,063,507)</u>
188,632	(25,657)	(92,662)	103,093	20,307	(61,430)	(42,613)	(833,152)
<u>(86,764)</u>	<u>-</u>	<u>-</u>	<u>40,305</u>	<u>583,920</u>	<u>222,029</u>	<u>(96,200)</u>	<u>5,891,252</u>
<u>\$ 101,868</u>	<u>\$ (25,657)</u>	<u>\$ (92,662)</u>	<u>\$ 143,398</u>	<u>604,227</u>	<u>\$ 160,599</u>	<u>\$ (138,813)</u>	<u>\$ 5,058,100</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,545,450	\$ 3,545,450	\$ 3,545,460	\$ 10
State and federal aids	20,545	20,545	20,659	114
Service charges and other	<u>627,106</u>	<u>627,106</u>	<u>641,369</u>	<u>14,263</u>
Total Revenues	<u>4,193,101</u>	<u>4,193,101</u>	<u>4,207,488</u>	<u>14,387</u>
EXPENDITURES				
Current				
Library	3,675,734	3,675,734	3,586,727	89,007
Capital Outlay	<u>410,262</u>	<u>410,262</u>	<u>399,757</u>	<u>10,505</u>
Total Expenditures	<u>4,085,996</u>	<u>4,085,996</u>	<u>3,986,484</u>	<u>99,512</u>
Excess of revenues over expenditures	<u>107,105</u>	<u>107,105</u>	<u>221,004</u>	<u>113,899</u>
OTHER FINANCING USES				
Transfer out	<u>(242,956)</u>	<u>(242,956)</u>	<u>(242,956)</u>	<u>-</u>
Total Other Financing Uses	<u>(242,956)</u>	<u>(242,956)</u>	<u>(242,956)</u>	<u>-</u>
Net change in fund balance	(135,851)	(135,851)	(21,952)	113,899
FUND BALANCES - Beginning of Year	<u>792,885</u>	<u>792,885</u>	<u>792,885</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 657,034</u>	<u>\$ 657,034</u>	<u>\$ 770,933</u>	<u>\$ 113,899</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - JATV-12 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 34,428	\$ 34,428	\$ 34,428	\$ -
Service charges and other	138,011	138,011	135,654	(2,357)
Total Revenues	<u>172,439</u>	<u>172,439</u>	<u>170,082</u>	<u>(2,357)</u>
EXPENDITURES				
Current				
Library	200,080	200,080	177,614	22,466
Capital Outlay	9,185	9,185	17,272	(8,087)
Total Expenditures	<u>209,265</u>	<u>209,265</u>	<u>194,886</u>	<u>14,379</u>
Net change in fund balance	(36,826)	(36,826)	(24,804)	12,022
FUND BALANCES - Beginning of Year	<u>190,185</u>	<u>190,185</u>	<u>190,185</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 153,359</u>	<u>\$ 153,359</u>	<u>\$ 165,381</u>	<u>\$ 12,022</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - OAK HILL CEMETERY

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 198,000	\$ 198,000	\$ 178,250	\$ (19,750)
Total Revenues	<u>198,000</u>	<u>198,000</u>	<u>178,250</u>	<u>(19,750)</u>
EXPENDITURES				
Current				
Recreation and parks	<u>216,679</u>	<u>216,679</u>	<u>202,962</u>	<u>13,717</u>
Total Expenditures	<u>216,679</u>	<u>216,679</u>	<u>202,962</u>	<u>13,717</u>
Net change in fund balance	(18,679)	(18,679)	(24,712)	(6,033)
FUND BALANCES - Beginning of Year	<u>90,817</u>	<u>90,817</u>	<u>90,817</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 72,138</u>	<u>\$ 72,138</u>	<u>\$ 66,105</u>	<u>\$ (6,033)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GOLF COURSES
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 1,284,992	\$ 1,284,992	\$ 1,410,305	\$ 125,313
Total Revenues	<u>1,284,992</u>	<u>1,284,992</u>	<u>1,410,305</u>	<u>125,313</u>
EXPENDITURES				
Current				
Recreation and parks	<u>1,219,324</u>	<u>1,219,324</u>	<u>1,256,712</u>	<u>(37,388)</u>
Total Expenditures	<u>1,219,324</u>	<u>1,219,324</u>	<u>1,256,712</u>	<u>(37,388)</u>
Excess of revenues over expenditures	<u>65,668</u>	<u>65,668</u>	<u>153,593</u>	<u>87,925</u>
OTHER FINANCING USES				
Transfers out	<u>(50,500)</u>	<u>(50,500)</u>	<u>(50,500)</u>	<u>-</u>
Total Other Financing Uses	<u>(50,500)</u>	<u>(50,500)</u>	<u>(50,500)</u>	<u>-</u>
Net change in fund balance	15,168	15,168	103,093	87,925
FUND BALANCES - Beginning of Year	<u>40,305</u>	<u>40,305</u>	<u>40,305</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 55,473</u>	<u>\$ 55,473</u>	<u>\$ 143,398</u>	<u>\$ 87,925</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER HOUSING GRANTS For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 300	\$ 300	\$ 5,912	\$ 5,612
State and federal aids	1,135,564	1,135,564	431,194	(704,370)
Service charges and other	55,500	55,500	110,034	54,534
Total Revenues	<u>1,191,364</u>	<u>1,191,364</u>	<u>547,140</u>	<u>(644,224)</u>
EXPENDITURES				
Current				
Community and economic development	1,195,464	1,195,464	526,833	668,631
Total Expenditures	<u>1,195,464</u>	<u>1,195,464</u>	<u>526,833</u>	<u>668,631</u>
Net change in fund balance	(4,100)	(4,100)	20,307	24,407
FUND BALANCES - Beginning of Year	<u>583,920</u>	<u>583,920</u>	<u>583,920</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 579,820</u>	<u>\$ 579,820</u>	<u>\$ 604,227</u>	<u>\$ 24,407</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 500	\$ 500	\$ 500	\$ -
State and federal aids	743,463	743,463	660,976	(82,487)
Service charges and other	80,000	80,000	157,108	77,108
Total Revenues	<u>823,963</u>	<u>823,963</u>	<u>818,584</u>	<u>(5,379)</u>
EXPENDITURES				
Current				
Community and economic development	<u>1,135,512</u>	<u>1,135,512</u>	<u>880,014</u>	<u>255,498</u>
Total Expenditures	<u>1,135,512</u>	<u>1,135,512</u>	<u>880,014</u>	<u>255,498</u>
Net change in fund balance	(311,549)	(311,549)	(61,430)	250,119
FUND BALANCES - Beginning of Year	<u>222,029</u>	<u>222,029</u>	<u>222,029</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (89,520)</u>	<u>\$ (89,520)</u>	<u>\$ 160,599</u>	<u>\$ 250,119</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)-
BUDGET AND ACTUAL - INNOVATION CENTER
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income and rents	\$ 151,397	\$ 151,397	\$ 155,161	\$ 3,764
Service charges and other	-	-	300	300
Total Revenues	<u>151,397</u>	<u>151,397</u>	<u>155,461</u>	<u>4,064</u>
EXPENDITURES				
Current				
Community and economic development	<u>146,036</u>	<u>146,036</u>	<u>198,074</u>	<u>(52,038)</u>
Total Expenditures	<u>146,036</u>	<u>146,036</u>	<u>198,074</u>	<u>(52,038)</u>
Net change in fund balance	5,361	5,361	(42,613)	(47,974)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(96,200)</u>	<u>(96,200)</u>	<u>(96,200)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (90,839)</u>	<u>\$ (90,839)</u>	<u>\$ (138,813)</u>	<u>\$ (47,974)</u>

BUDGET AND ACTUAL FOR DEBT SERVICE AND CAPITAL PROJECTS
MAJOR GOVERNMENTAL FUNDS

Debt Service Fund – This fund accounts for resources that are restricted for the payment of principal and interest on long-term debt other than enterprise fund debt.

Capital Projects Fund – This fund accounts for long-term borrowing and other resources that are restricted, committed, or assigned to be used for capital improvement projects.

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 31,983	\$ 31,983	\$ 204,221	\$ 172,238
Special assessments	288,600	288,600	697,485	408,885
Total Revenues	<u>320,583</u>	<u>320,583</u>	<u>901,706</u>	<u>581,123</u>
EXPENDITURES				
Debt Service				
Principal retirement	13,678,000	13,678,000	13,678,000	-
Interest and fiscal charges	1,655,609	1,655,609	1,672,951	(17,342)
Total Expenditures	<u>15,333,609</u>	<u>15,333,609</u>	<u>15,350,951</u>	<u>(17,342)</u>
Excess (deficiency) of revenues over expenditures	<u>(15,013,026)</u>	<u>(15,013,026)</u>	<u>(14,449,245)</u>	<u>563,781</u>
OTHER FINANCING SOURCES				
Premium on long-term debt	587,518	587,518	303,815	(283,703)
Transfers in	14,459,884	14,459,884	14,347,546	(112,338)
Total Other Financing Sources	<u>15,047,402</u>	<u>15,047,402</u>	<u>14,651,361</u>	<u>(396,041)</u>
Net change in fund balance	34,376	34,376	202,116	167,740
FUND BALANCES - Beginning of Year	<u>4,695,309</u>	<u>4,695,309</u>	<u>4,695,309</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,729,685</u>	<u>\$ 4,729,685</u>	<u>\$ 4,897,425</u>	<u>\$ 167,740</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - CAPITAL PROJECTS
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 341,291	\$ 341,291
State and federal aids	-	-	1,465,963	1,465,963
Special assessments	288,600	288,600	518,869	230,269
Miscellaneous	-	-	26,512	26,512
Total Revenues	<u>288,600</u>	<u>288,600</u>	<u>2,352,635</u>	<u>2,064,035</u>
EXPENDITURES				
Capital Outlay	<u>11,509,477</u>	<u>11,509,477</u>	<u>13,239,468</u>	<u>(1,729,991)</u>
Total Expenditures	<u>11,509,477</u>	<u>11,509,477</u>	<u>13,239,468</u>	<u>(1,729,991)</u>
Excess (deficiency) of revenues over expenditures	<u>(11,220,877)</u>	<u>(11,220,877)</u>	<u>(10,886,833)</u>	<u>334,044</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	8,310,877	8,310,877	9,607,750	1,296,873
Transfers in	2,910,000	2,910,000	2,433,874	(476,126)
Transfers out	-	-	(191,295)	(191,295)
Total Other Financing Sources (Uses)	<u>11,220,877</u>	<u>11,220,877</u>	<u>11,850,329</u>	<u>629,452</u>
Net change in fund balance	-	-	963,496	963,496
FUND BALANCES - Beginning of Year	<u>10,555,404</u>	<u>10,555,404</u>	<u>10,555,404</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,555,404</u>	<u>\$ 10,555,404</u>	<u>\$ 11,518,900</u>	<u>\$ 963,496</u>

SUPPLEMENTARY INFORMATION

MAJOR PROPRIETARY FUNDS

Water Utility Fund – The Water Utility accounts for all activities necessary to provide cost effective water services to residents of the City of Janesville in accordance with current “safe drinking water” standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, financing, and related debt service.

Wastewater Utility Fund – The Wastewater Utility accounts for all activities necessary to provide cost effective sanitary sewer services to residents of the City of Janesville in accordance with current “treated effluent discharge” standards established by state and federal governments. Fund activities include administration, billing and collection, operations and maintenance, collection system expansion, financing, and related debt service.

JANESVILLE WATER UTILITY

UTILITY PLANT December 31, 2022

	Balance 1-1-22	2022 Additions	Retirements	Balance 12-31-22
SOURCE OF SUPPLY				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	2,301,834	-	-	2,301,834
Total Source of Supply	<u>2,505,251</u>	<u>-</u>	<u>-</u>	<u>2,505,251</u>
PUMPING				
Land and land rights	14,401	-	-	14,401
Structures and improvements	4,342,409	-	-	4,342,409
Electric pumping equipment	4,387,433	-	-	4,387,433
Total Pumping	<u>8,744,243</u>	<u>-</u>	<u>-</u>	<u>8,744,243</u>
WATER TREATMENT				
Water treatment equipment	<u>326,854</u>	<u>-</u>	<u>-</u>	<u>326,854</u>
TRANSMISSION AND DISTRIBUTION				
Land and land rights	90,496	-	-	90,496
Reservoirs and standpipes	3,506,095	-	-	3,506,095
Transmission and distribution mains	71,843,201	4,742,149	64,865	76,520,485
Services	12,752,674	2,313,800	11,179	15,055,295
Meters	5,737,351	414,834	48,488	6,103,697
Hydrants	4,573,007	330,600	48,509	4,855,098
Total Transmission and Distribution	<u>98,502,824</u>	<u>7,801,383</u>	<u>173,041</u>	<u>106,131,166</u>
GENERAL				
Structures and improvements	1,027,728	-	-	1,027,728
Office furniture and equipment	34,902	-	-	34,902
Transportation equipment	924,281	47,772	3,694	968,359
Stores equipment	14,438	-	-	14,438
Tools, shop and garage equipment	152,085	4,942	-	157,027
Power operated equipment	655,779	-	-	655,779
Communication equipment	1,108,847	-	-	1,108,847
Computer equipment	1,128,803	63,355	3,421	1,188,737
Total General	<u>5,046,863</u>	<u>116,069</u>	<u>7,115</u>	<u>5,155,817</u>
TOTAL PLANT IN SERVICE	<u>\$ 115,126,035</u>	<u>\$ 7,917,452</u>	<u>\$ 180,156</u>	<u>\$ 122,863,331</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2022 and 2021

OPERATING REVENUES	<u>2022</u>	<u>2021</u>
Sales of Water		
Metered Sales		
Residential	\$ 6,080,180	\$ 6,296,170
Residential Multi-Family	553,396	542,799
Commercial	2,107,715	1,977,867
Industrial	2,954,595	3,131,770
Public authorities	409,274	421,919
Private fire protection	79,033	79,007
Public fire protection	<u>1,509,118</u>	<u>1,507,203</u>
Total Sales of Water	<u>13,693,311</u>	<u>13,956,735</u>
Other Operating Revenues		
Forfeited discounts	95,326	96,976
Water department rentals	11,253	19,315
Other water revenues	<u>111,532</u>	<u>102,266</u>
Total Other Operating Revenues	<u>218,111</u>	<u>218,557</u>
Total Operating Revenues	<u>13,911,422</u>	<u>14,175,292</u>
OPERATING EXPENSES		
Operation and Maintenance		
Source of Supply		
Maintenance of wells	<u>31,306</u>	<u>28,796</u>
Total Source of Supply	<u>31,306</u>	<u>28,796</u>
Pumping		
Fuel or power purchased for pumping	554,839	522,716
Pumping labor	148,958	121,967
Maintenance of buildings and grounds	98,331	80,655
Maintenance of structures and improvements	2,831	4,941
Maintenance of pumping equipment	<u>136,198</u>	<u>143,229</u>
Total Pumping	<u>941,157</u>	<u>873,508</u>
Water Treatment		
Chemicals	33,078	29,282
Operation labor	<u>33,979</u>	<u>37,590</u>
Total Water Treatment	<u>67,057</u>	<u>66,872</u>
Transmission and Distribution		
Transmission and distribution line expenses	165,960	287,508
Meter expenses	70,148	57,342
Maintenance of distribution reservoirs	1,010	6,190
Maintenance of mains	468,632	361,592
Maintenance of services	236,615	187,009
Maintenance of meters	41,075	12,256
Maintenance of hydrants	<u>96,255</u>	<u>94,878</u>
Total Transmission and Distribution	<u>1,079,695</u>	<u>1,006,775</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 45,400	\$ 41,632
Meter reading expense	13,848	9,355
Customer records and collection	187,507	181,266
Customer service and information	52,902	49,657
Total Customer Accounts	299,657	281,910
Administrative and General		
Administrative and general salaries	438,537	420,833
Office supplies	18,108	15,177
Outside services employed	21,051	7,187
Property insurance	27,204	27,560
Injuries and damages	51,462	50,276
Employees pensions and benefits	606,962	597,311
Regulatory commission	323	846
Rents	27,719	27,362
Maintenance of general plant	41,135	21,218
Total Administrative and General	1,232,501	1,167,770
Total Operation and Maintenance	3,651,373	3,425,631
Depreciation	2,261,596	2,087,395
Taxes *	1,628,465	1,726,670
Total Operating Expenses	7,541,434	7,239,696
Taxes reported as transfers out	1,526,141	1,636,149
 OPERATING INCOME	 \$ 7,896,129	 \$ 8,571,745

* Amount includes the payment in lieu of tax (PILOT) of \$1,526,141 which is shown as a transfer out on the statement of revenues, expenses, and changes in net position.

JANESVILLE WATER UTILITY

RATE OF RETURN - REGULATORY BASIS December 31, 2022 and 2021

	2022	2021
Utility Plant in Service		
Beginning of year	\$ 84,893,298	\$ 77,949,115
End of year	92,178,746	84,893,298
Average	88,536,021	81,421,206
Accumulated Depreciation		
Beginning of year	(33,865,159)	(28,473,387)
End of year	(39,563,128)	(33,865,159)
Average	(36,714,144)	(31,169,273)
Materials and Supplies		
Beginning of year	275,677	282,778
End of year	314,346	275,677
Average	295,011	279,228
Average Balance - Regulatory Liability	215,924	359,524
 AVERAGE NET RATE BASE	 \$ 51,900,964	 \$ 50,171,637
 REGULATORY OPERATING INCOME	 \$ 2,904,757	 \$ 3,462,981
 RATE OF RETURN (PERCENT)	 5.60	 6.90

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 33 as well as PSC Order 05-US-105, which was effective January 1, 2003.

Operating income per PSC reporting requirements excludes \$460,552 depreciation expense on contributed capital, Other Post Employment Benefits of \$(282,116), WRS Pension expense of \$(26,039) and includes a tax equivalent payment of \$1,636,149 reported as a transfer out. Operating income per PSC reporting requirements includes \$3,798,431 of accelerated depreciation expense on replacement mains.

JANESVILLE WASTEWATER UTILITY

UTILITY PLANT
December 31, 2022

	Balance 1-1-22	Additions	Retirements	Balance 12-31-22
COLLECTION SYSTEM				
Collecting mains	\$ 60,922,776	\$ 1,018,507	\$ -	\$ 61,941,283
Collection system equipment	1,636,035	451,132	-	2,087,167
Total Collection System	<u>62,558,811</u>	<u>1,469,639</u>	<u>-</u>	<u>64,028,450</u>
TREATMENT AND DISPOSAL				
Land	18,000	-	-	18,000
Buildings and structures	21,223,466	163,969	-	21,387,435
Preliminary treatment equipment	3,004,617	-	1,000,514	2,004,103
Primary treatment equipment	1,728,539	-	-	1,728,539
Secondary treatment equipment	4,686,009	215,309	-	4,901,318
Disinfection equipment	404,142	-	-	404,142
Sludge treatment and disposal equipment	8,154,410	65,000	111,555	8,107,855
Plant sitework and piping	8,113,184	276,598	-	8,389,782
Metering, sampling and testing equipment	176,074	-	-	176,074
Other treatment and disposal equipment	1,590,525	-	-	1,590,525
Electrical and HVAC	5,345,333	155,986	76,311	5,425,008
Total Treatment and Disposal	<u>54,444,299</u>	<u>876,862</u>	<u>1,188,380</u>	<u>54,132,781</u>
GENERAL				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	286,371	10,300	-	296,671
Office equipment	65,129	-	-	65,129
Miscellaneous equipment	416,237	-	24,363	391,874
Computer equipment	1,594,542	176,477	9,833	1,761,186
Total General	<u>2,448,296</u>	<u>186,777</u>	<u>34,196</u>	<u>2,600,877</u>
TOTAL UTILITY PLANT	<u>\$ 119,451,406</u>	<u>\$ 2,533,278</u>	<u>\$ 1,222,576</u>	<u>\$ 120,762,108</u>

JANESVILLE WASTEWATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Wastewater Revenues		
Residential	\$ 7,439,656	\$ 7,459,384
Commercial	1,912,478	1,817,143
Industrial	981,305	632,128
Public authority	260,990	230,628
Industrial pollution charge	650,939	534,023
Pretreatment program	24,130	36,799
Total Wastewater Revenues	11,269,498	10,710,105
Other Operating Revenues		
Forfeited discounts	97,167	93,854
Miscellaneous revenues	245,109	301,393
Total Other Operating Revenues	342,276	395,247
Total Operating Revenues	11,611,774	11,105,352
OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Treatment plant	1,610,825	1,311,340
Laboratory	244,631	250,334
Pretreatment	92,696	80,944
Sludge disposal	519,325	525,925
Utilities	75,673	67,160
Total Operation	2,543,150	2,235,703
Maintenance		
Collecting sewers	1,333,350	1,356,910
Treatment plant	386,510	377,332
Wastewater lift stations	11,822	6,510
Meters	466,039	420,285
Total Maintenance	2,197,721	2,161,037
Administrative		
General administration	903,858	820,194
Customer accounts	244,975	232,816
City service charges	50,000	50,000
Total Administrative	1,198,833	1,103,010
Total Operation and Maintenance	5,939,704	5,499,750
Depreciation	3,107,759	3,462,912
Total Operating Expenses	9,047,463	8,962,662
OPERATING INCOME	\$ 2,564,311	\$ 2,142,690

INTERNAL SERVICE FUNDS

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

Vehicle Operation & Maintenance Fund – To account for the maintenance, repair, replacement, and operating services for City-owned vehicles and equipment utilized in the delivery of services to the citizens of Janesville.

Insurance Fund – To account for the City resources required to provide a cost-effective means of transferring risk by utilizing insurance and limiting the loss of City resources resulting from accidents, catastrophes, and health care costs.

Benefits Funding – To provide funds for the payment of the non-General Fund portion of debt service on the 2005 taxable note issue. Notes were issued to pay off the Wisconsin Retirement Service (WRS) unfunded prior service liability at a lower interest rate; 4.7% versus 7.8% charged by WRS.

CITY OF JANESVILLE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2022

	Vehicle Operation & Maintenance	Insurance	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 205,926	\$ 7,609,670	\$ 7,815,596
Accounts receivable	70,496	112,476	182,972
Inventories	555,300	-	555,300
Prepaid items	-	4,365	4,365
Total Current Assets	<u>831,722</u>	<u>7,726,511</u>	<u>8,558,233</u>
Noncurrent Assets			
Deposits with risk pool	-	1,604,120	1,604,120
Total Assets	<u>831,722</u>	<u>9,330,631</u>	<u>10,162,353</u>
LIABILITIES			
Current Liabilities			
Accounts payable	136,673	126,791	263,464
Claims payable	-	2,052,434	2,052,434
Accrued salaries and wages	114,113	9,324	123,437
Total Liabilities	<u>250,786</u>	<u>2,188,549</u>	<u>2,439,335</u>
NET POSITION			
Unrestricted	<u>580,936</u>	<u>7,142,082</u>	<u>7,723,018</u>
TOTAL NET POSITION	<u>\$ 580,936</u>	<u>\$ 7,142,082</u>	<u>\$ 7,723,018</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
OPERATING REVENUES				
Charges for services	<u>\$ 5,173,860</u>	<u>\$ 11,982,780</u>	<u>\$ 56,661</u>	<u>\$ 17,213,301</u>
OPERATING EXPENSES				
Operation and maintenance	<u>3,772,688</u>	<u>10,498,514</u>	<u>-</u>	<u>14,271,202</u>
Operating Income	<u>1,401,172</u>	<u>1,484,266</u>	<u>56,661</u>	<u>2,942,099</u>
OTHER FINANCING USES				
Transfers out	<u>(1,370,000)</u>	<u>(50,000)</u>	<u>(56,661)</u>	<u>(1,476,661)</u>
Total Other Financing Sources Uses	<u>(1,370,000)</u>	<u>(50,000)</u>	<u>(56,661)</u>	<u>(1,476,661)</u>
Net Change in Net Position	31,172	1,434,266	-	1,465,438
NET POSITION - Beginning of Year	<u>549,764</u>	<u>5,707,816</u>	<u>-</u>	<u>6,257,580</u>
NET POSITION - END OF YEAR	<u><u>\$ 580,936</u></u>	<u><u>\$ 7,142,082</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,723,018</u></u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from other funds for services	\$ 5,122,392	\$ 12,272,314	\$ -	\$ 17,394,706
Cash paid to suppliers for goods and services	(2,830,280)	(10,367,195)	-	(13,197,475)
Cash payments to employees for services	<u>(1,036,536)</u>	<u>(131,890)</u>	56,661	<u>(1,111,765)</u>
Net Cash Flows From Operating Activities	<u>1,255,576</u>	<u>1,773,229</u>	56,661	<u>3,085,466</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	<u>(1,370,000)</u>	<u>(50,000)</u>	<u>(56,661)</u>	<u>(1,476,661)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(1,370,000)</u>	<u>(50,000)</u>	<u>(56,661)</u>	<u>(1,476,661)</u>
Net Change in Cash and Cash Equivalents	(114,424)	1,723,229	-	1,608,805
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>320,350</u>	<u>5,886,441</u>	-	<u>6,206,791</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 205,926</u>	<u>\$ 7,609,670</u>	<u>\$ -</u>	<u>\$ 7,815,596</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 1,401,172	\$ 1,484,266	\$ 56,661	\$ 2,942,099
Change in Assets and Liabilities				
Accounts receivable	(51,468)	289,534	-	238,066
Inventories	(109,890)	-	-	(109,890)
Prepaid items	-	5,635	-	5,635
Accounts payable	2,997	49,186	-	52,183
Accrued liabilities	<u>12,765</u>	<u>(55,392)</u>	-	<u>(42,627)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,255,576</u>	<u>\$ 1,773,229</u>	<u>\$ 56,661</u>	<u>\$ 3,085,466</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None

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COMPONENT UNIT

City of Janesville Community Development Authority – The Community Development Authority (CDA) is a legally separate organization. The CDA administers the Section 8 Rental Voucher Housing Program funded by the United States Department of Housing and Urban Development, which pays a portion of monthly rent and utilities for low-income families, elderly and handicapped individuals.

CITY OF JANESVILLE

STATEMENT OF CASH FLOWS COMPONENT UNIT

For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 3,333,189
Cash paid to suppliers for goods and services	(3,055,868)
Cash payments to employees for services	<u>(264,271)</u>
Net Cash Flows From Operating Activities	<u>13,050</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>3,105</u>
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Net Change in Cash and Cash Equivalents 16,155

CASH AND CASH EQUIVALENTS - Beginning of Year 189,301

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 205,456

RECONCILIATION OF OPERATING INCOME TO NET

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 13,063
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Income	
Depreciation	2,166
Change in Assets and Liabilities	
Prepaid items	277
Other current liabilities	<u>(2,456)</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ 13,050



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STATISTICAL SECTION

This section of the City of Janesville's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the City's overall financial condition.

<u>Contents</u>	<u>Schedule</u>
Financial Trends: These schedules contain trend information to help the reader understand how the City's financial performance and condition has changed over time.	1 - 4
Revenue Capacity: These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	5 - 8
Debt Capacity: These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	9 - 13
Demographic and Economic Information: These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	14 - 15
Operating Information: 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.	16 - 18
Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR reports for the relevant year.	

CITY OF JANESVILLE, WISCONSIN

Schedule 1
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 162,078,352	\$ 160,797,187	\$ 166,599,500	\$ 165,651,458	\$ 167,011,926	\$ 171,638,380	\$ 180,995,422	\$ 185,634,962	\$ 185,740,274	\$ 192,573,296
Restricted	12,698,813	13,599,327	20,037,322	13,556,068	15,754,928	27,517,272	18,487,197	26,619,055	35,463,046	39,449,363
Unrestricted (deficit)	(7,608,103)	(12,967,948)	(8,009,828)	(3,456,053)	(8,391,870)	(32,472,555)	(31,454,750)	(42,906,762)	(40,303,575)	(36,328,332)
Total governmental activities net position	\$ 167,169,062	\$ 161,428,566	\$ 178,626,994	\$ 175,751,473	\$ 174,374,984	\$ 166,683,097	\$ 168,027,869	\$ 169,347,255	\$ 180,899,745	\$ 195,694,327
Business-type activities										
Net investment in capital assets	\$ 91,214,006	\$ 99,851,686	\$ 99,568,760	\$ 101,129,446	\$ 102,001,949	\$ 104,105,334	\$ 108,602,546	\$ 117,868,784	\$ 125,210,613	\$ 136,777,931
Restricted	7,076,333	7,605,754	8,823,186	8,665,188	9,248,989	10,667,625	10,978,631	13,149,566	14,182,603	11,360,152
Unrestricted	5,170,461	6,254,942	7,240,593	7,865,742	9,010,742	7,075,871	6,727,012	7,276,383	9,320,514	14,607,842
Total business-type activities net position	\$ 103,460,800	\$ 113,712,382	\$ 115,632,539	\$ 117,660,376	\$ 120,261,680	\$ 121,848,830	\$ 126,308,189	\$ 138,294,733	\$ 148,713,730	\$ 162,745,925
Primary Government										
Net investment in capital assets	\$ 253,172,358	259,755,873	265,371,260	266,213,904	268,567,875	275,359,714	289,332,968	303,358,746	310,854,887	329,304,227
Restricted	19,775,146	21,205,081	28,860,508	22,221,256	25,003,917	38,184,897	29,465,828	39,768,621	49,645,649	50,809,515
Unrestricted (deficit)	(2,317,642)	(5,820,006)	27,765	4,976,689	1,064,872	(25,012,684)	(24,462,738)	(35,485,379)	(30,887,061)	(21,673,490)
Total primary government net position	\$ 270,629,862	\$ 275,140,948	\$ 294,259,533	\$ 293,411,849	\$ 294,636,664	\$ 288,531,927	\$ 294,336,058	\$ 307,641,988	\$ 329,613,475	\$ 358,440,252

* Net position as of January 1, 2018 was restated due to the implementation of GASB Statement No. 75.

CITY OF JANESVILLE, WISCONSIN

Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General Government	\$ 4,092,977	\$ 4,477,733	\$ 4,151,408	\$ 4,993,527	\$ 4,959,538	\$ 4,736,517	\$ 5,276,138	\$ 5,122,223	\$ 5,262,872	\$ 5,246,061
Public Safety	26,449,707	25,081,688	25,738,815	27,177,668	30,184,659	28,724,964	32,499,009	30,411,791	27,453,518	28,432,532
Public Works	19,368,381	23,938,994	17,457,921	19,462,880	18,612,387	16,644,640	18,979,099	19,558,230	23,491,529	23,408,517
Recreation and Parks	4,787,017	4,935,058	4,897,505	5,064,956	5,100,992	4,151,107	4,593,900	4,289,031	4,045,931	4,735,378
Community/Economic Development	4,553,738	8,130,524	8,332,330	8,912,887	8,282,763	10,368,971	11,482,642	14,797,174	8,405,147	11,038,416
Library	3,651,388	3,927,977	4,115,305	4,426,420	4,661,471	4,594,893	4,736,450	4,499,415	4,054,363	4,283,211
Interest and Fiscal Charges	1,469,979	1,315,738	1,436,450	1,388,302	1,294,272	1,465,467	1,674,295	1,727,256	1,708,202	1,677,742
Total governmental activities expenses	<u>64,373,187</u>	<u>71,807,712</u>	<u>66,129,734</u>	<u>71,426,640</u>	<u>73,096,082</u>	<u>70,686,559</u>	<u>79,241,533</u>	<u>80,405,120</u>	<u>74,421,562</u>	<u>78,821,857</u>
Business-type activities:										
Water Utility	5,484,483	5,516,981	5,374,045	5,491,647	5,416,823	5,562,801	6,244,772	6,209,575	5,755,273	6,188,125
Wastewater Utility	8,487,523	8,580,826	8,618,650	9,395,932	9,202,044	9,623,026	9,880,251	10,193,641	9,309,584	9,399,745
Stormwater Utility	1,662,098	1,536,882	1,788,628	2,785,314	3,165,055	3,281,193	3,780,201	4,953,754	4,384,082	5,046,577
Transit	3,771,678	4,142,045	4,076,201	4,078,184	4,212,285	4,009,808	4,351,839	4,162,717	4,232,073	4,470,832
Total business-type activities	<u>19,405,782</u>	<u>19,776,734</u>	<u>19,857,524</u>	<u>21,751,077</u>	<u>21,996,207</u>	<u>22,476,828</u>	<u>24,257,063</u>	<u>25,519,687</u>	<u>23,681,012</u>	<u>25,105,279</u>
Total primary government expenses	<u>\$ 83,778,969</u>	<u>\$ 91,584,446</u>	<u>\$ 85,987,258</u>	<u>\$ 93,177,717</u>	<u>\$ 95,092,289</u>	<u>\$ 93,163,387</u>	<u>\$ 103,498,596</u>	<u>\$ 105,924,807</u>	<u>\$ 98,102,574</u>	<u>\$ 103,927,136</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	457,224	363,891	528,918	730,285	661,384	631,400	589,933	581,999	710,062	734,876
Public Safety	2,960,269	3,181,322	3,401,160	3,465,100	3,961,556	4,562,417	4,128,347	3,884,731	4,331,738	4,999,607
Public Works	6,110,879	6,369,542	7,542,621	9,187,124	9,735,725	11,836,535	9,553,718	10,974,474	11,496,869	11,229,309
Recreation and Parks	2,183,098	2,221,913	2,262,083	2,312,029	2,262,955	2,139,502	2,199,420	1,884,304	2,312,900	2,439,479
Community/Economic Development	960,053	815,156	1,345,080	1,579,793	695,989	482,571	721,083	1,125,241	1,064,935	1,875,652
Library	876,648	938,732	906,286	850,676	859,263	1,000,945	1,763,786	785,956	704,163	776,873
Operating grants and contributions	4,227,501	4,761,005	4,424,256	4,976,353	4,414,390	4,657,543	4,780,586	6,288,677	7,566,337	11,169,109
Capital grants and contributions	5,957,771	5,750,467	6,890,533	878,645	1,317,123	2,400,182	2,328,727	2,194,078	1,531,632	2,305,424
Total governmental activities program revenues	<u>23,733,443</u>	<u>24,402,028</u>	<u>27,300,937</u>	<u>23,980,005</u>	<u>23,908,385</u>	<u>27,711,095</u>	<u>26,065,600</u>	<u>27,719,460</u>	<u>29,718,636</u>	<u>35,530,329</u>
Business-type activities:										
Charges for services:										
Water Utility	7,455,349	7,199,949	6,995,301	7,904,672	8,147,310	8,547,308	8,688,631	13,951,700	14,175,292	13,911,422
Wastewater Utility	9,184,305	9,187,862	9,126,999	9,353,624	9,941,257	9,895,116	10,408,445	10,161,454	11,105,352	11,611,774
Stormwater Utility	2,050,407	2,077,929	2,038,788	3,226,320	3,870,328	3,991,027	4,369,865	5,980,735	5,895,967	7,457,183
Transit	547,846	573,394	547,033	460,284	452,941	435,715	464,146	293,761	332,099	427,130
Operating grants and contributions	2,183,845	2,245,852	2,124,992	2,076,668	2,057,853	2,049,077	2,070,475	2,289,893	2,484,102	2,688,967
Capital grants and contributions	446,217	7,918,959	7,937	1,276,126	388,327	1,512,136	2,380,940	4,636,800	662,453	1,709,938
Total business-type activities program revenues	<u>21,867,969</u>	<u>29,203,945</u>	<u>20,841,050</u>	<u>24,297,694</u>	<u>24,858,016</u>	<u>26,430,379</u>	<u>28,382,502</u>	<u>37,314,343</u>	<u>34,655,265</u>	<u>37,806,414</u>
Total primary government program revenues	<u>\$ 45,601,412</u>	<u>\$ 53,605,973</u>	<u>\$ 48,141,987</u>	<u>\$ 48,277,699</u>	<u>\$ 48,766,401</u>	<u>\$ 54,141,474</u>	<u>\$ 54,448,102</u>	<u>\$ 65,033,803</u>	<u>\$ 64,373,901</u>	<u>\$ 73,336,743</u>

CITY OF JANESVILLE, WISCONSIN

Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (40,639,744)	\$ (47,405,684)	\$ (38,828,797)	\$ (47,446,635)	\$ (49,187,697)	\$ (42,975,464)	\$ (53,175,933)	\$ (52,685,660)	\$ (44,702,926)	\$ (43,291,528)
Business-type activities	<u>2,462,187</u>	<u>9,427,211</u>	<u>983,526</u>	<u>2,546,617</u>	<u>2,861,809</u>	<u>3,953,551</u>	<u>4,125,439</u>	<u>11,794,656</u>	<u>10,974,253</u>	<u>12,701,135</u>
Total primary government net expenses	<u>\$ (38,177,557)</u>	<u>\$ (37,978,473)</u>	<u>\$ (37,845,271)</u>	<u>\$ (44,900,018)</u>	<u>\$ (46,325,888)</u>	<u>\$ (39,021,913)</u>	<u>\$ (49,050,494)</u>	<u>\$ (40,891,004)</u>	<u>\$ (33,728,673)</u>	<u>\$ (30,590,393)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 32,285,025	\$ 33,431,343	\$ 34,544,522	\$ 34,854,348	\$ 37,634,880	\$ 41,492,292	\$ 42,959,368	\$ 43,067,061	\$ 44,554,866	\$ 47,079,418
Other taxes	1,524,835	1,817,507	1,477,297	2,319,788	2,531,389	2,523,179	2,412,455	2,026,139	2,518,083	3,671,332
Intergovernmental revenues	5,518,957	5,495,465	5,475,925	5,446,331	5,628,245	6,214,115	6,609,965	7,076,180	7,368,870	6,972,887
Investment income	273,606	202,932	319,377	230,186	503,534	757,287	1,294,627	699,579	51,504	193,547
Miscellaneous	565,401	745,445	980,888	1,132,803	1,119,538	1,494,147	1,328,219	1,233,368	1,083,355	1,166,632
Transfers	<u>708,594</u>	<u>(799,750)</u>	<u>617,425</u>	<u>587,657</u>	<u>393,622</u>	<u>544,135</u>	<u>(83,929)</u>	<u>(97,281)</u>	<u>678,738</u>	<u>(997,706)</u>
Total governmental activities	<u>40,876,418</u>	<u>40,892,942</u>	<u>43,415,434</u>	<u>44,571,113</u>	<u>47,811,208</u>	<u>53,025,155</u>	<u>54,520,705</u>	<u>54,005,046</u>	<u>56,255,416</u>	<u>58,086,110</u>
Business-type activities:										
Investment income	80,554	15,630	16,937	69,045	106,601	226,649	240,316	70,881	22,254	283,409
Miscellaneous	5,189	8,993	118,306	(123)	26,516	6,153	9,675	23,726	101,229	49,945
Transfers	<u>(708,594)</u>	<u>799,750</u>	<u>(617,425)</u>	<u>(587,658)</u>	<u>(393,622)</u>	<u>(544,135)</u>	<u>83,929</u>	<u>97,281</u>	<u>(678,738)</u>	<u>997,706</u>
Total business-type activities	<u>(622,851)</u>	<u>824,373</u>	<u>(482,182)</u>	<u>(518,736)</u>	<u>(260,505)</u>	<u>(311,333)</u>	<u>333,920</u>	<u>191,888</u>	<u>(555,255)</u>	<u>1,331,060</u>
Total primary government	<u>\$ 40,253,567</u>	<u>\$ 41,717,315</u>	<u>\$ 42,933,252</u>	<u>\$ 44,052,377</u>	<u>\$ 47,550,703</u>	<u>\$ 52,713,822</u>	<u>\$ 54,854,625</u>	<u>\$ 54,196,934</u>	<u>\$ 55,700,161</u>	<u>\$ 59,417,170</u>
Change in Net Position										
Governmental activities	\$ 236,674	\$ (6,512,742)	\$ 4,586,637	\$ (2,875,522)	\$ (1,376,489)	\$ 10,049,691	\$ 1,344,772	\$ 1,319,386	\$ 11,552,490	\$ 14,794,582
Business-type activities	<u>1,839,336</u>	<u>10,251,584</u>	<u>501,344</u>	<u>2,027,881</u>	<u>2,601,304</u>	<u>3,642,218</u>	<u>4,459,359</u>	<u>11,986,544</u>	<u>10,418,998</u>	<u>14,032,195</u>
Total primary government	<u>\$ 2,076,010</u>	<u>\$ 3,738,842</u>	<u>\$ 5,087,981</u>	<u>\$ (847,641)</u>	<u>\$ 1,224,815</u>	<u>\$ 13,691,909</u>	<u>\$ 5,804,131</u>	<u>\$ 13,305,930</u>	<u>\$ 21,971,488</u>	<u>\$ 28,826,777</u>

CITY OF JANESVILLE, WISCONSIN

Schedule 3
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable:										
Long-term receivables / advances	\$ 897,474	\$ 665,851	\$ 1,909,411	\$ 1,541,511	\$ 1,253,394	\$ 1,345,700	\$ 421,900	\$ 202,860	\$ 199,794	\$ 319,571
Inventories and prepaid items	3,924	5,324	73,671	3,220	3,220	3,220	3,220	3,220	3,220	5,773
Assigned	675,000	635,649	564,250	536,757	537,395	509,789	473,531	466,654	-	1,000,988
Unassigned	7,977,243	8,051,182	7,372,013	7,180,180	6,478,899	7,513,563	8,617,899	9,544,725	10,929,326	11,103,941
Total General Fund	\$ 9,553,641	\$ 9,358,006	\$ 9,919,345	\$ 9,261,668	\$ 8,272,908	\$ 9,372,272	\$ 9,516,550	\$ 10,217,459	\$ 11,132,340	\$ 12,430,273
All Other Governmental Funds										
Nonspendable:										
Inventories and prepaid items	\$ 279,116	\$ 307,255	\$ 336,257	\$ 269,868	\$ 258,701	\$ 273,963	\$ 273,641	\$ 309,190	\$ 295,207	\$ 349,659
Restricted reported in:										
Debt service fund	628,760	996,012	2,682,108	2,949,448	3,261,709	3,824,838	4,883,568	5,320,391	4,695,309	4,897,425
Capital projects fund	5,593,500	7,730,977	3,057,045	3,660,835	3,247,894	3,059,670	6,172,705	6,000,018	4,978,104	5,109,091
Special accounts ⁽¹⁾										4,004,516
Special revenue funds	6,609,164	7,485,418	6,496,619	6,230,468	8,000,557	11,527,320	10,489,068	7,837,659	10,202,032	5,137,864
Committed reported in:										
Sanitation fund	285,043	(259,812)	-	1,829,606	3,264,357	3,024,514	2,997,162	3,343,276	5,091,710	5,802,437
Special accounts ⁽¹⁾										1,776,286
Special revenue funds	868,257	903,922	1,000,817	1,014,279	1,036,695	841,386	859,793	989,447	995,551	324,743
Assigned reported in:										
Sanitation fund	-	-	708,912	-	-	-	-	-	-	-
Capital projects fund	4,370,324	3,115,756	1,755,855	3,319,233	2,012,378	4,501,033	3,344,926	2,671,883	5,324,093	6,110,359
Unassigned (deficit) reported in:										
Special accounts										(21,224)
Special revenue funds	(1,292,048)	(1,745,254)	(3,253,023)	(3,273,425)	(3,738,447)	(4,334,367)	(1,857,208)	(1,205,755)	(609,038)	(454,664)
Total All Other Governmental Funds	\$ 17,342,116	\$ 18,534,274	\$ 12,784,590	\$ 16,000,312	\$ 17,343,844	\$ 22,718,357	\$ 27,163,655	\$ 25,266,109	\$ 30,972,968	\$ 33,036,492

(1) In 2022, Special accounts became a major fund and are reported for the first time in this schedule

CITY OF JANESVILLE, WISCONSIN

Schedule 4
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue										
Taxes	\$ 33,801,567	\$ 35,021,613	\$ 36,235,147	\$ 37,144,590	\$ 40,096,357	\$ 44,001,302	\$ 45,438,378	\$ 45,089,434	\$ 46,995,444	\$ 50,678,429
Licenses and permits	1,391,212	1,386,431	1,676,409	1,771,467	1,707,474	1,651,471	1,890,166	1,778,103	2,049,582	2,296,191
Investment income, rents and fines	1,204,362	974,095	1,148,232	1,097,251	1,382,745	1,973,424	2,105,368	1,579,372	886,698	1,140,031
State and federal aid	13,816,294	13,932,166	10,404,266	10,142,710	9,647,915	11,403,810	11,877,994	13,467,468	15,356,218	19,551,929
Special assessments	911,669	1,106,737	1,680,746	149,268	824,389	992,390	1,481,757	766,677	1,925,271	1,216,354
Service charges and other	12,790,362	13,165,018	14,675,945	16,980,221	17,804,778	18,479,956	17,425,495	17,885,600	19,116,454	19,965,842
Miscellaneous	22,842	35,566	15,062	80,838	623,787	1,953,452	1,027,455	202,254	166,778	129,538
Total revenues	63,938,308	65,621,626	65,835,807	67,366,345	72,087,445	80,455,805	81,246,613	80,768,908	86,496,445	94,978,314
Expenditures										
General government	3,760,368	4,369,122	3,995,694	4,045,408	4,031,973	4,427,156	4,379,737	4,659,848	4,778,156	4,939,746
Public safety	24,222,579	25,204,382	24,637,256	24,934,196	26,022,932	26,986,797	27,758,385	29,125,803	28,687,697	30,311,705
Public works	16,016,740	21,573,865	9,805,387	10,251,539	10,883,047	11,993,540	12,688,996	12,691,146	14,846,192	16,110,004
Recreation and parks	4,279,823	4,396,073	4,329,438	4,361,289	4,380,885	4,308,921	4,334,515	3,944,687	4,487,008	4,647,320
Community and economic devel.	4,410,631	8,079,053	8,837,146	8,658,009	8,453,363	10,416,749	11,359,007	15,672,665	9,129,775	11,068,482
Library	3,477,582	3,590,194	3,760,640	3,774,427	3,957,472	4,069,755	3,937,532	3,828,666	3,770,239	3,979,047
Capital outlay	8,583,430	2,003,926	16,382,587	12,582,033	16,301,460	14,660,246	18,008,561	19,544,803	15,189,992	15,600,122
Debt service										
Principal	11,890,000	9,650,000	9,725,000	17,618,000	10,665,000	12,126,000	13,027,000	16,756,000	15,127,000	13,678,000
Interest	1,451,190	1,320,429	1,426,693	1,559,414	1,372,038	1,385,220	1,607,135	1,754,034	1,734,572	1,672,951
Total expenditures	78,092,343	80,187,044	82,899,841	87,784,315	86,068,170	90,374,384	97,100,868	107,977,652	97,750,631	102,007,377
Excess of revenues over (under) expenditures	(14,154,035)	(14,565,418)	(17,064,034)	(20,417,970)	(13,980,725)	(9,918,579)	(15,854,255)	(27,208,744)	(11,254,186)	(7,029,063)
Other financing sources (uses)										
Long-term debt issued	14,333,000	13,400,000	9,497,000	16,521,000	13,736,000	14,039,000	18,119,000	20,681,000	13,710,000	9,607,750
Refunding debt Issued	-	-	1,045,000	4,035,000	-	-	-	3,040,000	1,435,000	-
Premium on long-term debt	166,399	96,759	482,490	550,202	523,573	391,168	565,268	852,162	546,442	303,815
Transfers in	12,101,368	12,079,874	11,945,565	18,938,018	14,673,799	18,864,304	19,673,261	20,708,233	18,058,193	21,023,993
Transfers out	(9,692,218)	(10,014,692)	(11,094,366)	(17,379,581)	(14,286,499)	(16,902,016)	(17,913,698)	(19,269,288)	(15,873,709)	(20,545,038)
Total other financing sources (uses)	16,908,549	15,561,941	11,875,689	22,664,639	14,646,873	16,392,456	20,443,831	26,012,107	17,875,926	10,390,520
Special Item										
Retirement of prior service										
Net change in fund balances	\$ 2,754,514	\$ 996,523	\$ (5,188,345)	\$ 2,246,669	\$ 666,148	\$ 6,473,877	\$ 4,589,576	\$ (1,196,637)	\$ 6,621,740	\$ 3,361,457
Debt service as a percentage of noncapital expenditures	19.2%	16.2%	16.8%	25.6%	17.3%	17.8%	18.5%	20.9%	20.4%	17.8%

CITY OF JANESVILLE, WISCONSIN

Schedule 5
Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property
Last Ten Fiscal Years

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Manufacturing Property</u>	<u>Agricultural⁽¹⁾ Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value⁽²⁾</u>	<u>Total Direct Tax Rate⁽³⁾</u>	<u>Total Taxable Equalized Value⁽⁴⁾</u>	<u>Ratio of Assessed to Equalized Value</u>
2013	2014	\$ 2,545,961,300	\$ 1,056,681,400	\$ 147,126,500	\$ 1,711,900	\$ 152,420,880	\$ 3,903,901,980	8.0425	\$ 3,793,359,600	102.83%
2014	2015	\$ 2,557,899,700	\$ 1,059,040,000	\$ 144,554,800	\$ 1,664,400	\$ 151,726,450	\$ 3,914,885,350	8.3401	\$ 4,005,876,500	97.81%
2015	2016	\$ 2,572,595,600	\$ 1,061,158,600	\$ 160,881,500	\$ 1,654,700	\$ 151,663,660	\$ 3,947,954,060	8.4521	\$ 3,987,273,400	99.14%
2016	2017	\$ 2,590,135,400	\$ 1,081,263,800	\$ 155,024,900	\$ 1,635,600	\$ 155,694,630	\$ 3,983,754,330	8.8216	\$ 4,165,074,300	95.52%
2017	2018	\$ 2,612,827,400	\$ 1,146,538,400	\$ 146,930,200	\$ 1,620,800	\$ 158,450,500	\$ 4,066,367,300	9.2365	\$ 4,605,798,000	88.23%
2018	2019	\$ 2,637,980,700	\$ 1,160,033,400	\$ 142,360,200	\$ 1,621,700	\$ 125,119,510	\$ 4,067,115,510	9.5391	\$ 4,910,020,700	82.81%
2019	2020	\$ 3,457,026,500	\$ 1,274,706,000	\$ 172,044,600	\$ 1,570,700	\$ 147,924,600	\$ 5,053,272,400	7.7756	\$ 5,315,922,100	96.05%
2020	2021	\$ 3,492,040,300	\$ 1,294,819,600	\$ 169,049,000	\$ 1,532,500	\$ 136,912,600	\$ 5,094,354,000	7.8296	\$ 5,591,259,700	90.27%
2021	2022	\$ 3,533,580,800	\$ 1,328,396,000	\$ 171,428,200	\$ 1,525,700	\$ 128,322,300	\$ 5,163,253,000	8.0304	\$ 6,069,240,100	85.08%
2022	2023	\$ 3,586,217,400	\$ 1,360,912,300	\$ 162,590,600	\$ 1,463,900	\$ 114,138,600	\$ 5,225,322,800	8.3902	\$ 7,195,842,200	72.62%

Note: Total Taxable Assessed Value does not include tax exempt properties; tax exempt properties are not assigned values.

⁽¹⁾ Includes Agricultural, Undeveloped, Ag Forest, Forest & Other categories.

⁽²⁾ Source: Statement of Assessments - Bureau of Equalization, WI Dept of Revenue, Assessor Report

⁽³⁾ The City of Janesville Direct Rate includes the City Rate and the Library Rate.

⁽⁴⁾ Source: Statement of Changes in Equalized Values - Bureau of Equalization, WI Dept of Revenue, Website

CITY OF JANESVILLE, WISCONSIN

Schedule 6
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

JANESVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Fiscal Year	City Rate	Library Rate	City of Janesville Direct Rate⁽¹⁾	Janesville School District	Blackhawk Technical	County of Rock	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2013	2014	\$ 7.1970	\$ 0.8455	\$ 8.0425	\$ 9.7841	\$ 1.8703	\$ 6.6809	\$ 0.1649	\$ 26.5427	\$ 1.5041	\$ 25.0386
2014	2015	7.4889	0.8512	8.3401	9.5788	1.1375	6.8271	0.1737	26.0572	1.5052	24.5520
2015	2016	7.6069	0.8452	8.4521	9.6883	1.2110	6.7241	0.1714	26.2469	1.6684	24.5785
2016	2017	7.9632	0.8584	8.8216	10.0638	1.2679	6.8770	0.1774	27.2077	1.6286	25.5791
2017	2018	8.3691	0.8674	9.2365	9.8467	1.3632	7.2342	-	27.6806	1.7640	25.9166
2018	2019	8.6498	0.8893	9.5391	10.2723	1.3798	7.3233	-	28.5145	1.7674	26.7471
2019	2020	7.0432	0.7324	7.7756	8.9546	1.1705	6.1658	-	24.0665	1.4407	22.6258
2020	2021	7.0915	0.7381	7.8296	9.3129	1.1901	6.2769	-	24.6095	1.4612	23.1483
2021	2022	7.2990	0.7314	8.0304	10.2854	1.1763	6.2598	-	25.7519	1.4900	24.2619
2022	2023	7.6671	0.7231	8.3902	10.2099	1.1551	5.8492	-	25.6044	1.5523	24.0521

MILTON SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City Rate	Library Rate	City of Janesville Direct Rate⁽¹⁾	Milton School District	Blackhawk Technical	County of Rock	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2013	2014	\$ 7.1970	\$ 0.8455	\$ 8.0425	\$ 8.8149	\$ 1.8703	\$ 6.6809	\$ 0.1649	\$ 25.5735	\$ 1.5041	\$ 24.0694
2014	2015	7.4889	0.8512	8.3401	8.7458	1.1375	6.8271	0.1737	25.2242	1.5052	23.7190
2015	2016	7.6069	0.8452	8.4521	8.2682	1.2110	6.7241	0.1714	24.8268	1.6684	23.1584
2016	2017	7.9632	0.8584	8.8216	9.5731	1.2679	6.8770	0.1774	26.7170	1.6286	25.0884
2017	2018	8.3691	0.8674	9.2365	9.5514	1.3632	7.2342	-	27.3853	1.7640	25.6213
2018	2019	8.6498	0.8893	9.5391	9.4307	1.3798	7.3233	-	27.6729	1.7674	25.9055
2019	2020	7.0432	0.7324	7.7756	9.5300	1.1705	6.1658	-	24.6419	1.4407	23.2012
2020	2021	7.0915	0.7381	7.8296	10.0634	1.1901	6.2769	-	25.3600	1.4612	23.8988
2021	2022	7.2990	0.7314	8.0304	9.7400	1.1763	6.2598	-	25.2065	1.4900	23.7165
2022	2023	7.6671	0.7231	8.3902	11.1623	1.1551	5.8492	-	26.5568	1.5523	25.0045

Source: City of Janesville Clerk-Treasurer Records

Note: Residents are assessed only the school tax rate for the district they reside in.

⁽¹⁾ The City of Janesville Direct Rate includes the City Rate and the Library Rate.

CITY OF JANESVILLE, WISCONSIN

Schedule 7
Principal Taxpayers
2022 and Nine Years Prior

Taxpayer	2022			2013		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Assessed Value
Mercy Health System Corp	\$ 55,317,400	2	1.07%	\$ 61,022,300	1	1.57%
Dollar General	44,268,400	3	0.86%			
Dean/St Mary's/Riverview	30,414,600	4	0.59%	36,253,810	2	0.93%
Blain Supply Inc.	26,852,200	5	0.52%	33,297,190	4	0.86%
Oak Park Properties of Janesville LLC	26,617,700	6	0.52%			
Stag Janesville LLC	24,249,900	7	0.47%			
RockStep Janesville LLC/Janesville Mall			0.00%	34,621,850	3	0.89%
GHC Specialty Brands (Lab Safety)	20,983,500	9	0.41%	26,780,310	5	0.69%
Woodsvie LLC	20,498,000	10	0.40%			
Hendricks Commercial Properties			0.00%			
Woodman's Food Market				18,541,640	10	0.48%
Village Green East Apartments LLC	24,067,900	8	0.47%			
Helgesen Family Partnership				20,251,300	7	0.52%
Menards Inc				19,067,760	8	0.49%
Lemans Corp				18,744,170	9	0.48%
TI Janesville I LLC to VIII LLC	59,824,700	1	1.16%			
Wal-Mart				21,838,080	6	0.56%
Total	\$ 333,094,300		6.45%	\$ 290,418,410		7.46%

Source: City of Janesville Clerk Treasurer Office
(1) Includes real property and personal property

CITY OF JANESVILLE, WISCONSIN

Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Total City Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Total Collections to Date</u>		<u>Outstanding Delinquent PP Taxes 12/31/2022</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
2012	2013	\$ 32,388,284	\$ 32,326,387	99.81%	\$ 32,346,230	99.87%	\$ 42,054
2013	2014	\$ 33,539,003	\$ 33,479,841	99.82%	\$ 33,487,374	99.85%	\$ 51,630
2014	2015	\$ 34,731,875	\$ 34,670,099	99.82%	\$ 34,671,987	99.83%	\$ 59,888
2015	2016	\$ 35,201,846	\$ 35,161,704	99.89%	\$ 35,162,638	99.89%	\$ 40,142
2016	2017	\$ 38,261,082	\$ 38,207,010	99.86%	\$ 38,207,010	99.86%	\$ 54,072
2017	2018	\$ 41,616,192	\$ 41,559,015	99.86%	\$ 41,574,424	99.90%	\$ 57,177
2018	2019	\$ 43,102,776	\$ 43,071,715	99.93%	\$ 43,060,364	99.90%	\$ 31,061
2019	2020	\$ 43,239,989	\$ 43,157,297	99.81%	\$ 43,197,602	99.90%	\$ 82,692
2020	2021	\$ 44,746,507	\$ 44,699,606	99.90%	\$ 44,696,974	99.89%	\$ 46,900
2021	2022	\$ 49,361,303	\$ 49,312,141	99.90%	\$ 49,346,627	99.97%	\$ 49,162

Note: Delinquent real estate taxes are paid in full by Rock County with the August settlement. Outstanding delinquent taxes represent personal property taxes outstanding at the end of the year. After one year, the delinquent personal property taxes of businesses that are closed, declared bankruptcy, or changed ownership are charged back to each taxing jurisdiction in proportion to the amount levied. After five years, personal property taxes not collected are written off as uncollectible.

CITY OF JANESVILLE, WISCONSIN

Schedule 9
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 189,667,980	\$ 200,293,825	\$ 199,363,670	\$ 208,253,715	\$ 230,289,900	\$ 245,501,035	\$ 265,796,105	\$ 359,792,110	\$ 303,462,005	\$ 359,792,110
Total Net Debt Applicable to Limit	<u>75,155,000</u>	<u>80,425,000</u>	<u>82,210,000</u>	<u>88,045,000</u>	<u>91,895,000</u>	<u>97,195,000</u>	<u>102,255,000</u>	<u>108,700,000</u>	<u>109,385,000</u>	<u>102,420,000</u>
Legal Debt Margin	<u>\$ 114,512,980</u>	<u>\$ 119,868,825</u>	<u>\$ 117,153,670</u>	<u>\$ 120,208,715</u>	<u>\$ 138,394,900</u>	<u>\$ 148,306,035</u>	<u>\$ 163,541,105</u>	<u>\$ 251,092,110</u>	<u>\$ 194,077,005</u>	<u>\$ 257,372,110</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	39.62%	40.15%	41.24%	42.28%	39.90%	39.59%	38.47%	30.21%	36.05%	28.47%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Value of Taxable Property	\$ 7,195,842,200
Legal Debt Limit (5% of Total Equalized Value)	359,792,110
Less : General Obligation Debt	<u>102,420,000</u>
Legal Debt Margin	<u>\$ 257,372,110</u>

Note: In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of the taxable property within the City's jurisdiction.

CITY OF JANESVILLE, WISCONSIN

Schedule 10
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Net Total Primary Government	Percentage Personal Income ⁽²⁾	Debt Per Capita ⁽²⁾
	General Obligation Debt ⁽¹⁾	General Obligation Debt ⁽¹⁾	Revenue Bonds				
2013	\$ 55,005,834	\$ 20,474,511	\$ 30,065,522		\$ 105,545,867	4.36%	\$ 1,660
2014	\$ 58,818,338	\$ 22,027,632	\$ 28,245,050		\$ 109,091,020	4.44%	\$ 1,717
2015	\$ 60,054,611	\$ 23,170,861	\$ 26,383,312		\$ 109,608,784	4.31%	\$ 1,726
2016	\$ 63,427,961	\$ 26,222,099	\$ 24,479,363		\$ 114,129,423	4.44%	\$ 1,798
2017	\$ 66,853,993	\$ 27,117,868	\$ 22,567,392		\$ 116,539,253	4.39%	\$ 1,844
2018	\$ 68,945,615	\$ 30,628,480	\$ 20,688,769		\$ 120,262,864	4.28%	\$ 1,892
2019	\$ 74,356,146	\$ 30,662,379	\$ 18,768,104		\$ 123,786,629	4.22%	\$ 1,951
2020	\$ 81,842,546	\$ 30,234,890	\$ 16,824,384		\$ 128,901,820	4.16%	\$ 2,033
2021	\$ 81,976,679	\$ 30,973,051	\$ 14,837,298		\$ 127,787,028	3.77%	\$ 1,991
2022	\$ 77,797,994	\$ 27,999,629	\$ 12,881,424		\$ 118,679,047	N/A ⁽³⁾	\$ 1,793

Notes: Details of the City's outstanding debt can be found in the notes to the financial statements.

(1) General obligation debt includes premium. Personal Income is on Schedule 14

(2) See Schedule 14 for personal income and population data.

(3) Information is not available.

CITY OF JANESVILLE, WISCONSIN

Schedule 11
Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years

<u>Year</u>	Governmental General Obligation Debt (1)	Proprietary General Obligation Debt (1)	Total General Obligation Debt (1)	Less: Amounts Restricted For Debt Service	Net General Obligation Debt	Percentage Debt to Equalized Valuation⁽²⁾	Net General Obligation Debt Per Capita⁽³⁾
2013	\$ 55,005,834	\$ 20,474,511	\$ 75,480,345	\$ (628,759)	\$ 74,851,586	1.97%	\$ 1,177
2014	\$ 58,818,338	\$ 22,027,632	\$ 80,845,970	\$ (996,012)	\$ 79,849,958	1.99%	\$ 1,257
2015	\$ 60,054,611	\$ 23,160,861	\$ 83,215,472	\$ (2,682,108)	\$ 80,533,364	2.02%	\$ 1,268
2016	\$ 63,427,961	\$ 26,222,099	\$ 89,650,060	\$ (2,638,072)	\$ 87,011,988	2.09%	\$ 1,371
2017	\$ 66,853,993	\$ 27,117,868	\$ 93,971,861	\$ (3,261,709)	\$ 90,710,152	1.97%	\$ 1,435
2018	\$ 68,945,615	\$ 30,628,480	\$ 99,574,095	\$ (3,824,839)	\$ 95,749,256	1.95%	\$ 1,506
2019	\$ 74,356,146	\$ 30,662,379	\$ 105,018,525	\$ (4,883,568)	\$ 100,134,957	1.88%	\$ 1,579
2020	\$ 81,842,546	\$ 30,234,890	\$ 112,077,436	\$ (5,320,391)	\$ 106,757,045	1.91%	\$ 1,684
2021	\$ 81,976,679	\$ 30,973,051	\$ 112,949,730	\$ (4,695,309)	\$ 108,254,421	1.78%	\$ 1,686
2022	\$ 77,797,994	\$ 27,999,629	\$ 105,797,623	\$ (4,897,425)	\$ 100,900,198	1.40%	\$ 1,524

Notes: Details of the City's outstanding debt can be found in the notes to the financial statements.

(1) General Obligation Debt includes premium.

(2) See Schedule 5 for property value data.

(3) See Schedule 14 for population data.

CITY OF JANESVILLE, WISCONSIN

Schedule 12
Direct and Overlapping General Obligation Debt
As of December 31, 2022

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
City of Janesville	\$ 77,792,994 (1)	100.00%	\$ 77,792,994
Rock County	56,270,000	41.53%	23,368,931
School Districts			
Janesville	43,300,000	90.91%	39,364,030
Milton	49,600,000	36.78%	18,242,880
Blackhawk Technical College	69,670,000	35.11%	24,461,137
	<u>218,840,000</u>		<u>105,436,978</u>
	Total Direct and Overlapping Debt <u>\$ 296,632,994</u>		<u>\$ 183,229,972</u>

Source: Debt information supplied by each taxing jurisdiction and applicable percentages from the State Department of Revenue.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates that portion of the outstanding debt of these overlapping governments that is borne by the taxpayers of the City through the taxes levied by these government agencies.

(1) General obligation debt includes premium and excludes debt related to business-type activities.

CITY OF JANESVILLE, WISCONSIN

Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Water Revenue Bonds						Wastewater Revenue Bonds					
	Water Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage	Wastewater Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
			Principal	Interest					Principal	Interest		
2013	\$ 7,475,202	\$ 3,254,360	\$ 4,220,842	\$ 175,564	\$ 55,525	18.27%	\$ 9,249,792	\$ 4,336,475	\$ 4,913,317	\$ 1,561,759	\$ 607,633	2.26%
2014	\$ 7,213,226	\$ 3,566,969	\$ 3,646,257	\$ 179,977	\$ 51,037	15.78%	\$ 9,199,059	\$ 4,567,634	\$ 4,631,425	\$ 1,640,495	\$ 586,800	2.08%
2015	\$ 7,021,916	\$ 3,324,545	\$ 3,697,371	\$ 184,502	\$ 46,437	16.01%	\$ 9,142,747	\$ 4,541,523	\$ 4,601,224	\$ 1,677,236	\$ 549,506	2.07%
2016	\$ 7,922,761	\$ 3,263,308	\$ 4,659,453	\$ 189,140	\$ 41,720	20.18%	\$ 9,403,645	\$ 5,375,926	\$ 4,027,719	\$ 1,714,808	\$ 511,368	1.81%
2017	\$ 8,169,239	\$ 3,270,685	\$ 4,898,554	\$ 193,896	\$ 36,884	21.23%	\$ 10,167,825	\$ 5,296,966	\$ 4,870,859	\$ 1,718,076	\$ 473,091	2.22%
2018	\$ 8,544,274	\$ 3,366,322	\$ 5,177,952	\$ 198,773	\$ 31,925	22.44%	\$ 10,112,702	\$ 5,678,538	\$ 4,434,164	\$ 1,679,850	\$ 435,660	2.10%
2019	\$ 8,657,454	\$ 3,865,533	\$ 4,791,921	\$ 203,772	\$ 26,841	20.78%	\$ 10,688,494	\$ 5,936,657	\$ 4,751,837	\$ 1,716,893	\$ 398,070	2.25%
2020	\$ 13,965,543	\$ 3,737,072	\$ 10,228,471	\$ 208,898	\$ 23,749	43.97%	\$ 10,232,086	\$ 6,285,639	\$ 3,946,447	\$ 1,734,821	\$ 360,041	1.88%
2021	\$ 14,198,296	\$ 3,516,152	\$ 10,682,144	\$ 214,154	\$ 17,182	46.18%	\$ 11,168,769	\$ 5,499,750	\$ 5,669,019	\$ 1,772,932	\$ 327,862	2.70%
2022	\$ 13,919,710	\$ 3,753,697	\$ 10,166,013	\$ 219,449	\$ 11,725	43.98%	\$ 11,626,613	\$ 5,939,704	\$ 5,686,909	\$ 1,736,332	\$ 289,519	2.81%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Excludes Depreciation Expense and Tax Equivalent

CITY OF JANESVILLE, WISCONSIN

Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population⁽¹⁾	Personal Income	Per Capita Income⁽²⁾	School System Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2013	63,600	\$ 2,420,234,400	\$ 38,054	10,360	8.5%
2014	63,525	\$ 2,459,243,325	\$ 38,713	10,395	6.2%
2015	63,510	\$ 2,542,051,260	\$ 40,026	10,298	5.2%
2016	63,470	\$ 2,569,075,190	\$ 40,477	10,273	4.5%
2017	63,215	\$ 2,656,673,590	\$ 42,026	10,182	3.6%
2018	63,570	\$ 2,810,048,280	\$ 44,204	10,069	3.2%
2019	63,433	\$ 2,932,888,188	\$ 46,236	9,899	3.7%
2020	65,615	\$ 3,204,374,140	\$ 48,836	9,574	7.5%
2021	64,198	\$ 3,388,819,826	\$ 52,787	9,552	4.4%
2022	66,206	NA ⁽⁵⁾	NA ⁽⁵⁾	9,537	3.3%

(1) From the WI Dept of Administration as of January 1 the following year, 2020 is Census

(2) From the US Bureau of Economic Analysis for the Janesville Metropolitan Statistical Area

(3) School enrollment is for academic school beginning with year shown

(4) Information from the Department of Workforce Development; not seasonally adjusted

(5) Information is not available.

CITY OF JANESVILLE, WISCONSIN

Schedule 15
Principal Employers
2022 and Nine Years Prior

Employer	2022			2013		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Mercy Health System	2,599	1	7.93%	3,899	1	13.02%
Janesville School District	1,650	2	5.04%	1,281	2	4.28%
Rock County	1,361	3	4.15%	1,161	3	3.88%
GHC Specialty Brands (Lab Safety Supply Inc / Grainger)	1,185	4	3.62%	749	4	2.50%
Blain's Supply (Farm & Fleet)	820	5	2.50%	518	8	1.73%
Prent Corporation (GOEX)	807	6	2.46%	550	6	1.84%
SSI Technologies / Bornes	716	7	2.19%	540	7	1.80%
City of Janesville	613	8	1.87%	501	9	1.67%
Seneca	563	9	1.72%			0.00%
Dollar General	521	10	1.59%			0.00%
J.P. Cullen & Sons, Inc.				500	10	1.67%
Data Dimensions				600	5	2.00%
Total	10,835		33.07%	10,299		34.40%
Total City Employment	32,762			29,940		

Source: Official Statement for the City of Janesville

Total City Employment from Wisconsin Department of Workforce Development, Local Area Unemployment Statistics.

CITY OF JANESVILLE, WISCONSIN

Schedule 16
Full-time Equivalent Employee By Function/Program
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
City Manager	2.84	2.97	4.79	4.74	4.69	4.75	4.75	4.75	3.59	3.59
Assessor	6.00	6.00	6.00	5.99	5.99	5.99	5.99	5.99	5.99	5.99
Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerk Treasurer	7.90	8.20	7.26	6.67	7.13	8.36	5.97	5.85	5.85	5.85
Finance	5.63	5.82	5.43	5.76	5.68	5.78	5.88	5.88	5.88	6.28
Human Resources	2.05	2.55	2.05	2.05	2.05	2.05	2.55	3.05	3.05	3.05
Information Technology	<u>2.25</u>	<u>2.47</u>	<u>2.45</u>	<u>2.45</u>	<u>2.45</u>	<u>2.45</u>	<u>3.45</u>	<u>3.45</u>	<u>3.25</u>	<u>3.25</u>
Total General Government	<u>30.67</u>	<u>32.01</u>	<u>31.98</u>	<u>31.66</u>	<u>31.99</u>	<u>33.38</u>	<u>32.59</u>	<u>32.97</u>	<u>31.61</u>	<u>32.01</u>
Public Safety										
Police	120.42	120.36	120.69	120.67	120.77	122.21	123.21	122.39	121.97	121.97
Fire	<u>93.00</u>	<u>93.89</u>	<u>92.87</u>	<u>93.36</u>	<u>94.36</u>	<u>97.30</u>	<u>97.37</u>	<u>97.35</u>	<u>97.34</u>	<u>100.34</u>
Total Public Safety	<u>213.42</u>	<u>214.25</u>	<u>213.56</u>	<u>214.03</u>	<u>215.13</u>	<u>219.51</u>	<u>220.58</u>	<u>219.74</u>	<u>219.31</u>	<u>222.31</u>
Public Works										
Engineering	18.53	14.71	11.19	12.84	14.35	15.43	15.83	17.09	16.49	17.49
DPW/Technical Services	27.03	26.61	26.03	27.16	26.09	26.43	25.59	25.74	26.26	26.29
Sanitation/Landfill	<u>23.99</u>	<u>21.10</u>	<u>20.82</u>	<u>21.46</u>	<u>22.49</u>	<u>23.28</u>	<u>22.56</u>	<u>22.53</u>	<u>23.19</u>	<u>24.19</u>
Total Public Works	<u>69.55</u>	<u>62.42</u>	<u>58.04</u>	<u>61.46</u>	<u>62.93</u>	<u>65.14</u>	<u>63.98</u>	<u>65.36</u>	<u>65.94</u>	<u>67.97</u>
Recreation & Parks										
Leisure Services	22.33	21.51	21.45	22.12	21.59	22.72	20.19	20.50	19.14	18.61
Parks	<u>18.25</u>	<u>18.02</u>	<u>17.31</u>	<u>16.66</u>	<u>16.38</u>	<u>16.04</u>	<u>16.18</u>	<u>16.19</u>	<u>16.07</u>	<u>16.07</u>
Total Recreation & Parks	<u>40.58</u>	<u>39.53</u>	<u>38.76</u>	<u>38.78</u>	<u>37.97</u>	<u>38.76</u>	<u>36.37</u>	<u>36.69</u>	<u>35.21</u>	<u>34.68</u>
Community & Economic Development										
Community Development	15.12	16.29	16.92	16.82	16.82	16.90	16.76	15.50	15.80	15.78
Neighborhood Services	<u>6.97</u>	<u>6.77</u>	<u>6.55</u>	<u>6.78</u>	<u>6.78</u>	<u>8.08</u>	<u>8.28</u>	<u>8.28</u>	<u>7.43</u>	<u>6.43</u>
Total Community & Economic Development	<u>22.09</u>	<u>23.06</u>	<u>23.47</u>	<u>23.60</u>	<u>23.60</u>	<u>24.98</u>	<u>25.04</u>	<u>23.78</u>	<u>23.23</u>	<u>22.21</u>
Library	51.33	50.65	53.72	55.40	56.40	53.72	55.34	55.98	52.18	49.97
Water Utility	25.98	25.96	25.79	24.56	23.04	26.55	26.40	26.49	26.29	26.29
Wastewater Utility	28.99	28.57	26.89	28.06	28.33	28.43	28.28	28.53	28.24	27.24
Stormwater Utility	10.65	10.59	11.05	11.57	12.90	13.71	14.34	13.69	12.29	13.26
Transit	<u>34.29</u>	<u>34.29</u>	<u>33.31</u>	<u>34.90</u>	<u>32.22</u>	<u>32.22</u>	<u>31.81</u>	<u>31.81</u>	<u>31.84</u>	<u>31.84</u>
Total Employment	<u>527.55</u>	<u>521.33</u>	<u>516.57</u>	<u>524.02</u>	<u>524.51</u>	<u>536.40</u>	<u>534.73</u>	<u>535.04</u>	<u>526.14</u>	<u>527.78</u>

Source: City of Janesville Annual Budget

CITY OF JANESVILLE, WISCONSIN

Schedule 17
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Assessor										
Real Estate and Mobile Home Assessments	24,488	24,513	24,602	24,770	24,723	25,396	25,388	25,400	25,540	25,559
New Construction, Permits, Sale Reviews	2,548	2,604	2,415	2,514	2,606	2,627	2,360	2,691	3,962	3,428
Attorney										
Case Litigated	10,272	10,120	9,867	8,950	10,062	11,540	8,930	9,530	9,517	10,468
Public Safety										
Police										
Traffic Citations (#)	8,550	9,310	6,290	7,548	6,948	6,496	7,036	4,734	5,431	5,304
Violent Crime Incidents (#)	168	169	155	145	170	171	148	145	142	112
Property Crime Incidents (#)	1,962	2,088	1,898	1,770	1,952	1,801	1,581	1,399	1,180	1,305
Parking Tickets Processed (#)	2,484	1,949	1,537	1,419	903	1,620	2,676	1,191	1,051	730
Fire										
Fire and EMS Emergency Responses (#)	8,194	9,213	9,550	9,839	10,219	10,264	10,254	10,203	10,843	11,257
Inspections (#)	4,030	4,422	4,432	5,075	5,125	5,100	4,300	2,905	3,383	5,574
Public Works										
Street Maintenance										
Crack Sealing (feet)	18,480	-	17,819	20,695	65,155	64,355	56,162	49,122	24,852	42,976
Street Resurfacing (miles)	5.3	6.6	8.5	12.6	14.0	11.8	12.6	12.1	12.1	12.1
Street Cleaning - Leaf Collection (miles)	227	224	204	227	227	227	227	227	227	227
Street Cleaning - Leaf Collection (total miles swept)	-	743	1,177	1,509	1,506	1,486	1,517	1,322	1,575	1,428
Traffic Management										
Traffic Signs Installed/Repaired (#)	943	1,120	1,769	1,586	2,361	2,279	2,091	2,056	2,290	3,031
Line Striping (feet)	302,685	271,389	407,756	416,437	382,855	409,038	368,333	492,151	311,943	405,419
Sanitation										
Sanitary Landfill (tons)	128,192	90,178	114,300	161,578	181,750	188,009	169,711	185,650	190,499	180,614
Trash Collection(stops/week)	23,732	23,878	23,950	24,087	23,759	23,772	24,354	24,478	24,602	24,758
VOM - Vehicles Repaired (#)	2,806	2,606	2,614	2,467	2,230	2,737	3,141	2,871	2,769	2,683
Recreation and Parks										
Recreation Program Participants (#)	252,906	249,728	268,480	259,469	272,225	265,042	278,590	101,929	170,066	210,889
Special Events	100	146	133	126	117	123	144	42	155	150
Parks (acres)	2,595	2,595	2,595	2,595	2,595	2,595	2,611	2,611	2,609	2,609
Parks Mowing (acres)	666	666	666	666	666	666	666	666	666	666
Golf Course Rounds Played (#)	53,400	53,186	56,833	53,557	53,411	40,410	39,836	47,653	53,832	48,567
Community/Economic Development										
Permits Issued (#)	3,454	3,393	3,498	4,034	3,791	3,659	3,688	3,777	4,733	4,793
Inspections (#)	6,592	6,347	6,719	7,066	7,124	6,538	6,863	6,749	7,411	6,915
TIF Development Activity										
New Construction (square feet)	17,000	42,925	1,434,720	477,320	265,785	299,795	539,011	204,914	664,633	997,412
Value of Projects (dollars)	5,560,000	1,303,900	56,950,000	16,480,000	10,385,600	24,300,000	51,095,018	13,770,792	47,437,774	61,663,300
Neighborhood Services										
Complaints Received (#)	2,045	1,767	1,826	1,886	1,757	2,069	3,218	1,257	1,570	1,549
Housing/Nuisance Inspections (#)	4,812	4,696	5,627	4,099	3,867	4,120	4,492	3,629	3,627	3,617
Housing Rehab./Homeownership Loans (#)	49	53	69	52	48	46	33	37	22	18
Library										
Circulation (#)	1,098,377	1,059,057	950,768	896,973	870,086	758,488	718,420	409,778	446,821	465,754
Registered Patrons (#)	64,841	67,556	70,041	72,325	74,698	75,411	52,676	38,751	48,153	28,658
Electronic Materials (#)									107,166	107,931
Water Utility										
Water Pumped (billions of gallons)	3.41	3.48	3.18	3.17	3.25	3.39	3.35	3.43	3.56	3.40
Water Tests (#)	4,650	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525
Water Main Repairs (#)	114	143	80	66	80	96	102	111	97	83
Wastewater Utility										
Sewage Treatment (millions of gallons)	4,849	4,723	4,279	4,743	5,175	5,442	4,985	4,499	3,772	3,694
Laboratory Tests (#)	19,944	19,255	19,688	19,878	19,239	18,985	19,263	18,890	19,604	18,992
Stormwater Utility										
Street Sweeping (miles)	5,248	6,256	6,358	6,750	8,785	7,405	8,270	8,262	6,627	7,775
Street Sweeping (miles, excluding leaf collection)	-	5,513	5,181	5,241	7,279	5,919	6,753	6,940	6,400	6,347
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	600	1,208	2,075	14,876	9,096	6,033	18,821	16,450	20,698	20,538
Catch Basin Cleaning (#)	319	122	307	468	207	146	420	509	1,052	728
Transit										
Total Route Miles	553,104	531,643	509,829	452,897	452,329	458,772	465,053	455,183	463,110	468,835
Ridership (#)	432,739	447,632	430,741	391,385	392,535	393,392	345,667	202,871	280,299	424,681

Sources: Various City Departments

CITY OF JANESVILLE, WISCONSIN

Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	18	19	19	19	20	20	20	20	20	20
Police Squads	23	23	23	23	24	24	24	24	24	24
Police Electric Motorcycles			1	1	1	1	2	2	2	2
Police Speed Trailers				1	1	1	1	2	3	3
Police Cargo Trailers	2	2	3	3	3	4	4	4	4	4
Fire Stations	5	5	5	5	5	5	5	5	5	5
Training Center	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	11	11	11	12	13	13	16	14	15	15
EMS Vehicles (ambulances)	6	6	6	8	6	6	7	7	7	6
Support Vehicles	12	12	13	15	18	18	12	14	14	14
Public Works:										
Streets (miles)	350	350	350	350	350	350	350	350	350	350
Street Lights (city owned)	2,265	2,317	2,322	2,445	2,460	2,460	2,489	2,489	2,623	2,623
Traffic Signals (intersections)	72	73	64	64	64	64	63	64	62	62
Parks and Recreation:										
Number of Parks	64	64	64	64	64	64	65	65	64	64
Acreage of Parkland	2,595	2,595	2,595	2,595	2,595	2,595	2,611	2,611	2,609	2,609
Number of Swimming Pools	3	3	3	3	3	4	4	4	4	4
Water Utility:										
Number of Wells	8	8	8	8	8	8	8	8	8	8
Number of Reservoirs	7	7	7	7	7	7	7	7	7	7
Miles of Water Main	369	370	370	370	372	389	390	393	396	397
Number of Hydrants	2,581	2,606	2,606	2,708	2,749	2,646	2,660	2,680	2,698	2,714
Storage Capacity (million gallons)	15.84	16	16	16	16	16	16	16	16	16
Production Capacity (million gallons/day)	35	35	35	35	35	35	35	35	35	35
Wastewater Utility:										
Miles of Sanitary Sewer	320	320	320	320	320	321	325	325	328	328
Treatment Capacity (million gallons/day)	17.75	17.75	17.75	17.75	17.75	17.75	17.75	17.75	17.75	17.75
Stormwater Utility:										
Miles of Storm Sewer	180	180	180	180	180	181	182	183	183	183
Transit										
Number of Buses	17	17	17	17	17	17	17	17	17	19

Sources: Various City Departments