

City of Janesville

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR FISCAL YEAR ENDING
DECEMBER 31, 2012**

The Janesville Transit System began offering regional bus commuter service to Milton and Whitewater.



The Friends of Riverside Park and the Hendricks Family donated a new pier to Riverside Park for the enjoyment of boaters, kayakers and other water enthusiasts.



Pictured are patrons enjoying the recently renovated Janesville Ice Arena at its grand reopening celebration; the renovation included a new geothermal ice making system, additional locker rooms and improved lighting.



Janesville, Wisconsin

CITY OF JANESVILLE, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012



Prepared By:

Departments of Administrative Services and Accounting

Jacob Winzenz, Acting City Manager
Patty Lynch, CPA, Acting Director of Administrative Services
Amanda Price, CPA, Acting Accounting Manager
Steve Wanninger, CPA, Accountant
Marti Lauer, Customer Service Representative

CITY OF JANESVILLE, WISCONSIN
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2012

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CITY OF JANESVILLE

Wisconsin's Park Place

May 28, 2013

CITIZENS OF JANESVILLE MEMBERS OF THE CITY COUNCIL

It is our pleasure to submit to you the *Comprehensive Annual Financial Report* (CAFR) of the City of Janesville for the year ended December 31, 2012.

This report was prepared by the City's Accounting Division 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 Comprehensive Annual 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 of 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 Virchow Krause, LLP, Certified Public Accountants have concluded, based upon its audit procedures, that the City's financial statements for the year ended December 31, 2012 are presented fairly in accordance with audited 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

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WEBSITE: <http://www.ci.janesville.wi.us>



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 provides 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-90. Other major population/industrial centers in the area include Beloit, Wisconsin and Rockford, Illinois, which are ten miles and thirty miles, respectively, to the south via Interstate-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%. The City of Janesville 2010 Census population is 63,575; this is a growth of 5.6% from the 2000 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 503 full-time and part-time employees.

Major Initiatives

The application of technology to our daily work has received increased emphasis as we are forced to do more with less. In 2007, the City began the first phase of a multi-phase Enterprise Resource Planning (ERP) project. The first phase involved the replacement of our property records and computer-aided mass appraisal (CAMA) software. Phase II of this project included the replacement of building permit, code enforcement, planning, and complaint tracking software. Phase III, replacing utility billing, receivables, and cash receipts, was completed in early 2013. The last phase which included replacement of the human resources/payroll and general ledger software, was completed in 2012. Many of these applications were not integrated and on disparate hardware platforms, so the new software eliminates redundant data entry and simplifies maintenance.

The Janesville Police Department prepared for and experienced an active election year. All Janesville Officers were trained in crowd control tactics. Additionally, the department formed a highly trained multi jurisdiction crowd control team. Site plans were developed for likely event locations and for the Ryan home. Upon Congressman Ryan's notice of Vice President candidacy, the department was well prepared for the security demands requested by the community and the United States Secret Service.

As the nation struggled with the mass shootings at Aurora Colorado and Newtown Connecticut, the Janesville Police Department continued with ongoing Active Shooter / Rapid Deployment training. The department in cooperation with the Office of Justice Assistance sponsored Fair and Impartial Policing training. This training is recognized as the best training in the nation to offset bias and racial profiling.

In cooperation with other Rock County police and fire jurisdictions, the police department converted from an analog to a digital radio system. In addition, the police department's radio infrastructure was improved and turned over to Rock County. This move will provide the City of Janesville cost savings for the foreseeable future.

In 2012, the City completed a \$2.6 million project for specific improvements at the Janesville Ice Arena that includes the replacement of the existing ice making equipment, a new concrete rink floor, additional locker room space, roof replacement, and correction of a number of additional building deficiencies related to the aging of the facility. Construction was completed in September of 2012 in time for the start of the main skating season. The new geothermal pond loop/heat pump ice making system is believed to be the other such ice making system in North America that utilizes the geothermal properties of a deep water pond.

In 2012, the City continued work on a multi-year restoration plan for the historic Lincoln-Tallman House. The City partnered with a historic restoration architect and contractors to complete repairs which included masonry foundation stabilization, porch restoration and repair, and handicapped accessibility requirements. The restoration activities were mostly completed by the Fall of 2012, with some restoration of the front porch completed in the Spring of 2013.

The City has invested \$32.1 million to renovate and expand the current Wastewater Treatment Facility to meet the City's needs through 2030. This project is complete and emphasizes energy saving

improvements including a green approach for the HVAC system used in the administrative/laboratory building which results in energy savings of 24.5% over a conventional system and the replacement of two aging biogas generators with microturbines which produce enough energy to eliminate the need to purchase natural gas for the heating phase of the digester process.

Related to the renovation and expansion of the Wastewater Treatment Facility the City was awarded a grant in the amount of \$125,000 from the State of Wisconsin for a biogas to compressed natural gas vehicle project. This project converts biogas generated from the treatment of wastewater into compressed natural gas (CNG) that can be used to fuel motor vehicles at a cost of less than \$1 per gallon. As a part of this project five (5) vehicles were modified to use CNG and placed in service in 2012.

In April of 2012, an innovation in regional public transit service 12 years in the making rolled out of downtown Janesville on its first run. The Janesville-Milton-Whitewater Innovation Express is sponsored by General Power Systems, Inc. and the City of Whitewater; and operated by the Janesville Transit System. While the new service is the direct outgrowth of the success of a major regional employer and exists to help it meet its need to attract more workers, the service is open to employees of other businesses along the route, UW-Whitewater students, and the general public.

The Transit Services Center project began in 2010 with the site selection and the execution of a consultant services. In the Fall of 2012, design development resumed after the city secured federal grant funding to cover the majority of the estimated \$7,950,000 facility. The city expects to begin construction in the Summer of 2013 and be completed in the Fall of 2014.

The City continued to undertake significant neighborhood revitalization efforts through housing improvement programs and blight elimination. Approximately \$1.8 million in funding has been awarded through the federal Neighborhood Stabilization Program (NSP) and Neighborhood Stabilization Program 3 (NSP3) Grants to purchase foreclosed or abandoned residential properties for rehabilitation or blight elimination purposes. In 2012, the City completed the rehabilitation of eight homes, demolished one blighted property and resold seven homes to low to moderate income families. Three rehabilitated homes and one newly constructed home are anticipated to be sold in 2013. The City received over \$624,000 from the Lead Hazard Reduction Demonstration program grant administered by the State of Wisconsin to address lead hazards in conjunction with the City's Home Improvement Program and Rental Rehabilitation Program over a 3-year period. A total of 72 housing units were made lead safe under this grant in 2012. A total of four blighted properties were purchased for demolition under the General Fund Neighborhood Blight Elimination Program.

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 2007 retail sales represented 43% of the \$2.4 billion in retail sales reported for Rock County.

In the last 12-14 months, over 1.0 million square feet in industrial and distribution space has been absorbed in the City. At this time there is approximately 110,000 square feet of available space. Local developers have indicated that they are planning new construction projects in 2013. Goex, a plastics manufacturer, is set to break ground in early 2013 with the construction of a 162,000 square foot facility that is projected to retrain 130 jobs. New companies attracted to the area include Miniature Precision Components which has already leased 325,000 square feet and will create 90 jobs and is looking to further expand in 2013, as well as Angi Energy Systems which leased 225,000 square feet of industrial space and brought 110 jobs to Janesville.

Local companies have continued to expand in the City. SSI Technologies, a manufacturer of steel powder components and sensor gauges has continued to grow to a point where it is now the world leader in powder metal manufacturing. The company occupies almost 200,000 sq. ft. in Janesville with nearly 400 employees. Other local companies that have expanded or have announced potential expansions include Seneca, John Deere Logistics, Cummins, Miniature Precision Projects, Coextruded Plastic Technologies, Prent Thermoform Plastic Manufacturing, Data Dimensions and Tigre USA.

Regional medical facilities lead by Mercy Health Care System has taken over as the City's largest employer in recent years. Continuing the diversification to a regional medical community, in January 2012, Dean Health System in partnership with St. Mary's Hospital opened a \$130 million health care campus on Janesville's east side. This 50-bed hospital and 150,000 square foot clinic is expected to employ 300 health care professionals. Mercy Hospital has opened a 24,000 square foot "Urgent Care Center" with long term plans involving a medical center totaling 450,000 square feet.

Janesville was awarded a \$1.2 million grant from the U.S. Department of Commerce. The grant, combined with a 46% match from TIF funds and industrial land constructed a 22,000 square foot business innovation incubator with a construction cost of \$2,016,500. The Janesville Innovation Center provides tenants with the physical space and technical expertise in development and growth strategies by organizations such as the UW-Whitewater Small Business Development Center. The Janesville Innovation Center opened in January of 2013.

As the national economy recovers from the current recession, Janesville and Rock County are well positioned to rebound from the disruption caused by the decline in the auto industry. Janesville also recently successfully completed the certification process for a 224 acre "shovel ready" business park. One of only three in Wisconsin, this park is 1.5 miles from Interstate I-90/I-39 and is expected to be a tremendous development asset in the near future. In addition, Janesville along with Beloit and Rock County formed the Rock County 5.0 economic development partnership. Funded by over \$1.0 million of private sector funding, this organization with staff contributed by these communities will provide the City with much needed resources and proactive economic development initiatives.

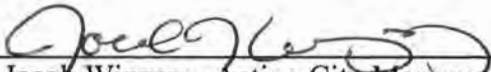
Reporting Achievements

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 (CAFR)* for the fiscal year ended December 31, 2011. This was the eighteenth 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 a CAFR 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.

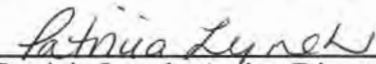
A *Certificate of Achievement* is valid for a period of one year only. We believe that our current *Comprehensive Annual Financial Report* continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments


The preparation of this *Comprehensive Annual Financial Report* was made possible by the dedicated commitment and hard work of each member of the Administrative Services and Accounting staff.



Jacob Winzenz, Acting City Manager



Patricia Lynch, Acting Director of Administrative Services



Amanda Price, Acting Accounting Manager

DIRECTORY OF OFFICIALS

CITY OF JANESVILLE, WISCONSIN General Information June 1, 2013

ELECTED OFFICIALS

CITY COUNCIL

TERM EXPIRES

Kathleen A. Voskuil, Council President	April 2014
Matthew J. Kealy, Council Vice President	April 2014
Jim Farrell	April 2014
Brian Fitzgerald	April 2015
Samuel E. Liebert	April 2015
Douglas Marklein	April 2015
DuWayne Severson	April 2015

CERTIFIED PUBLIC ACCOUNTANTS

Baker Tilly Virchow Krause, LLP
Madison, Wisconsin

BOND COUNSEL

Kutak Rock
Chicago, Illinois

FINANCIAL CONSULTANTS

Wisconsin Public Finance Professionals LLC
Milwaukee, Wisconsin

CITY OF JANESVILLE, WISCONSIN
General Information
June 1, 2013

APPOINTED OFFICIALS

Acting City Manager – Jay Winzenz

Department Heads

Jim Jensen, Fire Chief

David Moore, Chief of Police

Bryan McCormick, Library Director

Jennifer Petruzzello, Director of Neighborhood Services

Carl Weber, Director of Public Works

Patty Lynch, Director of Administrative Services

Division Heads

Shelley Slapak, Recreation Director

Richard Haviza, City Assessor

Wald Klimczyk, City Attorney

Gordy LaChance, Information Technology Manager

Dave Botts, Utility Director

Amanda Price, Acting Accounting Manager

David Mumma, Transit Director

Susan Musick, Human Resources Director

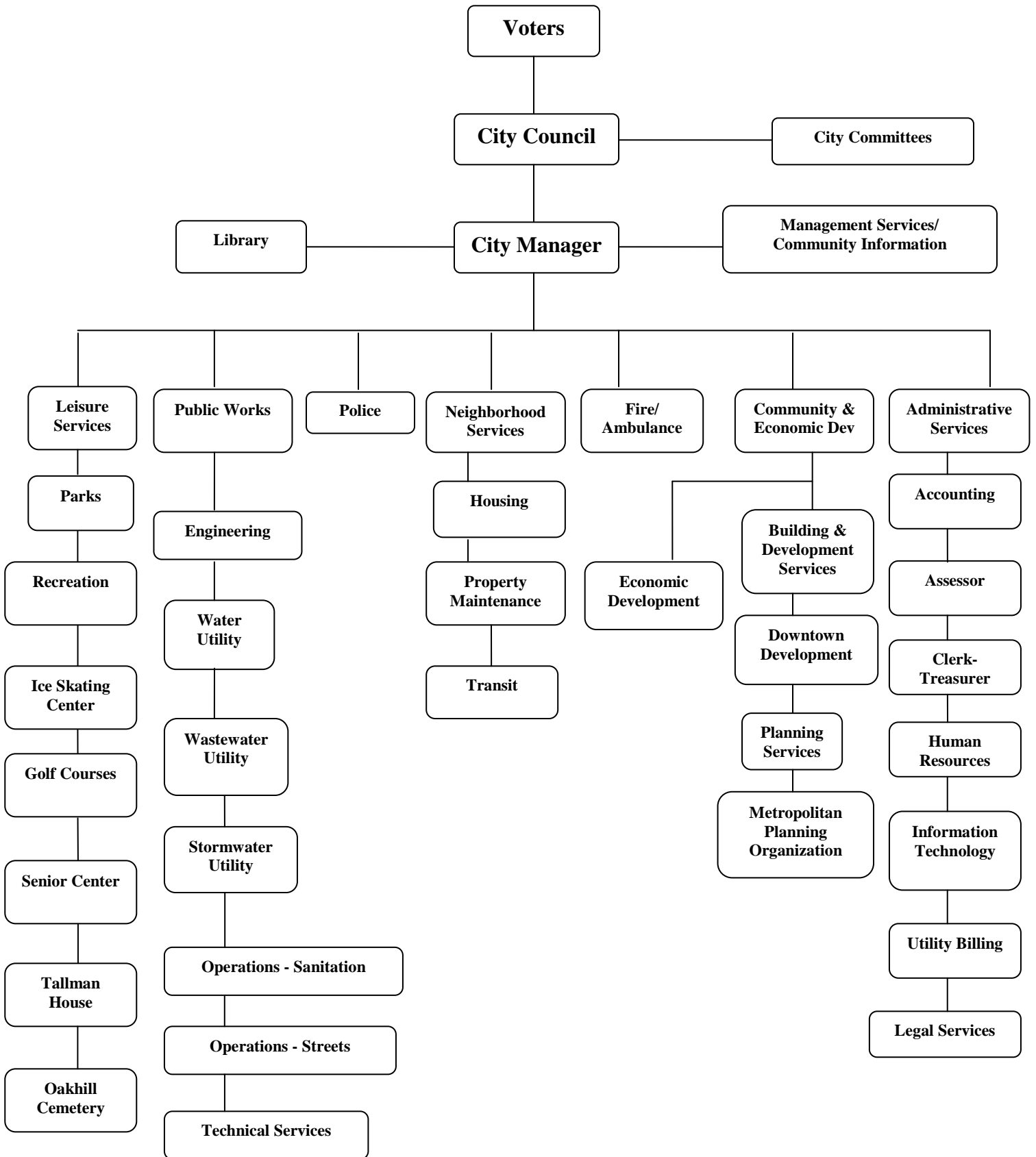
Michael Payne, Engineering Manager

Thomas Presny, Parks Director

John Whitcomb, Operations Director

Jean Wulf, City Clerk–Treasurer

CITY OF JANESVILLE Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Janesville
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morrill

President

Jeffrey R. Enen

Executive Director

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Janesville
Janesville, Wisconsin

Report on the Financial Statements

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, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Janesville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Janesville's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Janesville's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council
City of Janesville

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Janesville, Wisconsin, as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Janesville adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

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

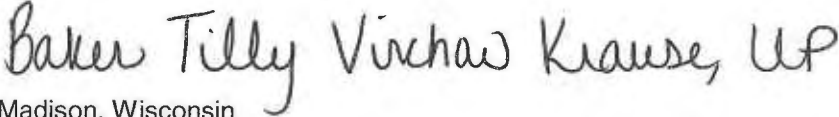
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Janesville's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole. The prior year enterprise fund comparative information has been derived from the city's 2011 financial statements and, in our report dated June 25, 2012, we expressed unqualified 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Janesville's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the City Council
City of Janesville

Other Reporting Required by *Government Auditing Standards*

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



Madison, Wisconsin
May 24, 2013

CITY OF JANESVILLE, WISCONSIN

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, 2012, with comparative data for fiscal year ended December 31, 2011. 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 – v of this report.

Financial Highlights

- > The assets of the City of Janesville exceeded its liabilities as of December 31, 2012 by \$268,553,852 (net position). Of this amount, \$252,638,733 represented the City's net investment in capital assets, \$19,139,959 was restricted, and (\$3,224,840) was unrestricted.
- > During the year, the City's total net position increased by \$803,684, or 0.3%. This increase indicated that the City's overall financial position improved during 2012. Of this increase, \$1,313,848 was attributable to business-type activities, offset by a \$510,164 reduction related to governmental functions.
- > As of December 31, 2012, the City of Janesville's Governmental Funds reported combined ending fund balances of \$24,141,243, a decrease of \$3,981,563, or 14.2%, in comparison with the prior year. Approximately 43.9% of the fund balance, \$10,600,368 is available for spending at the government's discretion (Committed, Assigned, and Unassigned Fund Balance).
- > The General Fund is the main operating fund of the City, and the largest component of the Governmental Funds. As of December 31, 2012, the Assigned and Unassigned Fund Balance for the General Fund was \$8,549,388, or 22.9% of the 2013 budgeted General Fund total expenditures.
- > During 2012, actual General Fund revenues and other financing sources were \$20,600 less than the amount budgeted. Expenditures and other financing uses were \$959,871 less than budgeted. The City Council approved \$148,000 in supplemental appropriations to fund Fire Department expenditures that exceeded the original budget by \$116,955 primarily due to overtime activities. The City's original General Fund budget included usage of \$825,000 of Unassigned Fund Balance. The fund balance decreased by only \$33,729 because of the favorable budget variances totaling \$939,271. Primary factors in the expenditure savings are Snow Removal Budget due to mild weather (\$243,509) and Transit's revenue over realization, which resulted in \$81,679 less General Fund subsidy. Budget savings were also gained in salary and benefits related to holding vacant positions open.
- > The City of Janesville's total notes and revenue bonds outstanding decreased by \$2.2 million to \$104.6 million. General Obligation debt decreased \$0.6 million from 2011 and revenue bonds decreased \$1.6 million.

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 and liabilities, with the difference between the two 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 a legally distinct entity for which the City has financial responsibility, known as a Component Unit. This Component Unit is the Janesville Community Development Authority (CDA). This entity is described in Note 1 following the Financial Statements. Separately issued financial statements and management discussion information are not published for this component unit.

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 *Fiduciary 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 31 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, and the Capital Projects Fund, which are considered to be major Funds. Data from the remaining 27 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 Governmental-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 Water Utility and Wastewater Utility, which are considered to be major Enterprise Funds of the City of Janesville. Additional enterprise operations for Stormwater Utility and the Transit System are combined into a single aggregate presentation. 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 resources held for the benefit of parties outside the government. 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 Funds maintained by the City of Janesville is the Tax Collection Fund and the Disposal Site Study Fund. The Tax Collection Fund records the tax roll and tax collections for other taxing jurisdictions within the City of Janesville. The Disposal Site Study Fund holds funds deposited by industrial responsible parties and the City of Janesville to cover cost for the next year's Industrial Waste Disposal Fund Activity. The basic Fiduciary Fund Financial Statements can be found on page 27 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 28 - 76 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 77 and 78 of this report.

An addition required supplementary information schedule shows the City has not funded the actuarial value of the other postemployment benefits (OPEB). The *Schedule of Funding Progress - Other Postemployment Benefits* is found on page 79 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 agency 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 81 - 118 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

The City of Janesville's statement of net position at December 31, 2012 and 2011 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 exceeded liabilities by \$268,553,852 million at the close of 2012. This is an increase of \$0.8 million, or 0.3% over 2011.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current & Other Assets	\$73,907,004	\$78,150,958	\$14,062,628	\$15,472,486	\$87,969,632	\$93,623,444
Capital Assets (Net)	<u>199,962,040</u>	<u>192,904,410</u>	<u>142,773,525</u>	<u>143,668,273</u>	<u>342,735,565</u>	<u>336,572,683</u>
Total Assets	<u>\$273,869,044</u>	<u>\$271,055,368</u>	<u>\$156,836,153</u>	<u>\$159,140,759</u>	<u>\$430,705,197</u>	<u>\$430,196,127</u>
Current Liabilities	\$38,897,439	\$39,044,186	\$1,606,043	\$8,450,707	\$40,503,482	\$47,494,893
Long-term Liabilities	<u>68,039,217</u>	<u>64,568,630</u>	<u>53,608,646</u>	<u>50,382,436</u>	<u>121,647,863</u>	<u>114,951,066</u>
Total Liabilities	<u>\$106,936,656</u>	<u>\$103,612,816</u>	<u>\$55,214,689</u>	<u>\$58,833,143</u>	<u>\$162,151,345</u>	<u>\$162,445,959</u>
Net Position:						
Net Investment in						
Capital Assets	\$160,445,022	\$157,671,125	\$92,313,711	\$91,220,876	\$252,638,733	\$248,580,858
Restricted	12,579,140	11,506,652	6,560,819	5,684,352	19,139,959	17,191,004
Unrestricted (deficit)	<u>(6,091,774)</u>	<u>(1,735,225)</u>	<u>2,746,934</u>	<u>3,402,388</u>	<u>(3,224,840)</u>	<u>1,978,306</u>
Total Net Position	<u>\$166,932,388</u>	<u>\$167,442,552</u>	<u>\$101,621,464</u>	<u>\$100,307,616</u>	<u>\$268,553,852</u>	<u>\$267,750,168</u>

The largest portion of the City of Janesville's net position (approximately 94.1%) 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 7.1%) represents resources that are subject to external restrictions, such as grants, on how they may be used. The remaining balance is a deficit Unrestricted Net Position of \$3.2 million.

Net position decreased by \$510,164 (0.3%) for governmental activities and increased \$1,313,848 (1.3%) for business-type activities during the current year. This increase indicates that the City's overall financial position improved during 2012.

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	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues:						
Charges for Services	\$ 15,718,197	\$ 16,139,856	\$ 18,495,736	\$ 17,986,559	\$ 34,213,933	\$ 34,126,415
Operating Grants & Contributions	4,650,278	5,175,981	1,860,366	1,764,936	6,510,644	6,940,917
Capital Grants & Contributions	2,619,764	2,002,304	584,516	395,169	3,204,280	2,397,473
General Revenues:						
Property Taxes	32,754,235	31,527,740	-	-	32,754,235	31,527,740
Other Taxes	1,370,092	914,183	-	-	1,370,092	914,183
Inter-Governmental Revenues Not						
Restricted to Specific Programs	5,413,874	6,116,411	-	-	5,413,874	6,116,411
Investment Income	340,085	538,926	48,028	58,663	388,113	597,589
Miscellaneous	<u>77,830</u>	<u>1,490,349</u>	<u>20,891</u>	<u>-</u>	<u>98,721</u>	<u>1,490,349</u>
Total Revenues	<u>62,944,355</u>	<u>63,905,750</u>	<u>21,009,537</u>	<u>20,205,327</u>	<u>83,953,892</u>	<u>84,111,077</u>
EXPENSES						
General Government	4,572,485	4,186,293	-	-	4,572,485	4,186,293
Public Safety	27,928,051	25,466,279	-	-	27,928,051	25,466,279
Public Works	16,038,880	16,781,023	-	-	16,038,880	16,781,023
Recreation & Parks	4,978,467	4,759,187	-	-	4,978,467	4,759,187
Community/Economic Dev.	5,047,406	5,595,106	-	-	5,047,406	5,595,106
Library	3,962,324	4,405,358	-	-	3,962,324	4,405,358
Interest and Fiscal Charges	1,450,484	1,566,299	-	-	1,450,484	1,566,299
Water Utility	-	-	5,287,441	5,360,990	5,287,441	5,360,990
Wastewater Utility	-	-	8,719,761	7,773,308	8,719,761	7,773,308
Stormwater Utility	-	-	1,546,949	1,580,309	1,546,949	1,580,309
Transit	-	-	<u>3,617,960</u>	<u>3,482,774</u>	<u>3,617,960</u>	<u>3,482,774</u>
Total Expenses	<u>63,978,097</u>	<u>62,759,545</u>	<u>19,172,111</u>	<u>18,197,381</u>	<u>83,150,208</u>	<u>80,956,926</u>
Increase in Net Position Before Transfers	(1,033,742)	1,146,205	1,837,426	2,007,946	803,684	3,154,151
Transfers	<u>523,578</u>	<u>478,745</u>	<u>(523,578)</u>	<u>(478,745)</u>	<u>-</u>	<u>-</u>
Increase in Net Position	(510,164)	1,624,950	1,313,848	1,529,201	803,684	3,154,151
Net Position, beginning of year	<u>167,442,552</u>	<u>165,817,602</u>	<u>100,307,616</u>	<u>98,778,415</u>	<u>267,750,168</u>	<u>264,596,017</u>
Net Position, end of year	<u>\$ 166,932,388</u>	<u>\$ 167,442,552</u>	<u>\$ 101,621,464</u>	<u>\$ 100,307,616</u>	<u>\$ 268,553,852</u>	<u>\$ 267,750,168</u>

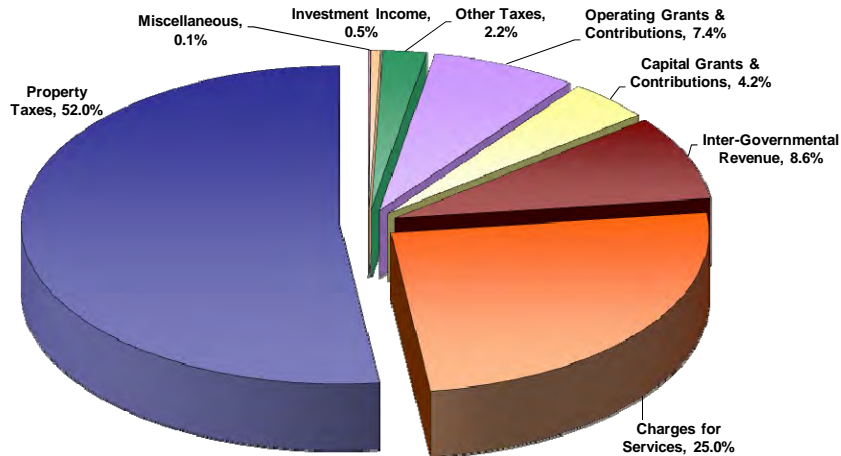
The total revenues have decreased by \$157,185, or 0.2%. This is due to increases in Capital Grants & Contributions of \$806,807 due to contributed assets from the State of Wisconsin for Highway 26 improvements, and Property taxes \$1,226,495, and Other Taxes \$445,909 with the introduction of a Wheel Tax. These increases are offset by decreases in Miscellaneous revenues by \$1,391,628 due to one-time revenues in 2011. In addition, State shared revenues decreased by \$702,537 due to State funding cuts and Investment income continued to decline by \$209,476.

The total expenses on the statement of activities increased by \$2,193,282, or 2.7%, in 2012. Public Safety increased by \$2.5 million primarily due to a Radio Communication Upgrade. Public Works decreased \$0.7 million, returning to a normal level following a one-time transportation expense in 2011. Community and Economic Development decreased \$0.5 million, due to a one-time disbursement of TIF funds following the closure of TIF 14 in 2011. Wastewater Utility increased \$0.9 million primarily due to a full year of depreciation on the treatment plant upgrade.

Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2012. Property taxes are the primary source of funding for governmental services providing more than half (52.0%) of the City's total governmental revenues. Charges for Services remain steady at 25.0%. State Aids (Inter-Governmental Revenues) have declined to 8.6%. Operating Grants contributed 7.4%,

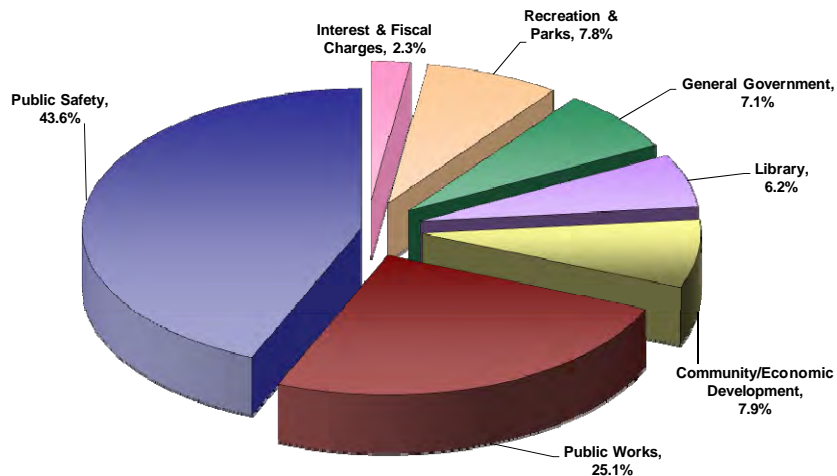
and Capital Grants and Contributions 4.2%. Capital grants and contributions vary depending upon the specific capital projects and are at an average level.

Revenues by Source – Governmental Activities



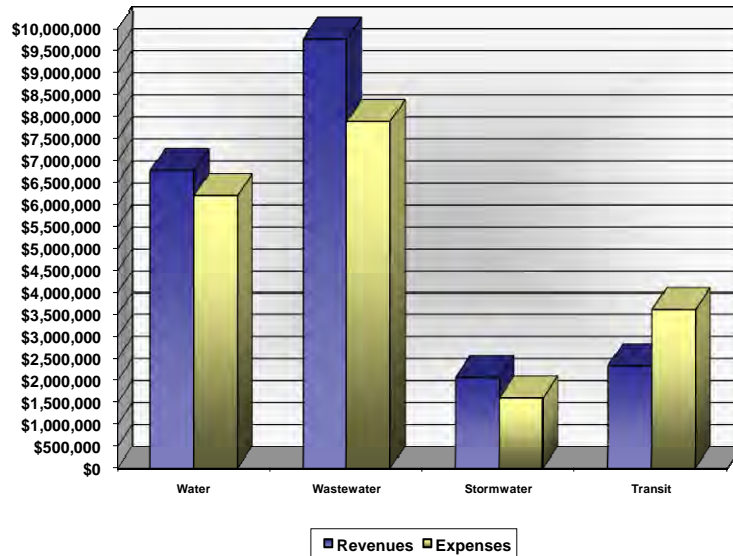
The graph below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 43.6% of the total. Public Works was the next largest expense category with 25.1% of the total governmental activities.

Expenses by Function – Governmental Activities



Business-Type Activities. Business-type activities are shown comparing program revenues to costs of the City of Janesville’s business-type activities. This chart shows the Water, Wastewater and Stormwater Utilities were fully self-supporting in 2012. The Transit requires annual transfers from the General Fund.

Program Revenues and Expenses – Business-Type Activities



New water rates authorized by the Public Service Commission of Wisconsin became effective January 1, 2013, and represent an overall increase in rates of 22%. The rates were designed to provide a 5.35% return on rate base. The actual rate of return of the Water Utility for 2012 was 2.54%. The rate of return is used for debt service payments and funding of capital assets. The table above includes the water payment in lieu of property taxes to the General Fund (\$1,301,089), which are included in transfers on the statement of activities.

The Water Utility generated operating revenue of \$6,490,726, which is \$1,918,247 (22.8%) less than budgeted in 2012 due to declining water sales and delay of a rate increase. Water operating expenses and payment in lieu of property tax transfer of \$6,198,325 were \$356,045 (5.4%) less than budgeted.

The Wastewater Utility produced a net operating income of \$1, 587,656 in 2012 compared to \$1,832,268 in 2011. The \$32.7 million treatment plant improvements were funded by a Wisconsin Department of Natural Resources low interest Clean Water Revenue Bond. Interest payments on this revenue pledge began in 2011 and principal payments started in 2012.

The Wastewater Utility generated operating revenue of \$9,474, 308, or 1.2% more than budgeted in 2012. Operating expenses of \$7,886,652 were 6.6% less than budgeted for 2012. This was primarily due to depreciation (\$399,303) attributed to the timing of placing assets in service and variances from project projections.

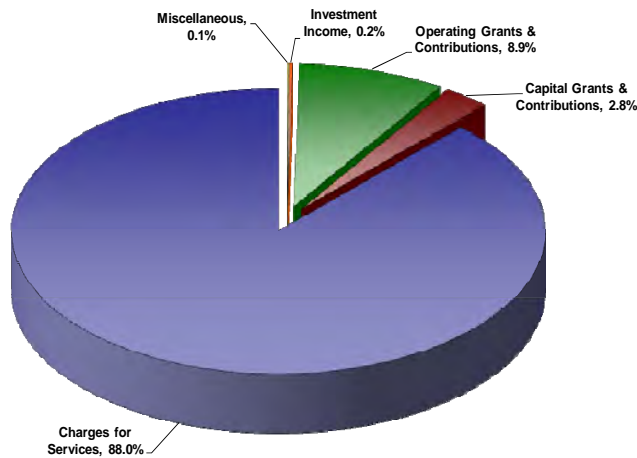
The Stormwater Utility is primarily funded by user charge rates per Equivalent Runoff Unit (ERU). The rate per ERU was designed to fund the 2012 budgeted expenditures. The utility generated net operating income of \$460,015. This revenue is used to pay its debt service requirements, which were \$536,516 in 2012.

Transit received approximately 56% of its operating budget from combined Federal and State operating grants. Historically, this funding has remained relatively constant near 60%. Transit Fare revenue increased \$68,056 from the previous year and provided 17% of the revenue. Transit operations are funded in part by General Fund transfers, 25% in 2012. The 2012 General Fund Subsidy for operation of the Transit system was \$773,490, which was \$81,679 less than budgeted.

As shown in the chart below, revenues from the business-type activities were generated primarily from Charges for Services (88.0%), Operating Grants were 8.9%, and Capital Grants and Contributions equate

to 2.8% of this year's revenues. Capital Contributions are primarily special assessments in Water and Wastewater Utilities for subdivision and new commercial growth. Operating grants and contributions are primarily State and Federal grants for the operation of the Transit System.

Revenues by Source – Business-Type Activities



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, 2012, the City of Janesville's Governmental Funds reported combined ending balances of \$24,141, 243, a decrease of \$3,981, 563, or 14.2%, in comparison with the prior year. A portion of the Fund balance is nonspendable for long-term receivables (\$484,749), which are unavailable for spending, and prepaid items and inventories (\$296,273) that have already been spent. The Restricted fund balance of \$12.8 million is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$594,456); (2) capital projects activities (\$7,138,340); and (3) special revenue activities (\$5,027, 057). Approximately \$10.6 million, or 43.9% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$2,155,270 that has been committed to special revenue purposes by resolutions and ordinances, \$926,435 assigned to fund the 2013 budget, \$3,626,875 assigned to future capital projects, and unassigned funds of \$3,891,788.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2012, the total fund balance of the General Fund was \$9,038,135, of which \$8,549,388 was unrestricted (Assigned and Unassigned). This Unrestricted Fund Balance represents approximately 20.8% of total 2012 General Fund expenditures and transfers out, while the total fund balance represents approximately 22.0% of that same amount.

The City of Janesville's General Fund balance decreased \$33,729 in 2012. Fund Balance was budgeted to decrease \$973,000 in 2012. The positive variance is primarily due to Public Works Snow Removal due

to mild weather (\$243,509), Transit revenue over realization (\$81,679 less General Fund subsidy), and salary and benefit savings from vacant positions.

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, 2012 was \$1,199,147, a decrease of \$905,102 from 2011. Operating revenue was under realized by \$545,360 due to a decline in disposal fees as a result of lower tonnage received (11% less than budgeted). Operating expenses were under budget by \$348,575 due to the reduced tonnage.

The *Debt Service Fund* has a total fund balance of \$594,456, all of which is reserved for the payment of debt service. The fund balance decreased by \$683,399. Special assessment debt service payments exceeded the revenue from special assessments and interest income on the assessments.

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, 2012 was \$11,015,133, a decrease of \$736,405 from the previous year. The decrease is primarily due to purchase of Public Safety equipment (\$1,019,668), completion of the Ice Skating Center (\$1,670,518) and VOM purchases (\$480,549) partially offset by the delay of Automated Collection (\$2,212,019).

The aggregated *Nonmajor 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 \$1,622,928 in 2012 primarily due to funding delays in TIF 22 for the Innovation Center EDA grant of \$1.2 million (received in April 2013) and TIF 35 land purchase of \$1.5 million that will be funded by 2013 note proceeds. These were partially offset by unexpended increments.

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 \$1.2 million to \$100.4 million as of December 31, 2012. Approximately \$0.6 million of this increase came from capital contributions, and operations of the Enterprise Funds provided an increase of \$0.6 million.

The net position of the City's Vehicle Operations and Maintenance and Insurance Internal Service Funds decreased by \$796,821 to \$4,172,270. The net position of the Insurance Fund decreased by \$790,042 due to unfavorable health and workers' compensation claims experience.

General Fund Budgetary Highlights

The Budgetary Comparison Schedule – General Fund indicates that the original 2012 budget for expenditures and transfers out was \$41,904,916, funded by anticipated revenues and property sales (\$39,616,016), transfers in from TIF 3 (\$160,000), and Water Utility-payment in lieu of taxes (\$1,303,900), and the application of available reserves (\$825,000). The City Council authorized an additional \$148,000 to fund Fire Department overtime in 2012.

Actual revenues and transfers resulted in a, unfavorable revenue variance of \$20,600 or 0.1% less than the amount budgeted for 2012. The average favorable revenue variance since 2003 has been 5.3%.

The major revenue budgets to actual variances are as follows:

- General Fund Tax Levy – (\$46,276) due to refunds paid to taxpayers
- Wheel Tax – (\$157,923) due to delays related to the first year of implementation of this tax
- Community Development Permits - \$62,592 due to new residential home permits increasing from 31 to 62, while addition/remodel permits remain at a high level for residential improvements
- Interest on General Investments – (\$109,413) due to interest rates averaging 0.50% in 2012
- Sale of City Property - \$47,910 due to proceeds received for the sale of police vehicles
- Fire Department Service Charges - \$51,807 due to increased ambulance calls
- Leisure Service Fees - \$41,412 due to hockey and figure skating ice rentals at the Skate Center.

- Miscellaneous - \$57,451 due to the dissolution of TIF 16
- Operating Transfer In - \$30,992 due to the repayment of funds by TIF 3 that were previously advanced by the General Fund

The expenditure and transfer budget results after the supplemental appropriation yielded a favorable variance of \$959,871, or 2.3% less than the final budget. The average amount returned from unexpended budget allocations has been 1.42% since 2003.

Public Works had the largest under expenditure due to savings in the Snow Removal Budget due to mild weather (\$243,509) and Transit revenue over realization, which resulted in \$81,679 less General Fund subsidy. Budget savings were also gained in salary and benefits related to the vacant positions.

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 81 – 84.

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 as of December 31, 2012 of \$343 million.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$34,934,739	\$33,349,096	\$679,998	\$679,998	\$35,614,737	\$34,029,094
Construction in Progress	3,395,368	1,454,315	551,686	1,279,879	3,947,054	2,734,194
Land Improvements	8,305,282	8,250,714	184,817	184,817	8,490,099	8,435,531
Buildings	32,672,682	30,530,478	36,823,795	40,472,009	69,496,477	71,002,487
Furniture and Fixtures	9,283,908	10,986,052	4,476,215	4,327,500	13,760,123	15,313,552
Vehicles and Equipment	20,534,898	20,873,443	35,144,107	35,832,951	55,679,005	56,706,394
Plant in Service	-	-	119,563,269	116,002,948	119,563,269	116,002,948
Infrastructure	<u>174,820,556</u>	<u>171,326,699</u>	-	-	<u>174,820,556</u>	<u>171,326,699</u>
Total Capital Assets	283,947,433	276,770,797	197,423,887	198,780,102	481,371,320	475,550,899
Less Accumulated						
Depreciation	<u>(83,985,393)</u>	<u>(83,866,387)</u>	<u>(54,650,363)</u>	<u>(55,111,829)</u>	<u>(138,635,756)</u>	<u>(138,978,216)</u>
Capital Assets Net of						
Depreciation	<u>\$199,962,040</u>	<u>\$192,904,410</u>	<u>\$142,773,524</u>	<u>\$143,668,273</u>	<u>\$342,735,564</u>	<u>\$336,572,683</u>

In 2012, capital asset additions were \$17,986,019, and retirements were \$14,077,233. Significant capital asset additions include the following:

Wastewater Utility		
	Collection System Construction/Additions	\$1,527,779
	Wastewater Treatment Plant (prior year's WIP not included)	970,969
Water Utility		
	Distribution System Construction/Additions	2,200,442
Stormwater Utility		
	Collection/Retention Infrastructure	477,454
Library		
	Collection	529,075
Infrastructure		
	WI-DOT improvements along Highway 26	1,614,674
	Annual sidewalk program	782,389
	Street Construction/ Reconstruction	1,025,215
Building Improvements		
	Ice Center - renovation project	2,446,643
	Property Acquisition - Highway 51 South TIF 35	1,507,376
	Property Acquisition - 55 S. River St.	303,554
Capital Equipment		
	Public Work Vehicle/Equipment	2,050,083
	Fire Department Pumper Truck	552,168
	Technology Related	182,306

Additional information of the City of Janesville's capital assets can be found in Note IV-D on pages 50 – 55.

Long-Term Debt. At the end of the current fiscal year, the City of Janesville has \$105 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	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds and Notes	\$ 52,310,000	\$ 51,204,441	\$ 21,880,000	\$ 23,610,000	\$ 74,190,000	\$ 74,814,441
Revenue Bonds	-	-	30,442,247	32,058,342	30,442,247	32,058,342
Total	\$ 52,310,000	\$ 51,204,441	\$ 52,322,247	\$ 55,668,342	\$ 104,632,247	\$ 106,872,783

The 2012 rating for the City of Janesville from Standard and Poor's Investors Service for General Obligation Debt was "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 \$194,785,310, which significantly exceeds the City of Janesville's current outstanding General Obligation Debt of \$74,190,000.

As of December 31, 2012, the City of Janesville's outstanding general obligation debt equaled 38% of the State authorized debt.

Revenue Bonds were used to provide partial funding for the \$32.7 million Wastewater Treatment Plant Upgrade and Expansion, which is intended to meet the City's wastewater needs through 2030. These funds were issued through low interest Clean Water Fund Revenue bonds with the Wisconsin Department of Natural Resources at an interest rate of 2.15%. These revenue bonds are issued on a reimbursement basis. At December 31, 2012, the Utility has drawn \$25.9 million of a maximum loan of \$27.2 million. The final draw will be received in 2013.

The City of Janesville issued \$15,250,000 in General Obligation Promissory Notes dated November 15, 2012. These notes were issued to fund capital projects, including street improvements and infrastructure (\$2,350,000); public buildings, parks, and public grounds (\$2,290,000); Water, Wastewater, and Stormwater Utility improvements (\$2,960,000); landfill closure phase 1 (\$1,600,000); automated waste collection equipment (\$2,580,000); acquire capital equipment (\$520,000); TIF 25 infrastructure (\$400,000), and refunding of prior notes (\$2,550,000).

Additional information of the City of Janesville's long-term debt can be found in Note IV.F. on pages 58 – 62 and in the *Statistical Information* section of this report.

Economic Factors and Next Year's Budget and Rates

- > The 2012 annual average unemployment rate for the City of Janesville was 9.0%, a decrease from 10.1% in 2011. This compares to the 2012 unemployment rate of 6.9% for the State of Wisconsin and a national unemployment rate of 8.1%.
- > The City's total equalized property value at January 1, 2012 was \$3,895,706,200. This compares to the previous year's total of \$3,940,763,600, a 1.14% decrease.
- > The Janesville City Council adopted the 2013 general city budget (General Fund and Library) that included a 1.8% increase in non-property tax revenue and applied fund balance and a 2.01% increase in total expenditures funded by a 1.84% increase in the property tax levy. When combined with a 1.2% increase in assessed property valuation following a citywide revaluation, the property tax rate decreased by 0.34%.
- > As a part of Wisconsin's Act 32 (2011), legislation was passed that limits the city's future tax levies. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the city's equalized value due to new construction, or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

Request for Information

This *Comprehensive Annual Financial Report* (CAFR) 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 to accounting division as follows:

City of Janesville
Accounting Division
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.ci.janesville.wi.us>.



GOVERNMENT-WIDE STATEMENTS

CITY OF JANESVILLE

STATEMENT OF NET POSITION As of December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 24,941,912	\$ 779,785	\$ 25,721,697	\$ 172,241
Receivables (net)				
Taxes receivable	35,042,111	-	35,042,111	-
Accounts	3,708,400	2,559,434	6,267,834	-
Special assessments receivable	644,764	334,462	979,226	-
Other receivables	842,098	2,071,974	2,914,072	2,044
Prepaid items and inventories	718,985	552,320	1,271,305	215,586
Internal balances	838,380	(838,380)	-	-
Other assets	187,261	138,287	325,548	-
Restricted assets				
Cash and investments	-	8,464,747	8,464,747	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Loans receivable (net)	5,378,973	-	5,378,973	-
Capital Assets				
Land	34,934,739	679,998	35,614,737	-
Construction in progress	3,395,368	551,686	3,947,054	-
Other capital assets, net of depreciation	161,631,933	141,541,840	303,173,773	38,151
Total Assets	<u>273,869,044</u>	<u>156,836,153</u>	<u>430,705,197</u>	<u>428,022</u>
LIABILITIES				
Accounts payable and accrued liabilities	6,434,326	1,248,206	7,682,532	25,832
Unearned revenues	32,463,113	-	32,463,113	-
Payable from restricted assets	-	357,837	357,837	-
Noncurrent liabilities				
Due within one year	11,615,026	5,757,986	17,373,012	-
Due in more than one year	56,424,191	47,850,660	104,274,851	-
Total Liabilities	<u>106,936,656</u>	<u>55,214,689</u>	<u>162,151,345</u>	<u>25,832</u>
NET POSITION				
Net investment in capital assets	160,445,022	92,313,711	252,638,733	38,151
Restricted for equipment replacement	-	4,304,054	4,304,054	-
Restricted for debt service	944,419	2,256,765	3,201,184	-
Restricted for grants	7,118,362	-	7,118,362	364,039
Restricted for library	606,390	-	606,390	-
Restricted for TIF districts	1,787,003	-	1,787,003	-
Restricted for landfill long-term care	2,122,966	-	2,122,966	-
Unrestricted (deficit)	<u>(6,091,774)</u>	<u>2,746,934</u>	<u>(3,224,840)</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 166,932,388</u>	<u>\$ 101,621,464</u>	<u>\$ 268,553,852</u>	<u>\$ 402,190</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Functions/Programs	Net Expenses (Revenues) and Changes in Net Position							Component Unit
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 4,572,485	\$ 408,798	\$ 17,300	\$ -	\$ (4,146,387)	\$ -	\$ (4,146,387)	
Public safety	27,928,051	2,878,891	284,996	161,844	(24,602,320)	-	(24,602,320)	
Public works	16,038,880	6,727,157	2,779,912	2,327,620	(4,204,191)	-	(4,204,191)	
Recreation and parks	4,978,467	2,179,915	902	-	(2,797,650)	-	(2,797,650)	
Community and economic development	5,047,406	2,565,475	1,542,746	130,300	(808,885)	-	(808,885)	
Library	3,962,324	957,961	24,422	-	(2,979,941)	-	(2,979,941)	
Interest and fiscal charges	1,450,484	-	-	-	(1,450,484)	-	(1,450,484)	
Total Governmental Activities	63,978,097	15,718,197	4,650,278	2,619,764	(40,989,858)	-	(40,989,858)	
Business-type Activities								
Water Utility	5,287,441	6,490,726	-	279,399	-	1,482,684	1,482,684	
Wastewater Utility	8,719,761	9,474,307	-	289,032	-	1,043,578	1,043,578	
Stormwater Utility	1,546,949	2,065,056	-	-	-	518,107	518,107	
Transit	3,617,960	465,647	1,860,366	16,085	-	(1,275,862)	(1,275,862)	
Total Business-type Activities	19,172,111	18,495,736	1,860,366	584,516	-	1,768,507	1,768,507	
Total Primary Government	\$ 83,150,208	\$ 34,213,933	\$ 6,510,644	\$ 3,204,280	(40,989,858)	1,768,507	(39,221,351)	
Component Unit- Community Development Authority	\$ 2,907,258	\$ 16,728	\$ 2,597,178	\$ -	-	-	-	\$ (293,352)
General Revenues								
Taxes								
Property taxes, levied for general purposes					26,127,411	-	26,127,411	-
Property taxes, levied for the library					3,201,921	-	3,201,921	-
Property taxes, levied for TIF Districts					3,424,903	-	3,424,903	-
Other taxes					1,370,092	-	1,370,092	-
Intergovernmental revenues not restricted to specific programs					5,413,874	-	5,413,874	-
Investment income					340,085	48,028	388,113	359
Miscellaneous					77,830	20,891	98,721	-
Total General Revenues					39,956,116	68,919	40,025,035	359
Transfers					523,578	(523,578)	-	-
Change in Net Position					(510,164)	1,313,848	803,684	(292,993)
NET POSITION - Beginning of Year					167,442,552	100,307,616	267,750,168	695,183
NET POSITION - END OF YEAR					\$ 166,932,388	\$ 101,621,464	\$ 268,553,852	\$ 402,190

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.

CITY OF JANESVILLE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2012

	General Fund	Sanitation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 5,179,207	\$ 656,893	\$ 743,737	\$ 11,674,337	\$ 5,585,043	\$ 23,839,217
Receivables						
Taxes	28,577,086	102,621	650,429	-	5,711,975	35,042,111
Accounts	789,341	827,359	-	67,106	2,024,594	3,708,400
Special assessments	-	-	345,904	-	-	345,904
Delinquent special assessments	-	-	298,860	-	-	298,860
Accrued investment income	49,127	-	-	-	-	49,127
Due from other funds	4,891,163	-	-	504,220	106,985	5,502,368
Inventories	778	-	-	249,918	-	250,696
Prepaid items	3,220	-	-	-	42,357	45,577
Loans receivable	-	-	-	-	5,378,973	5,378,973
TOTAL ASSETS	\$ 39,489,922	\$ 1,586,873	\$ 2,038,930	\$ 12,495,581	\$ 18,849,927	\$ 74,461,233

	General Fund	Sanitation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 681,976	\$ 300,938	\$ 1,049	\$ 963,033	\$ 399,619	\$ 2,346,615
Accrued liabilities	1,183,961	86,788	-	13,195	138,643	1,422,587
Due to other funds	1,640,068	-	504,220	-	3,590,074	5,734,362
Deferred revenues	<u>26,945,782</u>	<u>-</u>	<u>939,205</u>	<u>504,220</u>	<u>12,427,219</u>	<u>40,816,426</u>
Total Liabilities	<u>30,451,787</u>	<u>387,726</u>	<u>1,444,474</u>	<u>1,480,448</u>	<u>16,555,555</u>	<u>50,319,990</u>
Fund Balances						
Nonspendable	488,747	-	-	249,918	42,357	781,022
Restricted	-	-	594,456	7,138,340	5,027,057	12,759,853
Committed	-	1,199,147	-	-	956,123	2,155,270
Assigned	926,435	-	-	3,626,875	-	4,553,310
Unassigned (deficit)	<u>7,622,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,731,165)</u>	<u>3,891,788</u>
Total Fund Balances	<u>9,038,135</u>	<u>1,199,147</u>	<u>594,456</u>	<u>11,015,133</u>	<u>2,294,372</u>	<u>24,141,243</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,489,922</u>	<u>\$ 1,586,873</u>	<u>\$ 2,038,930</u>	<u>\$ 12,495,581</u>	<u>\$ 18,849,927</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.	199,962,040
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	8,353,313
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.	(68,441,200)
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>2,916,992</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 166,932,388</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, 2012

	General Fund	Sanitation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	\$ 27,223,368	\$ -	\$ -	\$ -	\$ 6,899,306	\$ 34,122,674
Licenses and permits	1,132,445	-	-	-	-	1,132,445
Investment income, rents and fines	792,441	-	125,351	61,096	99,748	1,078,636
State and federal aids	7,876,128	226,881	-	462,779	1,935,241	10,501,029
Special assessments	-	-	792,069	183,669	-	975,738
Service charges and other	2,542,853	6,350,280	-	174,600	4,163,586	13,231,319
Miscellaneous	-	-	-	-	36,029	36,029
Total Revenues	<u>39,567,235</u>	<u>6,577,161</u>	<u>917,420</u>	<u>882,144</u>	<u>13,133,910</u>	<u>61,077,870</u>
EXPENDITURES						
Current						
General government	3,855,493	-	-	17,136	-	3,872,629
Public safety	23,209,701	-	-	619,263	964,450	24,793,414
Public works	3,845,733	6,331,917	-	3,098,829	219,010	13,495,489
Recreation and parks	2,618,927	-	-	-	1,639,869	4,258,796
Community and economic development	1,230,849	-	-	-	3,375,098	4,605,947
Library	-	-	-	-	3,237,462	3,237,462
Capital Outlay	-	-	-	8,258,770	4,002,150	12,260,920
Debt Service						
Principal retirement	-	-	10,394,441	-	-	10,394,441
Interest and fiscal charges	-	-	1,514,143	-	4,014	1,518,157
Total Expenditures	<u>34,760,703</u>	<u>6,331,917</u>	<u>11,908,584</u>	<u>11,993,998</u>	<u>13,442,053</u>	<u>78,437,255</u>
Excess (deficiency) of revenues over expenditures	<u>4,806,532</u>	<u>245,244</u>	<u>(10,991,164)</u>	<u>(11,111,854)</u>	<u>(308,143)</u>	<u>(17,359,385)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	1,760,000	9,340,000	400,000	11,500,000
Premium on long-term debt	-	-	6,803	75,654	10,692	93,149
Transfers in	1,492,081	-	8,540,962	1,218,536	382,000	11,633,579
Transfers out	(6,332,342)	(1,150,346)	-	(258,741)	(2,107,477)	(9,848,906)
Total Other Financing Sources (Uses)	<u>(4,840,261)</u>	<u>(1,150,346)</u>	<u>10,307,765</u>	<u>10,375,449</u>	<u>(1,314,785)</u>	<u>13,377,822</u>
Net Change in Fund Balance	(33,729)	(905,102)	(683,399)	(736,405)	(1,622,928)	(3,981,563)
FUND BALANCES - Beginning of Year	<u>9,071,864</u>	<u>2,104,249</u>	<u>1,277,855</u>	<u>11,751,538</u>	<u>3,917,300</u>	<u>28,122,806</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,038,135</u>	<u>\$ 1,199,147</u>	<u>\$ 594,456</u>	<u>\$ 11,015,133</u>	<u>\$ 2,294,372</u>	<u>\$ 24,141,243</u>

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, 2012

Net change in fund balances - total governmental funds	\$ (3,981,563)
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 position 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	12,260,920
Some items are capitalized that are reported as functional expenses in the fund financial statements	152,850
Some assets were contributed by donors or developers	1,882,863
Depreciation expense is reported in the government-wide statements	(4,968,944)
Net book value of assets retired	(2,270,059)
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	330,393
Special assessments receivable	(633,132)
Grants and other receivables	1,023,295
Debt issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(11,500,000)
Principal paid	10,394,441
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.	
Other post employment benefits	(2,009,672)
Landfill liability	48,000
Compensated absences	(318,328)
Accrued interest on debt	49,096
Governmental funds report debt discount and issuance costs as expenditures. Premiums on debt issuance are recorded as revenues. However, in the statement of net position, these are deferred and reported as other assets or additions to/subtractions from long-term debt. These balances are amortized over the period the debt is	
Issuance costs on new debt	41,154
Amortization of issuance costs	(37,726)
Premium on new debt	(93,149)
Amortization of premium	8,119
The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	(888,722)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (510,164)</u>

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.

CITY OF JANESVILLE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2012

	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current Assets					
Cash and investments	\$ -	\$ 508,325	\$ 271,460	\$ 779,785	\$ 1,102,697
Accounts receivable	833,360	1,191,953	534,121	2,559,434	792,987
Unbilled revenue	681,379	971,803	367,769	2,020,951	-
Other accounts receivable	27,616	23,407	-	51,023	-
Due from other funds	599,243	1,186,316	116,332	1,901,891	2,325,653
Inventories	328,191	-	220,297	548,488	352,978
Prepaid items	3,000	-	832	3,832	69,735
Restricted Assets					
Revenue bond redemption account	234,629	2,139,372	-	2,374,001	-
Total Current Assets	<u>2,707,418</u>	<u>6,021,176</u>	<u>1,510,811</u>	<u>10,239,405</u>	<u>4,644,050</u>
Non-current Assets					
Restricted Assets					
Construction account	-	1,152,192	634,500	1,786,692	-
Replacement account	-	4,304,054	-	4,304,054	-
Total Restricted Assets	<u>-</u>	<u>5,456,246</u>	<u>634,500</u>	<u>6,090,746</u>	<u>-</u>
Special assessments receivable	144,214	190,248	-	334,462	-
Deposit with risk pool	-	-	-	-	1,604,120
Deferred Assets					
Unamortized debt issuance expense	46,493	55,947	8,944	111,384	-
Preliminary engineering	-	26,903	-	26,903	-
Total Deferred Assets	<u>46,493</u>	<u>82,850</u>	<u>8,944</u>	<u>138,287</u>	<u>-</u>
Utility Plant					
Land	305,478	18,000	356,520	679,998	-
Utility plant in service (at cost)	74,736,434	106,307,461	15,148,308	196,192,203	-
Construction work in progress	302,294	151,099	98,293	551,686	-
Accumulated depreciation	(21,224,219)	(27,857,841)	(5,568,303)	(54,650,363)	-
Net Plant	<u>54,119,987</u>	<u>78,618,719</u>	<u>10,034,818</u>	<u>142,773,524</u>	<u>-</u>
Total Noncurrent Assets	<u>54,310,694</u>	<u>84,348,063</u>	<u>10,678,262</u>	<u>149,337,019</u>	<u>1,604,120</u>
Total Assets	<u>\$ 57,018,112</u>	<u>\$ 90,369,239</u>	<u>\$ 12,189,073</u>	<u>\$ 159,576,424</u>	<u>\$ 6,248,170</u>

	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 93,894	\$ 74,624	\$ 55,928	\$ 224,446	\$ 158,204
Claims payable	-	-	-	-	1,812,880
Accrued salaries and wages	247,171	242,828	306,753	796,752	104,816
Accrued interest	108,940	92,941	25,126	227,007	-
Due to other funds	3,733,727	-	261,823	3,995,550	-
Current portion of long-term debt	1,765,000	1,660,000	470,000	3,895,000	-
Current Liabilities Payable from Restricted Assets					
Construction payables	1,411	239,190	-	240,601	-
Current maturities of revenue bonds	175,564	1,535,307	-	1,710,871	-
Interest accrued on revenue bonds	9,744	107,492	-	117,236	-
Total Current Liabilities	6,135,451	3,952,382	1,119,630	11,207,463	2,075,900
Non-current Liabilities					
General obligation long-term debt payable	9,556,688	6,284,326	2,179,630	18,020,644	-
Revenue bonds	2,157,172	26,574,202	-	28,731,374	-
Other post employment benefits	672,284	125,256	453,217	1,250,757	-
Total Noncurrent Liabilities	12,386,144	32,983,784	2,632,847	48,002,775	-
Total Liabilities	\$ 18,521,595	\$ 36,936,166	\$ 3,752,477	\$ 59,210,238	\$ 2,075,900
NET POSITION					
Net investment in capital assets	\$ 40,512,056	\$ 43,773,023	\$ 8,028,632	\$ 92,313,711	\$ -
Restricted per bond ordinance for:					
Debt service	224,885	2,031,880	-	2,256,765	-
Equipment replacement	-	4,304,054	-	4,304,054	-
Unrestricted (deficit)	(2,240,424)	3,324,116	407,964	1,491,656	4,172,270
TOTAL NET POSITION	\$ 38,496,517	\$ 53,433,073	\$ 8,436,596	100,366,186	\$ 4,172,270
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,255,278	
Net Position of Business-type Activities				\$ 101,621,464	

CITY OF JANESVILLE

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 6,490,726	\$ 9,474,308	\$ 2,530,704	\$ 18,495,738	\$ 14,838,198
Total Operating Revenues	<u>6,490,726</u>	<u>9,474,308</u>	<u>2,530,704</u>	<u>18,495,738</u>	<u>14,838,198</u>
OPERATING EXPENSES					
Operation and maintenance	3,261,204	4,473,955	4,620,265	12,355,424	14,373,924
Depreciation	1,636,032	3,412,697	594,284	5,643,013	-
Total Operating Expenses	<u>4,897,236</u>	<u>7,886,652</u>	<u>5,214,549</u>	<u>17,998,437</u>	<u>14,373,924</u>
Operating Income (Loss)	<u>1,593,490</u>	<u>1,587,656</u>	<u>(2,683,845)</u>	<u>497,301</u>	<u>464,274</u>
NONOPERATING REVENUES (EXPENSES)					
Federal operating grants	-	-	932,913	932,913	-
State operating grants	-	-	802,836	802,836	-
Local operating subsidy	-	-	124,617	124,617	-
Investment income	15,144	32,200	684	48,028	-
Amortization expense	(10,398)	(9,271)	(1,791)	(21,460)	-
Amortization premium	2,311	1,874	-	4,185	-
Interest expense	(383,193)	(817,759)	(47,345)	(1,248,297)	-
Miscellaneous revenues (expenses)	<u>(4,525)</u>	<u>25,411</u>	<u>-</u>	<u>20,886</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(380,661)</u>	<u>(767,545)</u>	<u>1,811,914</u>	<u>663,708</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	1,212,829	820,111	(871,931)	1,161,009	464,274
CAPITAL CONTRIBUTIONS	279,399	289,032	16,085	584,516	-
TRANSFERS IN	-	-	777,511	777,511	-
TRANSFERS OUT	<u>(1,301,089)</u>	<u>-</u>	<u>-</u>	<u>(1,301,089)</u>	<u>(1,261,095)</u>
Net Change in Net Position	191,139	1,109,143	(78,335)	1,221,947	(796,821)
NET POSITION - Beginning of Year	<u>38,305,378</u>	<u>52,323,930</u>	<u>8,514,931</u>		<u>4,969,091</u>
NET POSITION - END OF YEAR	<u>\$ 38,496,517</u>	<u>\$ 53,433,073</u>	<u>\$ 8,436,596</u>		<u>\$ 4,172,270</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. 91,901

Change in net position of business-type activities \$ 1,313,848

CITY OF JANESVILLE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2012

	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 6,555,465	\$ 10,103,138	\$ 2,567,650	\$ 19,226,253	\$ 13,788,875
Cash paid to suppliers for goods and services	(1,031,373)	(2,272,915)	(1,379,648)	(4,683,936)	(13,337,139)
Cash payments to employees for services	(2,103,232)	(2,242,914)	(3,141,190)	(7,487,336)	(1,026,271)
Net Cash Flows From Operating Activities	<u>3,420,860</u>	<u>5,587,309</u>	<u>(1,953,188)</u>	<u>7,054,981</u>	<u>(574,535)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidies received - federal	-	-	932,913	932,913	-
Subsidies received - state	-	-	724,880	724,880	-
Subsidies received - local	-	-	95,669	95,669	-
Paid to municipality for tax equivalent	(1,257,157)	-	-	(1,257,157)	-
Negative cash balance implicitly financed for other utilities	-	-	(69,825)	(69,825)	-
Due to other funds	884,793	-	-	884,793	-
Transfers from other funds	-	-	773,490	773,490	-
Transfer to debt service	-	-	-	-	(63,095)
Transfer to capital projects	-	-	-	-	(1,198,000)
Net Cash Flows From Noncapital Financing Activities	<u>(372,364)</u>	<u>-</u>	<u>2,457,127</u>	<u>2,084,763</u>	<u>(1,261,095)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash used to retire debt	(2,816,260)	(3,693,140)	(665,000)	(7,174,400)	-
Interest paid	(401,800)	(865,147)	(48,667)	(1,315,614)	-
Contributions and assessments for construction	311,652	241,375	211,655	764,682	-
Acquisition and construction of capital assets	(2,341,855)	(2,324,913)	(543,431)	(5,210,199)	-
Long term debt issued	1,585,000	1,608,305	635,000	3,828,305	-
Issuance cost of new debt	(5,415)	(5,415)	(2,167)	(12,997)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,668,678)</u>	<u>(5,038,935)</u>	<u>(412,610)</u>	<u>(9,120,223)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	15,144	32,200	-	47,344	-
Net Change in Cash and Cash Equivalents	(605,038)	580,574	91,329	66,865	(1,835,630)
CASH AND CASH EQUIVALENTS -					
Beginning of Year	<u>839,667</u>	<u>7,523,369</u>	<u>814,631</u>	<u>9,177,667</u>	<u>2,938,327</u>
CASH AND CASH EQUIVALENTS -					
END OF YEAR	<u>\$ 234,629</u>	<u>\$ 8,103,943</u>	<u>\$ 905,960</u>	<u>\$ 9,244,532</u>	<u>\$ 1,102,697</u>

	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,593,490	\$ 1,587,656	\$ (2,683,845)	\$ 497,301	\$ 464,274
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income (expense)	(4,524)	(5,692)	-	(10,216)	-
Depreciation	1,636,032	3,412,697	594,284	5,643,013	-
Depreciation charged to other accounts	88,095	-	5,498	93,593	-
Change in Noncash Components of Working Capital					
Accounts receivable	(3,358)	73,491	34,045	104,178	(111,914)
Other accounts receivable	(24,995)	446,330	-	421,335	-
Due from other funds	9,520	114,701	2,901	127,122	(937,409)
Inventories	(52,756)	-	(28,132)	(80,888)	(5,132)
Prepaid items	2,096	2,096	(46)	4,146	(58,687)
Accounts payable	(53,553)	(63,076)	(8,418)	(125,047)	(79,337)
Other current liabilities	128,700	13,674	75,842	218,216	153,670
Other post employment benefits	102,113	5,432	54,683	162,228	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 3,420,860</u>	<u>\$ 5,587,309</u>	<u>\$ (1,953,188)</u>	<u>\$ 7,054,981</u>	<u>\$ (574,535)</u>
Cash and investments - statement of net position	\$ -	\$ 508,325	\$ 271,460	\$ 779,785	\$ 1,102,697
Revenue bond redemption account - statement of net position	234,629	2,139,372	-	2,374,001	-
Restricted cash and investments - statement of net position	-	5,456,246	634,500	6,090,746	-
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	<u>\$ 234,629</u>	<u>\$ 8,103,943</u>	<u>\$ 905,960</u>	<u>\$ 9,244,532</u>	<u>\$ 1,102,697</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2012, \$137,771 and \$162,524 of capital additions were contributed to the water and wastewater utilities, respectively, by customers. In addition, \$23,598, \$50,218, and \$19,866 of capital interest was charged due to construction in the water, wastewater, and stormwater utilities, respectively.

The transit system accrued \$16,085 of capital contributions as receivable in 2012 and collected \$207,634 of contributions recognized in the prior year. In addition, \$4,021 of the transfers into the transit system were capital contributions.

FIDUCIARY FUNDS

AGENCY FUNDS

Agency Funds are used to account for assets held by the Municipality as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF JANESVILLE

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS As of December 31, 2012

	<u>Agency</u>
ASSETS	
Cash and investments	\$ 23,426,193
Taxes receivable	45,642,241
Delinquent taxes	<u>160,522</u>
TOTAL ASSETS	<u>\$ 69,228,956</u>
LIABILITIES	
Due to other taxing units	\$ 69,138,223
Accounts payable	5,421
Due to landfill users	<u>85,312</u>
TOTAL LIABILITIES	<u>\$ 69,228,956</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from 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. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. 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, 2012. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2011, the GASB issued Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities. The city implemented this standard effective January 1, 2012.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

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.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net 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 non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

Fund Financial Statements (cont.)

The city reports the following major 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 – accounts for landfill grants and service charges legally restricted 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.
- 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:

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

The city reports the following non-major governmental and enterprise 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	TIF No. 23	TIF No. 32
JATV-12	TIF No. 24	TIF No. 33
Oak Hill Cemetery	TIF No. 25	TIF No. 34
Special Accounts	TIF No. 26	TIF No. 35
TIF No. 3	TIF No. 27	Golf Courses
TIF No. 9	TIF No. 28	Other Housing Grants
TIF No. 16	TIF No. 29	Community Development
TIF No. 17	TIF No. 30	Block Grant
TIF No. 21	TIF No. 31	Industrial Waste Disposal
TIF No. 22		

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

- Stormwater Utility
- Transit System

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

Fund Financial Statements (cont.)

In addition, the city reports the following fund types:

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

- Vehicle Operation and Maintenance
- Insurance
- Benefits Funding

Agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Tax Collection Fund
- Disposal Site Study Fund

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 revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water utility, wastewater utility, stormwater 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

Government-Wide Financial Statements (cont.)

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 revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled to the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Fund Financial Statements

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

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility, wastewater utility, stormwater 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET 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 maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, 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.
- 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

1. Deposits and Investments (cont.)

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on 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, 2012, 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 state and 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 agency fund statement of fiduciary net position.

Property tax calendar – 2012 tax roll:

Lien date and levy date	December 2012
Tax bills mailed	December 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale – 2012 delinquent real estate taxes	October 2015

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

2. Receivables (cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the 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 were no advances 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 \$106,270.

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

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the 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.

4. Restricted Assets

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

5. Capital Assets

Government–Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$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 are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$93,672 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue. The preliminary engineering balance represents initial project engineering costs that will be capitalized when and if construction commences on the project.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

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, 2013 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2013 and for most employee groups this vacation balance must be used by December 31, 2013. The balance is \$1,998,083 as of December 31, 2012.

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, 2012 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.

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

8. Long-Term Obligations/Conduit Debt (cont.)

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 \$17,410,000, made up of two issues.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental 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. Refer to Note V.C. on commitments and contingencies.

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.”

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	\$ 160,445,022	\$ 92,313,711	\$ (120,000)	\$ 252,638,733
Unrestricted	(6,091,774)	2,746,934	120,000	(3,224,840)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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

Fund Statements

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

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints 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. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the finance committee to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures 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, 2012

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

D. ASSETS, LIABILITIES, 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.

See Note IV. H. for further information.

11. Basis for Existing Rates

Water Utility

Current water rates authorized by the Public Service Commission of Wisconsin became effective May 15, 2011. New water rates with an overall rate increase of 22% were authorized by the Public Service Commission of Wisconsin in 2740-WR-108 to become effective January 1, 2013.

Wastewater Utility

Current wastewater rates were approved by the City Council on January 1, 2010. New wastewater rates were approved by the City Council to become effective January 1, 2013.

Stormwater Utility

The current stormwater utility rates were approved by the City Council on January 1, 2012. New stormwater rates were approved by the City Council to become effective January 1, 2013.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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	\$ 52,310,000
Premium on debt	107,532
Post retirement benefits	12,758,604
Landfill super fund care	865,000
Accrued vacation	1,998,083
Accrued interest	589,242
Unamortized debt issue costs	<u>(187,261)</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 68,441,200</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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, Industrial Waste Disposal, and Sanitation. 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

A. BUDGETARY INFORMATION (cont.)

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, housing services – property maintenance, and EDA departments.

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
Golf Courses	\$ 1,277,273	\$ 1,366,181	\$ 88,908
Oak Hill Cemetery	236,394	239,164	2,770
Debt service	10,113,186	11,908,584	1,795,398
JATV-12	154,900	166,870	11,970
Other Housing Grants	614,745	963,600	348,855

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, 2012

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, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Golf Courses	\$ 99,270	Unfunded costs
TIF No. 9	60,208	Unfunded costs
TIF No. 17	115,609	Unfunded costs
TIF No. 21	34,080	Unfunded costs
TIF No. 22	1,565,518	EDA grant \$1.2 million received in 2013
TIF No. 25	74,217	Unfunded costs
TIF No. 26	16,520	Unfunded costs
TIF No. 28	100,044	Unfunded costs
TIF No. 31	722	Unfunded costs
TIF No. 35	1,622,977	Land purchase funded with G.O. Note in 2013

The Golf Courses deficit is anticipated to be funded by the General Fund.

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.

D. LIMITATIONS ON THE CITY'S TAX LEVY

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the city's future tax levies. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the city's equalized value due to new construction, or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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	\$ 42,005,122	\$ 42,257,307	Custodial credit
LGIP	8,492,812	8,492,812	Credit
U.S. agencies explicitly guaranteed	329,277	329,277	Custodial credit, interest rate
U.S. agencies implicitly guaranteed	4,275,886	4,275,886	Credit, custodial credit, concentration of credit, interest rate
Municipal bonds	1,000,380	1,000,380	Credit, custodial credit, concentration of credit, interest rate
U.S. Treasury Notes	1,494,855	1,494,855	Custodial credit, interest rate
Petty cash	<u>14,305</u>	<u>N/A</u>	N/A
Total Cash and Investments	<u>\$ 57,612,637</u>	<u>\$ 57,850,517</u>	

Reconciliation to financial statements-primary government

Per statement of net position

Unrestricted cash and investments	\$ 25,721,697
Restricted cash and investments	8,464,747

Per statement of assets and liabilities –

Agency	<u>23,426,193</u>
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Total Cash and Investments	<u>\$ 57,612,637</u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings account (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit amounts (interest-bearing and noninterest bearing) are insured for a total of \$250,000 beginning January 1, 2013. 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. Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts, and \$250,000 for all share certificate and regular share accounts.

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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.

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

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

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 investments exposed to custodial credit risk.

The city’s investment policy states that all 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 counterparty to an investment will not fulfill its obligations.

As of December 31, 2012, the city’s investments were rated as follows:

<u>Investment Type</u>	<u>Rating</u>
U.S. agencies – implicitly guaranteed	AAA
Municipal bond	AA2

The city also 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, 2012

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, 2012, the city's investment portfolio was concentrated as follows:

FNMA	16%
FHLMC	10%
Municipal bond	6%

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, 2012, the city's investments were as follows:

Investment Type	Fair Value	Maturity		
		Less than 60 Days	60 Days - 2 years	2 years - 28 years
GNMA	\$ 291,302	\$ -	\$ -	\$ 291,302
FNMA	2,519,999	-	221,241	2,298,758
FHLB	272,755	-	200,583	72,172
FHLMC	1,483,132	-	201,089	1,282,043
Municipal bond	1,000,380	-	1,000,380	-
SBA	37,975	-	-	37,975
US Treasury Bills	1,494,855	-	749,292	745,563
Totals	<u>\$ 7,100,398</u>	<u>\$ -</u>	<u>\$ 2,372,585</u>	<u>\$ 4,727,813</u>

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, 2012

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

B. RECEIVABLES

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

	General	Sanitation	Debt Service	Capital Projects	Water Utility	Wastewater Utility	Nonmajor and Other	Total
Net Total Receivables	\$ 29,415,554	\$ 929,980	\$ 1,295,193	\$ 67,106	\$ 1,686,569	\$ 2,377,411	14,810,419	\$50,582,232
Amounts not expected to be collected within one year	\$ 160,522	\$ -	\$ 644,764	\$ -	\$ 144,214	\$ 190,248	\$ 5,378,973	\$6,518,721

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$3,942,968. These amounts are not expected to be collected within one year.

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 32,450,591	\$ 32,450,591
Delinquent personal property taxes	160,522	-	160,522
Long-term loans receivable	5,378,973	-	5,378,973
Special assessments not yet due	1,585,483	-	1,585,483
Grants not available at year end	1,228,335	-	1,228,335
Miscellaneous	-	12,522	12,522
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 8,353,313</u>	<u>\$ 32,463,113</u>	<u>\$ 40,816,426</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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.

Following is a list of restricted assets at December 31, 2012:

	<u>Restricted Assets</u>
Enterprise Funds	
Construction account	\$ 1,786,692
Replacement account	4,304,054
Revenue bond redemption account	<u>2,374,001</u>
Total Restricted Assets	<u><u>\$ 8,464,747</u></u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 21,713,856	\$ 1,669,792	\$ (164,278)	\$ 23,219,370
Right of way	11,635,240	86,229	(6,100)	11,715,369
Construction in progress	1,454,315	5,266,816	(3,325,763)	3,395,368
Total Capital Assets Not Being Depreciated	34,803,411	7,022,837	(3,496,141)	38,330,107
Capital assets being depreciated				
Land improvements	8,250,714	97,083	(42,515)	8,305,282
Buildings	30,530,478	3,109,365	(967,161)	32,672,682
Furniture and fixtures	10,986,052	774,885	(2,477,029)	9,283,908
Vehicles and equipment	20,873,444	3,037,730	(3,376,276)	20,534,898
Landfill improvements	5,696,327	-	-	5,696,327
Storm sewer	31,094,765	438,516	(18,194)	31,515,087
Roads	94,595,518	1,859,002	(10,489)	96,444,031
Sidewalks	14,771,400	912,169	(38,403)	15,645,166
Street lights	3,634,534	81,490	(19,552)	3,696,472
Traffic signals	3,673,672	233,199	-	3,906,871
Bridges	10,060,349	-	-	10,060,349
Boat launches	286,199	-	-	286,199
Bike trails	5,842,001	56,120	-	5,898,121
Riverwall/retaining wall	1,340,003	-	-	1,340,003
Dams	331,930	-	-	331,930
Total Capital Assets Being Depreciated	241,967,386	10,599,559	(6,949,619)	245,617,326

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (1,708,783)	\$ (310,031)	\$ 26,523	\$ (1,992,291)
Buildings	(9,225,518)	(672,421)	184,504	(9,713,435)
Furniture and fixtures	(8,461,678)	(917,765)	1,989,972	(7,389,471)
Vehicles and equipment	(14,301,003)	(1,614,203)	2,562,301	(13,352,905)
Landfill improvements	(1,379,191)	(284,816)	-	(1,664,007)
Storm sewer	(8,468,972)	(418,437)	18,194	(8,869,215)
Roads	(28,396,184)	(68,888)	10,489	(28,454,583)
Sidewalks	(5,428,135)	(253,978)	38,403	(5,643,710)
Street lights	(1,082,633)	(73,310)	19,552	(1,136,391)
Traffic signals	(676,139)	(75,807)	-	(751,946)
Bridges	(3,400,761)	(133,802)	-	(3,534,563)
Boat launches	(209,323)	(14,310)	-	(223,633)
Bike trails	(927,148)	(97,737)	-	(1,024,885)
Riverwall/retaining wall	(197,600)	(26,800)	-	(224,400)
Dams	(3,319)	(6,639)	-	(9,958)
Total Accumulated Depreciation	(83,866,387)	(4,968,944)	4,849,938	(83,985,393)
Net Capital Assets Being Depreciated	158,100,999	5,630,615	(2,099,681)	161,631,933
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 192,904,410	\$ 12,653,452	\$ (5,595,822)	\$ 199,962,040

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 314,036
Public safety	716,429
Public works, which includes the depreciation of infrastructure	2,638,691
Recreation and parks	517,796
Community and economic development	46,498
Library	735,494
Total Governmental Activities Depreciation Expense	\$ 4,968,944

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 305,478	\$ -	\$ -	\$ 305,478
Construction in progress	310,237	1,199,989	(1,207,932)	302,294
Total Capital Assets Not Being Depreciated	<u>615,715</u>	<u>1,199,989</u>	<u>(1,207,932)</u>	<u>607,772</u>
Capital assets being depreciated				
Source of supply	2,283,716	-	-	2,283,716
Pumping	8,096,399	540,315	-	8,636,714
Treatment	227,004	-	-	227,004
Transmission and distribution	57,712,331	1,660,127	(123,753)	59,248,705
Administrative and general assets	4,266,034	153,320	(79,059)	4,340,295
Total Capital Assets Being Depreciated	<u>72,585,484</u>	<u>2,353,762</u>	<u>(202,812)</u>	<u>74,736,434</u>
Total Capital Assets	<u>73,201,199</u>	<u>3,553,751</u>	<u>(1,410,744)</u>	<u>75,344,206</u>
Less: Accumulated depreciation for				
Source of supply	(781,853)	(66,227)	-	(848,080)
Pumping	(3,034,437)	(317,003)	-	(3,351,440)
Treatment	(225,481)	(1,524)	-	(227,005)
Transmission and distribution	(12,361,147)	(1,030,467)	111,654	(13,279,960)
Administrative and general assets	(3,283,271)	(308,906)	74,443	(3,517,734)
Total Accumulated Depreciation	<u>(19,686,189)</u>	<u>(1,724,127)</u>	<u>186,097</u>	<u>(21,224,219)</u>
Water Capital Assets, Net of Depreciation	<u>\$ 53,515,010</u>	<u>\$ 1,829,624</u>	<u>\$ (1,224,647)</u>	<u>\$ 54,119,987</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Wastewater</u>				
Capital assets not being depreciated				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Construction in progress	833,250	2,300,882	(2,983,033)	151,099
Total Capital Assets Not Being Depreciated	851,250	2,300,882	(2,983,033)	169,099
Capital assets being depreciated				
Collection system	50,435,710	1,527,779	(5,515)	51,957,974
Treatment and disposal	57,364,854	1,040,775	(5,848,053)	52,557,576
General	1,644,701	149,143	(1,933)	1,791,911
Total Capital Assets Being Depreciated	109,445,265	2,717,697	(5,855,501)	106,307,461
Total Capital Assets	110,296,515	5,018,579	(8,838,534)	106,476,560
Less: Accumulated depreciation for				
Collection system	(12,477,619)	(797,135)	5,515	(13,269,239)
Treatment and disposal	(16,471,549)	(2,489,405)	5,832,498	(13,128,456)
General assets	(1,311,280)	(126,158)	(22,708)	(1,460,146)
Total Accumulated Depreciation	(30,260,448)	(3,412,698)	5,815,305	(27,857,841)
Wastewater Capital Assets, Net of Depreciation	\$ 80,036,067	\$ 1,605,881	\$ (3,023,229)	\$ 78,618,719

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 126,194	\$ 580,020	\$ (607,921)	\$ 98,293
Total Capital Assets Not Being Depreciated	126,194	580,020	(607,921)	98,293
Other capital assets				
Detention ponds	2,302,112	97,014	-	2,399,126
Greenbelt crossings	2,044,970	203,065	-	2,248,035
Stormwater mains	1,935,122	177,376	-	2,112,498
Dam Improvements	114,998	24,228	-	139,226
General assets	141,968	31,071	-	173,039
Total Capital Assets Being Depreciated	6,539,170	532,754	-	7,071,924
Total Capital Assets	6,665,364	1,112,774	(607,921)	7,170,217
Less: Accumulated depreciation for				
Detention ponds	(402,140)	(47,012)	-	(449,152)
Greenbelt crossings	(343,506)	(28,620)	-	(372,126)
Stormwater mains	(63,198)	(26,984)	-	(90,182)
Dam Improvements	(10,350)	(2,542)	-	(12,892)
General assets	(44,640)	(33,804)	-	(78,444)
Total Accumulated Depreciation	(863,834)	(138,962)	-	(1,002,796)
Stormwater Capital Assets, Net of Depreciation	\$ 5,801,530	\$ 973,812	\$ (607,921)	\$ 6,167,421

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Transit</u>				
Capital assets not being depreciated				
Land and land rights	\$ 356,520	\$ -	\$ -	\$ 356,520
Construction in progress	10,198	-	(10,198)	-
Total Capital Assets Not Being Depreciated	366,718	-	(10,198)	356,520
Capital assets being depreciated				
Building	2,584,852	4,032	-	2,588,884
Equipment	5,665,454	26,272	(204,226)	5,487,500
Total Capital Assets Being Depreciated	8,250,306	30,304	(204,226)	8,076,384
Total Capital Assets	8,617,024	30,304	(214,424)	8,432,904
Less: Accumulated depreciation for				
Building	(1,119,595)	(100,318)	-	(1,219,913)
Equipment	(3,181,763)	(355,004)	191,173	(3,345,594)
Total Accumulated Depreciation	(4,301,358)	(455,322)	191,173	(4,565,507)
Transit Capital Assets, Net of Depreciation	\$ 4,315,666	\$ (425,018)	\$ (23,251)	\$ 3,867,397
Business-type Capital Assets, Net of Depreciation	\$ 143,650,273	\$ 3,984,299	\$ (4,879,048)	\$ 142,755,524

Depreciation expense was charged to functions as follows:

Business-type Activities	
Transit	\$ 455,322
Stormwater	138,962
Water	1,636,032
Wastewater	3,412,697
Total Business-type Activities	\$ 5,643,013

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage, and cost of removal.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Water Utility	\$ 1,301,089	\$ -
General Fund	Golf Courses	138,884	138,884
General Fund	TIF 9	60,222	20,657
General Fund	TIF 17	115,609	74,218
General Fund	TIF 21	34,080	33,947
General Fund	TIF 22	1,430,737	-
General Fund	TIF 25	74,217	-
General Fund	TIF 26	16,520	-
General Fund	TIF 28	100,044	98,003
General Fund	TIF 31	722	-
General Fund	TIF 35	1,619,039	119,039
Capital Projects Fund	Debt Service Fund	504,220	-
TIF No. 32	Water Utility	106,985	-
Water Utility	General Fund	599,243	-
Wastewater Utility	General Fund	924,493	-
Wastewater Utility	Transit System	261,823	-
Stormwater Utility	General Fund	116,332	-
Insurance Fund	Water Utility	<u>2,325,653</u>	<u>2,325,268</u>
Subtotal- Fund Financial Statements		9,729,912	<u>\$ 2,810,016</u>
Less: Fund eliminations		(6,788,755)	
Less: Internal service fund elimination adjustment		1,255,278	
Less: Government-wide eliminations		<u>(3,358,055)</u>	
Total Government-wide Statement of Net Position		<u>\$ 838,380</u>	

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 2,478,449
Business-type Activities	Governmental Activities	<u>(1,640,069)</u>
Total Government-wide Statement of Net Position		<u>\$ 838,380</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

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 the governmental activities or business-type activities are netted and eliminated. The following is a schedule of interfund transfers:

Fund Transferred To	Amount	Principal Purpose	Fund Transferred From	Amount	Principal Purpose
General Fund	\$ 1,301,089	Tax equivalent	General Fund	\$ 5,186,604	Debt payments
General Fund	190,992	Repay prior transfer	General Fund	773,490	Subsidy
Total General Fund	<u>1,492,081</u>		General Fund	216,248	Subsidy
Debt Service Fund	5,186,604	Debt payments	General Fund	75,000	Subsidy
Debt Service Fund	924,346	Debt payments	General Fund	<u>81,000</u>	Subsidy
Debt Service Fund	215,502	Debt payments	Total General Fund	<u>6,332,342</u>	
Debt Service Fund	173,050	Debt payments	Sanitation Fund	924,346	Debt payments
Debt Service Fund	45,817	Debt payments	Sanitation Fund	<u>226,000</u>	Long-term care
Debt Service Fund	980,078	Debt payments	Total Sanitation Fund	<u>1,150,346</u>	
Debt Service Fund	84,391	Debt payments	Capital Projects	4,021	Subsidy
Debt Service Fund	85,900	Debt payments	Capital Projects	<u>254,720</u>	Sidewalk Assessment
Debt Service Fund	74,500	Debt payments	Total Capital Projects Fund	<u>258,741</u>	
Debt Service Fund	207,922	Debt payments	Water Utility	<u>1,301,089</u>	Tax equivalent
Debt Service Fund	37,125	Debt payments	Total Water Utility	<u>1,301,089</u>	
Debt Service Fund	12,200	Debt payments	Library	215,502	Debt payments
Debt Service Fund	63,095	Debt payments	TIF 3	190,992	Repay prior transfer
Debt Service Fund	254,720	Sidewalk Assessment	TIF 16	173,050	Debt payments
Debt Service Fund	195,712	Subsidy	TIF 17	45,817	Debt payments
Total Debt Service Fund	<u>8,540,962</u>		TIF 22	980,078	Debt payments
Capital Projects Fund	20,536	Subsidy	TIF 23	84,391	Debt payments
Capital Projects Fund	<u>1,198,000</u>	Capital equipment	TIF 24	85,900	Debt payments
Total Capital Projects Fund	<u>1,218,536</u>		TIF 25	74,500	Debt payments
Cemetery Fund	75,000	Subsidy	TIF 26	207,922	Debt payments
Golf Courses	81,000	Subsidy	TIF 27	37,125	Debt payments
Special Accounts	226,000	Long-term care	TIF 34	12,200	Debt payments
Transit	773,490	Subsidy	Benefits Funding	63,095	Debt payments
Transit	4,021	Subsidy	VOM	<u>1,198,000</u>	Capital equipment
Total Nonmajor Funds	<u>1,159,511</u>		Total Nonmajor Funds	<u>3,368,572</u>	
Sub-Total Fund Financial Statements	<u>\$ 12,411,090</u>			12,411,090	
Less Fund Eliminations				(10,626,417)	
Less Government-wide Eliminations				<u>(1,261,095)</u>	
Total Government Wide Statement of Activities				<u>\$ 523,578</u>	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 1,301,089
Business-type Activities	Governmental Activities	(777,511)
		\$ 523,578

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt - General	\$ 51,204,441	\$ 11,500,000	\$ 10,394,441	\$ 52,310,000	\$ 8,160,000
Premium on debt	22,502	93,149	8,119	107,532	-
Total Notes Payable	51,226,943	11,593,149	10,402,560	52,417,532	8,160,000
Other Liabilities					
Other post retirement benefits	10,748,932	3,583,733	1,574,061	12,758,604	1,411,943
Landfill superfund care (Note V.C.)	913,000	-	48,000	865,000	45,000
Accrued vacation	1,679,755	1,998,083	1,679,755	1,998,083	1,998,083
Total Other Liabilities	13,341,687	5,581,816	3,301,816	15,621,687	3,455,026
Total Governmental Activities Long-Term Liabilities	\$ 64,568,630	\$ 17,174,965	\$ 13,704,376	\$ 68,039,219	\$ 11,615,026
Business-Type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 23,610,000	\$ 3,750,000	\$ 5,480,000	\$ 21,880,000	\$ 3,895,000
Other post employment benefits	1,088,529	309,458	147,230	1,250,757	152,115
Premium on debt	9,966	30,378	4,700	35,644	-
Revenue bonds	32,058,342	78,303	1,694,400	30,442,245	1,710,871
Total Business-Type Activities Long-Term Liabilities	\$ 56,766,837	\$ 4,168,139	\$ 7,326,330	\$ 53,608,646	\$ 5,757,986

* See Note I.D.7 for a description of the accrued vacation liability.

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, 2012

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, 2012 was \$194,785,310. Total general obligation debt outstanding at year end was \$74,190,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2012
Governmental Activities					
General Obligation Debt					
General obligation notes	7/1/2005	2/1/2015	3.25-4.25%	\$ 6,785,000	\$ 1,170,000
General obligation taxable notes	7/1/2005	7/1/2015	4.25 - 4.70%	4,285,000	3,410,000
General obligation notes	7/1/2006	2/1/2015	4.00%	10,380,000	2,695,000
General obligation notes	7/1/2007	2/1/2017	4.00 - 5.00%	7,920,000	3,250,000
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	10,285,000	5,920,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	11,450,000	7,705,000
General obligation notes	11/23/2009	2/1/2018	2.00 - 3.50%	6,915,000	4,405,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	6,145,000	3,295,000
General obligation notes	11/4/2010	2/1/2020	1.05 - 3.60%	1,055,000	990,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	7,595,000	7,125,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	1,285,000	845,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	9,740,000	9,740,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	1,760,000	1,760,000
Total Governmental Activities – General Obligation Debt					<u>\$ 52,310,000</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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 12/31/2012
Business-type Activities					
General Obligation Debt					
General obligation notes	7/1/2005	2/1/2015	3.25-4.25%	\$ 4,380,000	\$ 780,000
General obligation notes	7/1/2006	2/1/2015	4.00%	4,695,000	930,000
General obligation notes	12/15/2006	12/1/2016	3.75 - 4.00%	4,010,000	1,850,000
General obligation notes	7/1/2007	2/1/2017	4.00 - 5.00%	5,245,000	2,175,000
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	4,960,000	2,560,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	3,955,000	2,665,000
General obligation notes	11/23/2009	2/1/2018	2.00 - 3.50%	2,150,000	300,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	2,620,000	2,120,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	4,420,000	4,300,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	620,000	450,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	2,960,000	2,960,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	790,000	790,000
Total Business-type Activities General Obligation Debt					<u>\$ 21,880,000</u>

Debt service requirements to maturity are as follows:

Years	Government Activities		Business- Type Activities	
	General Obligation Debt		General Obligation Debt	
	Principal	Interest	Principal	Interest
2013	\$ 8,160,000	\$ 1,355,261	\$ 3,895,000	\$ 574,227
2014	7,809,000	1,188,610	3,181,000	484,831
2015	9,804,000	978,127	2,871,000	391,309
2016	6,349,000	646,392	3,321,000	305,409
2017	5,639,000	468,599	2,236,000	200,886
2018-2022	14,549,000	639,109	6,376,000	323,120
Totals	<u>\$ 52,310,000</u>	<u>\$ 5,276,098</u>	<u>\$ 21,880,000</u>	<u>\$ 2,279,782</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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 \$37.0 million in revenue bonds issued since 1992. 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% of net revenues. The total principal and interest remaining to be paid on the bonds is \$36.1 million. Principal and interest paid for the current year and total customer gross revenues were \$2.4 million and \$15.5 million, respectively.

Revenue debt payable at December 31, 2012 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 12/31/2012</u>
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 856,426
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	<u>1,476,310</u>
				Total Water Utility	<u>2,332,736</u>
<u>Wastewater Utility</u>					
Clean Water Fund loan	1996	2016	3.08%	518,676	130,416
Clean Water Fund loan	1998	2017	2.64%	1,128,073	353,663
Clean Water Fund loan	2000	2019	2.97%	284,140	124,348
Clean Water Fund loan	2001	2020	2.75%	1,100,828	595,174
Clean Water Fund loan	2004	2023	2.37%	2,032,973	1,298,332
Clean Water Fund loan	2010	2029	2.15%	25,851,400	24,660,038
Clean Water Fund loan	2011	2031	2.40%	983,325	<u>947,538</u>
				Total Wastewater Utility	<u>28,109,509</u>
Total Business-type Activities Revenue Debt					<u>\$ 30,442,245</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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 Debt	
	Principal	Interest
2013	\$ 1,710,871	\$ 656,091
2014	1,749,725	616,792
2015	1,789,470	576,591
2016	1,830,126	535,468
2017	1,836,563	493,943
2018-2022	9,283,893	1,851,094
2023-2027	8,620,410	847,368
2028-2031	3,621,187	84,675
Totals	\$ 30,442,245	\$ 5,662,022

Other Debt Information

Estimated payments of accrued vacation, other post employment benefits, and landfill superfund care are not included in the debt service requirement schedules. The accrued vacation liability and other postretirement benefits 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.

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

On October 18, 2012, the city issued \$15,250,000 in general obligation notes with an average interest rate of 1.77%. Of this issuance \$12,700,000 was new debt to fund capital projects and \$2,550,000 was used to current refund \$2,550,000 of outstanding bonds with an average interest rate of 4.15%. The net proceeds of \$2,550,000 (after payment in underwriting fees, insurance and other issuance costs) was used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$2,656,462 from 2013 through 2014. The cash flow requirements on the refunding bonds are \$2,799,967 from 2013 through 2022. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$21,977.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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 postclosure 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 postclosure care.

The city is required by state environmental laws to provide financial security to guarantee final site closure and postclosure care. The city is in compliance with these requirements by having in place the insurance policy, which provides the required amount for closure and postclosure 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 postclosure 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, 2012 include the following:

Net investment in capital assets	
Land	\$ 34,934,739
Construction in progress	3,395,368
Other capital assets, net of accumulated depreciation	161,631,933
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(39,517,018)</u>
Total Net Investment in Capital Assets	<u>160,445,022</u>
Restricted	
Debt service	944,419
Grant agreements	7,118,362
Library	606,390
TIF districts	1,787,003
Landfill long-term care	<u>2,122,966</u>
Total Restricted	<u>12,579,140</u>
Unrestricted (deficit)	<u>(6,091,774)</u>
Total Governmental Activities Net Position	<u>\$ 166,932,388</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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, 2012 include the following:

Nonspendable	
Major Funds	
General fund	
Inventories	\$ 778
Prepaid items	3,220
Noncurrent interfund balances	484,749
Total General Fund	<u>\$ 488,747</u>
Capital projects fund	
Inventories	<u>\$ 249,918</u>
Nonmajor funds	
Prepaid items	<u>\$ 42,357</u>
Restricted	
Major Funds	
Debt service fund-debt service	\$ 594,456
Capital projects fund	7,138,340
Total Major Funds	<u>\$ 7,732,796</u>
Non-Major Funds	
Special Revenue Funds	
Library	\$ 606,033
Special Accounts	2,248,293
TIF 23	150,798
TIF 24	52,151
TIF 27	290,560
TIF 29	87,061
TIF 30	3,186
TIF 32	292,211
TIF 33	443,102
TIF 34	135,327
Other Housing Grants	328,738
Community Development Block Grant	382,136
Industrial Waste Disposal	7,461
Total Non-Major Funds	<u>\$ 5,027,057</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

H. NET POSITION/FUND BALANCES (cont.)

Committed	
Major Funds	
Sanitation Fund	<u>\$ 1,199,147</u>
Nonmajor Funds	
Special Revenue Funds	
JATV-12	\$ 395,650
Oakhill Cemetery	233,077
Special Accounts	<u>327,396</u>
Total Non-Major Special Revenue Funds	<u>\$ 956,123</u>
Assigned	
Major Funds	
General fund- applied to 2013 budget	\$ 926,435
Capital Projects	<u>3,626,875</u>
Total Major Funds	<u>\$ 4,553,310</u>
Unassigned (deficit)	
Major Funds	
General fund	<u>\$ 7,622,953</u>
Non-Major Funds	
Special Revenue Funds	
TIF 9	\$ (60,208)
TIF 17	(115,609)
TIF 21	(34,080)
TIF 22	(1,565,518)
TIF 25	(74,217)
TIF 26	(16,520)
TIF 28	(100,044)
TIF 31	(722)
TIF 35	(1,622,977)
Golf Courses	<u>(141,270)</u>
Total Non-Major Special Revenue Funds (deficit)	<u>\$ (3,731,165)</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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, 2012 include the following:

Plant in service	\$ 196,872,201
Accumulated depreciation	(54,650,363)
Construction work in progress	551,686
Sub-Total	<u>142,773,524</u>
Current portion of general obligation debt	(3,895,000)
Current portion of revenue bonds	(1,710,871)
Noncurrent portion general obligation debt	(18,020,644)
Noncurrent portion revenue bonds	(28,731,374)
Unamortized debt issuance costs	111,384
Sub-Total	<u>(52,246,505)</u>
Construction Funds (unspent debt)	<u>1,786,692</u>
Sub-Total	<u>1,786,692</u>
Total Net Investment in Capital Assets	<u><u>\$ 92,313,711</u></u>

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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

I. COMPONENT UNIT (cont.)

b. Deposits and Investments

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 172,241	\$ 172,241	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), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit amounts (interest-bearing and noninterest bearing) are insured for a total of \$250,000 beginning January 1, 2013.

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

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	\$ 98,861	\$ 197	\$ -	\$ 99,058	4-20
Less: accumulated depreciation	(56,138)	(4,769)	-	(60,907)	
Totals	\$ 42,723	\$ (4,572)	\$ -	\$ 38,151	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system (PERS). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year, and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year, and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective contributions 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. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General	5.9%	5.9%
Executives and Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for city employees covered by WRS for the year ended December 31, 2012 was \$28,842,949; the employer's total payroll was \$29,964,362. The total required contribution for the year ended December 31, 2012 was \$4,837,454 or 16.8 percent of covered payroll. Of this amount, 87.2 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2011 and 2010 were \$4,761,444 and \$4,420,234, respectively, equal to the required contributions for each year.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

The city had no pension related debt as of December 31, 2012.

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, 2012

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pools

Transit Mutual Insurance Corporation of Wisconsin (TMIC)

The Transit Mutual Insurance Corporation of Wisconsin is a mutual insurance company formed by Wisconsin municipalities which have joined together for the managing and funding of the first party property losses and third party liability claims of its member municipalities' mass transit funds.

In 2012, the TMIC is protected by a \$1,200,000 self-insurance policy. In addition to the TMIC protection, the City of Janesville, combined together with other members of TMIC, are covered by a \$5,000,000 excess insurance policy issued by General Reinsurance Corporation effective January 1, 2012 through January 1, 2013.

Management 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 agency beyond its representation on the board of directors.

Initial contributions are determined in advance of each membership year. 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 membership year. Members have a contractual obligation to fund any deficit attributable to a membership year during which they were a member. The city's share of this company is 2.22%. A list of the other members is available in the TMIC report.

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

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC will provide liability insurance coverage to the cities and villages which make up the membership of the WMIC. In addition, CVMIC offers workers' compensation insurance if a member elects coverage.

The CVMIC liability insurance program is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is approximately 3.79%. A list of the other members and their share of participation is available in the WMIC Report.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pools (cont.)

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

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 \$232,825. For liability claims, the city's uninsured risk of loss is \$100,000 per incident with a \$5,000,000 limit per occurrence. \$400,000 was designated for that reserve at year end, and is included in unrestricted net position of the internal service fund.

Financial statements of WMIC and CVMIC are available from: Cities and Villages Mutual Insurance Company, 1250 Sunnyslope Road, Suite 105, Brookfield, WI 53005.

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 \$140,000 per incident with a \$2,000,000 lifetime maximum per individual. Stop loss insurance is purchased for claims in excess of \$140,000. Actual claims have exceeded the stop loss limit in each of the last three 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. \$325,000 was designated for that reserve at year end, and is included in unrestricted net position of the internal service fund.

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

Claims Liability	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 487,000	\$ 739,000
Current year claims and changes in estimates	8,683,863	9,343,848
Claim payments	(8,431,863)	(9,295,848)
Unpaid Claims – End of Year	\$ 739,000	\$ 787,000

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

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 \$350,000 per incident for protective employees (fire and police) and \$300,000 per incident for all other employees. The city has purchased commercial insurance for claims in excess of \$1,000,000. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the city participate in the risk management program. Amounts payable 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. \$350,000 was designated for that reserve at year end, and is included in unrestricted net position of the internal service fund.

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

<i>Claims Liability</i>	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 827,642	\$ 717,573
Current year claims and changes in estimates	89,002	499,107
Claim payments	<u>(199,071)</u>	<u>(423,625)</u>
Unpaid Claims – End of Year	<u>\$ 717,573</u>	<u>\$ 793,055</u>

C. COMMITMENTS AND CONTINGENCIES

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

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.

During 2012, the city borrowed \$15,250,000 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 \$1,077,967 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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 \$8.4 million. Remediation construction activities are complete and remaining long-term care will occur over the next 14 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 \$0.9 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 14 years. The city has paid \$2.6 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.

The city is also involved in claims and lawsuits arising in the normal course of business. In the opinion of management, the ultimate outcome of these actions will not have a materially adverse effect on the city's financial position at December 31, 2012.

At December 31, 2012, there were approximately \$2,358,355 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	\$ 1,274,895
Wastewater	<u>1,083,460</u>
Total	<u>\$ 2,358,355</u>

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

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

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the union. The city 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 89.0% and 89.2% of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2012, the city contributed \$7,837,533 to the plan. Plan members receiving benefits contribute 11.0% and 10.8% of their premium costs for a family plan and a single plan, respectively. For fiscal year 2012, total member contributions were \$882,250, or approximately 10.1% of the total premiums, through their required contributions.

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

Annual required contribution (ARC)	\$ 3,890,932
Interest on net OPEB obligation	539,788
Adjustment to annual required contribution	<u>(537,529)</u>
Annual OPEB cost	3,893,191
Contributions made	<u>(1,721,291)</u>
Increase in Net OPEB Obligation	2,171,900
Net OPEB Obligation – Beginning of Year	<u>11,837,461</u>
Net OPEB Obligation – End of Year	<u>\$ 14,009,361</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2012	\$ 3,893,191	44.2%	\$ 14,009,361
12/31/2011	3,837,869	44.7%	11,837,461
12/31/2010	3,587,424	44.4%	9,715,855

The funded status of the plan as of January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 44,068,737
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 44,068,737</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 28,842,949
UAAL as a percentage of covered payroll	152.8%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.56% investment rate of return and an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after 5 years. Both rates include a 4% inflation rate. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 28 years.

E. SUBSEQUENT EVENT

On April 22, 2013, the City Council approved File Resolution 2013-1009 authorizing the issuance of \$4,235,000 in Taxable General Obligation Refunding Bonds.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 27,381,766	\$ 27,381,766	\$ 27,223,368	\$ (158,398)
Licenses and permits	1,066,600	1,066,600	1,132,445	65,845
Investment income, rents and fines	861,000	861,000	792,441	(68,559)
State and federal aids	7,887,000	7,887,000	7,876,128	(10,872)
Service charges and other	<u>2,419,650</u>	<u>2,419,650</u>	<u>2,542,853</u>	<u>123,203</u>
Total Revenues	<u>39,616,016</u>	<u>39,616,016</u>	<u>39,567,235</u>	<u>(48,781)</u>
EXPENDITURES				
General government	4,028,280	4,028,280	3,855,493	172,787
Public safety	23,252,668	23,400,668	23,209,701	190,967
Public works	4,115,120	4,115,120	3,845,733	269,387
Recreation and parks	2,735,904	2,735,904	2,618,927	116,977
Community and economic development	<u>1,358,923</u>	<u>1,358,923</u>	<u>1,230,849</u>	<u>128,074</u>
Total Expenditures	<u>35,490,895</u>	<u>35,638,895</u>	<u>34,760,703</u>	<u>878,192</u>
Excess of revenues over expenditures	<u>4,125,121</u>	<u>3,977,121</u>	<u>4,806,532</u>	<u>829,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,463,900	1,463,900	1,492,081	28,181
Transfers out	<u>(6,414,021)</u>	<u>(6,414,021)</u>	<u>(6,332,342)</u>	<u>81,679</u>
Total Other Financing Sources (Uses)	<u>(4,950,121)</u>	<u>(4,950,121)</u>	<u>(4,840,261)</u>	<u>109,860</u>
Net change in fund balance	(825,000)	(973,000)	(33,729)	939,271
FUND BALANCES - Beginning of Year	<u>9,071,864</u>	<u>9,071,864</u>	<u>9,071,864</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,246,864</u>	<u>\$ 8,098,864</u>	<u>\$ 9,038,135</u>	<u>\$ 939,271</u>

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

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SANITATION
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 210,000	\$ 210,000	\$ 226,881	\$ 16,881
Service charges and other	<u>6,912,520</u>	<u>6,912,520</u>	<u>6,350,280</u>	<u>(562,240)</u>
Total Revenues	<u>7,122,520</u>	<u>7,122,520</u>	<u>6,577,161</u>	<u>(545,359)</u>
EXPENDITURES				
Current				
Public works	<u>6,609,326</u>	<u>6,609,326</u>	<u>6,331,917</u>	<u>277,409</u>
Total Expenditures	<u>6,609,326</u>	<u>6,609,326</u>	<u>6,331,917</u>	<u>277,409</u>
Excess of revenues over expenditures	<u>513,194</u>	<u>513,194</u>	<u>245,244</u>	<u>(267,950)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,221,513)</u>	<u>(1,221,513)</u>	<u>(1,150,346)</u>	<u>71,167</u>
Total Other Financing Uses	<u>(1,221,513)</u>	<u>(1,221,513)</u>	<u>(1,150,346)</u>	<u>71,167</u>
Net change in fund balance	(708,319)	(708,319)	(905,102)	(196,783)
FUND BALANCES - Beginning of Year	<u>2,104,249</u>	<u>2,104,249</u>	<u>2,104,249</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,395,930</u>	<u>\$ 1,395,930</u>	<u>\$ 1,199,147</u>	<u>\$ (196,783)</u>

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

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
 December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (Unit Credit) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 56,355,497	\$ 56,355,497	0.00%	\$ 27,984,508	201.4%
12/31/2009	-	59,091,097	59,091,097	0.00%	28,219,015	209.4%
12/31/2010	-	40,694,348	40,694,348	0.00%	28,402,128	143.3%
12/31/2011	-	42,841,141	42,841,141	0.00%	28,949,866	148.0%
12/31/2012	-	44,068,737	44,068,737	0.00%	28,842,949	152.8%

Changes in Assumptions

The change in the city's unfunded actuarial accrued OPEB liability as of December 31, 2010 is due to several factors, including:

- > The demographic assumptions used in the prior report, such as rates of retirement, disablement, and separation, were based upon the 2006 WRS annual report. However, the demographic assumptions used in this current study are based upon updated assumptions from the 2009 WRS annual report.
- > Change in the interest/discount rate used. The prior valuation used 4% compounded annually whereas the current valuation assumed a 5% expected long-term yield on general assets to continue funding the retiree benefits on a pay-as-you-go basis.
- > Lower than expected medical costs in addition to changes in the assumed healthcare trends as well as updated implicit rate subsidy factors used in calculation of age-adjusted premiums.
- > The assumed age difference between an employee and their spouse was changed from no difference to an assumption that males are three years older than their spouse.

CITY OF JANESVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2012

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.



SUPPLEMENTAL INFORMATION

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
TAXES				
General property tax	\$ 26,172,766	\$ 26,172,766	\$ 26,127,411	\$ (45,355)
Penalties and interest on taxes	156,000	156,000	173,295	17,295
Mobile home taxes	78,000	78,000	76,443	(1,557)
Hotel/motel tax	425,000	425,000	454,142	29,142
Wheel tax	550,000	550,000	392,077	(157,923)
Totals	<u>27,381,766</u>	<u>27,381,766</u>	<u>27,223,368</u>	<u>(158,398)</u>
LICENSES				
Alcoholic beverage licenses	68,000	68,000	68,797	797
Publication fees	3,500	3,500	2,800	(700)
Food and cigarettes	13,500	13,500	13,475	(25)
Weights and measures	23,000	23,000	22,306	(694)
Dog licenses	45,000	45,000	43,548	(1,452)
Electricians licenses	5,000	5,000	5,750	750
Bartender licenses	11,000	11,000	11,491	491
Amusement center licenses	22,000	22,000	19,375	(2,625)
Cable TV	600,000	600,000	604,667	4,667
Other regulatory licenses and permits	22,000	22,000	22,703	703
Totals	<u>813,000</u>	<u>813,000</u>	<u>814,912</u>	<u>1,912</u>
COMMUNITY DEVELOPMENT PERMITS				
Application fees	33,700	33,700	33,925	225
Resident permit fees	76,400	76,400	134,774	58,374
Commercial permit fees	143,500	143,500	148,834	5,334
Totals	<u>253,600</u>	<u>253,600</u>	<u>317,533</u>	<u>63,933</u>
INVESTMENT INCOME, RENTS AND FINES				
Investment income	300,000	300,000	189,247	(110,753)
Rents - city owned property	116,000	116,000	104,952	(11,048)
Municipal court fines	370,000	370,000	375,332	5,332
Sale of city property	25,000	25,000	72,910	47,910
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>861,000</u>	<u>861,000</u>	<u>792,441</u>	<u>(68,559)</u>
STATE AND FEDERAL AIDS				
Shared taxes from state	5,124,000	5,124,000	5,126,123	2,123
Local road allotment	2,097,000	2,097,000	2,096,334	(666)
State payment - municipal services	118,000	118,000	104,348	(13,652)
Connecting street maintenance	300,000	300,000	300,457	457
Computer value reimbursement	123,000	123,000	110,836	(12,164)
State aid - fire insurance	125,000	125,000	138,030	13,030
Totals	<u>7,887,000</u>	<u>7,887,000</u>	<u>7,876,128</u>	<u>(10,872)</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.) For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SERVICE CHARGES AND OTHER				
Parking	\$ 113,000	\$ 113,000	\$ 69,470	\$ (43,530)
Public works	66,000	66,000	75,665	9,665
Police department	38,000	38,000	43,442	5,442
Fire department	1,495,000	1,495,000	1,546,814	51,814
Leisure services	637,650	637,650	679,062	41,412
Miscellaneous	25,000	25,000	82,444	57,444
Wastewater service charge	45,000	45,000	45,956	956
Totals	2,419,650	2,419,650	2,542,853	123,203
TRANSFERS IN				
Water utility taxes	1,303,900	1,303,900	1,301,089	(2,811)
Special revenue	160,000	160,000	190,992	30,992
Totals	1,463,900	1,463,900	1,492,081	28,181
TOTAL REVENUES AND OTHER SOURCES	\$ 41,079,916	\$ 41,079,916	\$ 41,059,316	\$ (20,600)

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City council	\$ 22,155	\$ 22,155	\$ 18,527	\$ 3,628
City manager	297,750	297,750	259,395	38,355
Community information	59,455	59,455	50,358	9,097
City assessor	559,228	559,228	481,106	78,122
City attorney	417,762	417,762	417,801	(39)
Elections	111,700	111,700	188,813	(77,113)
City clerk - treasurer	510,711	510,711	464,458	46,253
Administrative services - accounting	418,605	418,605	418,857	(252)
Human resources	217,140	217,140	216,208	932
Information systems	747,712	747,712	678,550	69,162
Insurance	92,743	92,743	92,743	-
Economic adjustments	101,119	101,119	102,620	(1,501)
Unclassified and sundry	472,200	472,200	466,057	6,143
Totals	<u>4,028,280</u>	<u>4,028,280</u>	<u>3,855,493</u>	<u>172,787</u>
PUBLIC SAFETY				
Police department	12,983,474	12,983,474	12,823,552	159,922
Fire department	10,269,194	10,417,194	10,386,149	31,045
Totals	<u>23,252,668</u>	<u>23,400,668</u>	<u>23,209,701</u>	<u>190,967</u>
PUBLIC WORKS				
Administration				
DPW administration	41,379	41,379	35,756	5,623
Engineering	543,141	543,141	555,849	(12,708)
Sub-Totals	<u>584,520</u>	<u>584,520</u>	<u>591,605</u>	<u>(7,085)</u>
Street Maintenance and Repair				
Paved streets	749,596	749,596	730,462	19,134
Street cleaning	32,204	32,204	32,946	(742)
Snow removal	1,166,368	1,166,368	922,859	243,509
Weed cutting	48,876	48,876	49,916	(1,040)
Sub-Totals	<u>1,997,044</u>	<u>1,997,044</u>	<u>1,736,183</u>	<u>260,861</u>
Public Buildings and Parking				
Public buildings	467,642	467,642	450,105	17,537
Parking facilities	119,450	119,450	119,441	9
Sub-Totals	<u>587,092</u>	<u>587,092</u>	<u>569,546</u>	<u>17,546</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS (cont.)				
Traffic Control				
Traffic signs	\$ 132,604	\$ 132,604	\$ 131,663	\$ 941
Traffic signals	149,167	149,167	150,661	(1,494)
Street painting	90,471	90,471	90,493	(22)
Street lighting	<u>574,222</u>	<u>574,222</u>	<u>575,582</u>	<u>(1,360)</u>
Sub-Totals	<u>946,464</u>	<u>946,464</u>	<u>948,399</u>	<u>(1,935)</u>
Total Public Works	<u>4,115,120</u>	<u>4,115,120</u>	<u>3,845,733</u>	<u>269,387</u>
RECREATION, PARKS AND SPECIAL FACILITIES				
Leisure services administration	35,880	35,880	35,181	699
Tallman house	49,400	49,400	50,147	(747)
Senior citizens center	254,899	254,899	239,643	15,256
Park management	1,392,823	1,392,823	1,348,941	43,882
Recreation programs	474,825	474,825	421,432	53,393
Ice skating center	242,023	242,023	253,991	(11,968)
Aquatics	<u>286,054</u>	<u>286,054</u>	<u>269,592</u>	<u>16,462</u>
Totals	<u>2,735,904</u>	<u>2,735,904</u>	<u>2,618,927</u>	<u>116,977</u>
COMMUNITY AND ECONOMIC DEVELOPMENT				
Economic development	143,829	143,829	112,538	31,291
Community development	957,695	957,695	862,643	95,052
Housing services-property maintenance	<u>257,399</u>	<u>257,399</u>	<u>255,668</u>	<u>1,731</u>
Totals	<u>1,358,923</u>	<u>1,358,923</u>	<u>1,230,849</u>	<u>128,074</u>
GENERAL FUND TRANSFERS				
Transit system	855,169	855,169	773,490	81,679
Debt service	5,186,604	5,186,604	5,186,604	-
Capital Projects				
Special assessments	216,248	216,248	216,248	-
Special Revenue				
Cemetery	75,000	75,000	75,000	-
Golf Courses	<u>81,000</u>	<u>81,000</u>	<u>81,000</u>	<u>-</u>
Totals	<u>6,414,021</u>	<u>6,414,021</u>	<u>6,332,342</u>	<u>81,679</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 41,904,916</u>	<u>\$ 42,052,916</u>	<u>\$ 41,093,045</u>	<u>\$ 959,871</u>

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 Fund – 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.

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

Tax Incremental Financing (TIF) District #9 – To account for the financing and construction improvements of the City's downtown five points area business district.

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 #21 – To account for the financing and construction of City improvements related to GOEX Corporation's industrial expansion.

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 #24 – To account for the financing and construction of City improvements related to the westside 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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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 #30 – To account for the financing and construction of City improvements related to the redevelopment of the older Center Avenue commercial corridor.

Tax Incremental Financing (TIF) District #31 – To account for the financing and construction of City improvements related to the redevelopment of the older West Court Street commercial corridor.

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.

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

Tax Incremental Financing (TIF) District #34 – To account for the financing and construction of City improvements and stimulate industrial development of aviation related companies at the Southern Wisconsin Regional Airport.

Tax Incremental Financing (TIF) District #35 – To account for the financing and construction of City improvements and stimulate mixed-use commercial and industrial TIF Development projects in the area along Racine St. east of I-39-90 Interchange 175.

Golf Courses Fund – To account for the operation of the City's two golf courses (Blackhawk and Riverside) leased to Crown Golf Properties.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

Industrial Waste Disposal Fund – To account for providing long-term care, remedial system design, construction, and operations of the Janesville Disposal Facilities in accordance with federal and state regulations.

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
As of December 31, 2012

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
ASSETS				
Current Assets				
Cash and investments	\$ 790,919	\$ 369,657	\$ 238,617	\$ 2,222,019
Taxes receivable	3,201,636	-	-	-
Accounts receivable	1,294	31,613	-	465,007
Due from other funds	-	-	-	-
Prepaid items	357	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 3,994,206</u>	<u>\$ 401,270</u>	<u>\$ 238,617</u>	<u>\$ 2,687,026</u>
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts payable	\$ 80,986	\$ 728	\$ 438	\$ 66,884
Accrued liabilities	105,194	4,892	5,102	12,361
Due to other funds	-	-	-	-
Deferred revenues	3,201,636	-	-	32,092
Total Liabilities	<u>3,387,816</u>	<u>5,620</u>	<u>5,540</u>	<u>111,337</u>
Fund Equity				
Nonspendable	357	-	-	-
Restricted	606,033	-	-	2,248,293
Committed	-	395,650	233,077	327,396
Unassigned (deficit)	-	-	-	-
Total Fund Equity	<u>606,390</u>	<u>395,650</u>	<u>233,077</u>	<u>2,575,689</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,994,206</u>	<u>\$ 401,270</u>	<u>\$ 238,617</u>	<u>\$ 2,687,026</u>

TIF No. 9	TIF No. 17	TIF No. 21	TIF No. 22	TIF No. 23	TIF No. 24	TIF No. 25	TIF No. 26
\$ -	\$ -	\$ -	\$ -	\$ 150,798	\$ 49,345	\$ -	\$ -
38,511	41,352	133	1,154,212	29,081	116,335	100,850	33,666
14	-	-	1,200,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,000	-	-	-	87,669	-	-	-
<u>\$ 50,525</u>	<u>\$ 41,352</u>	<u>\$ 133</u>	<u>\$ 2,354,212</u>	<u>\$ 267,548</u>	<u>\$ 165,680</u>	<u>\$ 100,850</u>	<u>\$ 33,666</u>
\$ -	\$ -	\$ -	\$ 134,682	\$ -	\$ -	\$ -	\$ -
-	-	-	99	-	-	-	-
60,222	115,609	34,080	1,430,737	-	-	74,217	16,520
50,511	41,352	133	2,354,212	116,750	113,529	100,850	33,666
<u>110,733</u>	<u>156,961</u>	<u>34,213</u>	<u>3,919,730</u>	<u>116,750</u>	<u>113,529</u>	<u>175,067</u>	<u>50,186</u>
-	-	-	-	-	-	-	-
-	-	-	-	150,798	52,151	-	-
-	-	-	-	-	-	-	-
<u>(60,208)</u>	<u>(115,609)</u>	<u>(34,080)</u>	<u>(1,565,518)</u>	<u>-</u>	<u>-</u>	<u>(74,217)</u>	<u>(16,520)</u>
<u>(60,208)</u>	<u>(115,609)</u>	<u>(34,080)</u>	<u>(1,565,518)</u>	<u>150,798</u>	<u>52,151</u>	<u>(74,217)</u>	<u>(16,520)</u>
<u>\$ 50,525</u>	<u>\$ 41,352</u>	<u>\$ 133</u>	<u>\$ 2,354,212</u>	<u>\$ 267,548</u>	<u>\$ 165,680</u>	<u>\$ 100,850</u>	<u>\$ 33,666</u>

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
As of December 31, 2012

	TIF No. 27	TIF No. 28	TIF No. 29	TIF No. 30	TIF No. 31	TIF No. 32
ASSETS						
Current Assets						
Cash and investments	\$ 290,560	\$ -	\$ 87,061	\$ 3,186	\$ -	\$ 292,543
Taxes receivable	4,400	-	19,222	-	-	582,346
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	106,985
Prepaid items	-	-	-	-	-	-
Loans receivable	4,000	-	-	-	-	217,803
	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,803</u>
TOTAL ASSETS	<u>\$ 298,960</u>	<u>\$ -</u>	<u>\$ 106,283</u>	<u>\$ 3,186</u>	<u>\$ -</u>	<u>\$ 1,199,677</u>
LIABILITIES AND FUND EQUITY						
Current Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	332
Due to other funds	-	100,044	-	-	722	-
Deferred revenues	8,400	-	19,222	-	-	907,134
Total Liabilities	<u>8,400</u>	<u>100,044</u>	<u>19,222</u>	<u>-</u>	<u>722</u>	<u>907,466</u>
Fund Equity						
Nonspendable	-	-	-	-	-	-
Restricted	290,560	-	87,061	3,186	-	292,211
Committed	-	-	-	-	-	-
Unassigned (deficit)	-	(100,044)	-	-	(722)	-
Total Fund Equity	<u>290,560</u>	<u>(100,044)</u>	<u>87,061</u>	<u>3,186</u>	<u>(722)</u>	<u>292,211</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 298,960</u>	<u>\$ -</u>	<u>\$ 106,283</u>	<u>\$ 3,186</u>	<u>\$ -</u>	<u>\$ 1,199,677</u>

TIF No. 33	TIF No. 34	TIF No. 35	Golf Courses	Other Housing Grants	Community Development Block Grant	Industrial Waste Disposal	Totals
\$ 443,126	\$ 135,327	\$ -	\$ -	\$ 146,780	\$ 330,706	\$ 34,399	\$ 5,585,043
332,167	58,064	-	-	-	-	-	5,711,975
-	-	-	876	195,978	129,812	-	2,024,594
-	-	-	-	-	-	-	106,985
-	-	-	42,000	-	-	-	42,357
<u>11,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,158,712</u>	<u>1,887,654</u>	<u>-</u>	<u>5,378,973</u>
<u>\$ 786,428</u>	<u>\$ 193,391</u>	<u>\$ -</u>	<u>\$ 42,876</u>	<u>\$ 3,501,470</u>	<u>\$ 2,348,172</u>	<u>\$ 34,399</u>	<u>\$ 18,849,927</u>
\$ 24	\$ -	\$ 3,938	\$ 2,149	\$ 13,319	\$ 69,943	\$ 26,528	\$ 399,619
-	-	-	1,113	701	8,439	410	138,643
-	-	1,619,039	138,884	-	-	-	3,590,074
<u>343,302</u>	<u>58,064</u>	<u>-</u>	<u>-</u>	<u>3,158,712</u>	<u>1,887,654</u>	<u>-</u>	<u>12,427,219</u>
<u>343,326</u>	<u>58,064</u>	<u>1,622,977</u>	<u>142,146</u>	<u>3,172,732</u>	<u>1,966,036</u>	<u>26,938</u>	<u>16,555,555</u>
-	-	-	42,000	-	-	-	42,357
443,102	135,327	-	-	328,738	382,136	7,461	5,027,057
-	-	-	-	-	-	-	956,123
-	-	(1,622,977)	(141,270)	-	-	-	(3,731,165)
<u>443,102</u>	<u>135,327</u>	<u>(1,622,977)</u>	<u>(99,270)</u>	<u>328,738</u>	<u>382,136</u>	<u>7,461</u>	<u>2,294,372</u>
<u>\$ 786,428</u>	<u>\$ 193,391</u>	<u>\$ -</u>	<u>\$ 42,876</u>	<u>\$ 3,501,470</u>	<u>\$ 2,348,172</u>	<u>\$ 34,399</u>	<u>\$ 18,849,927</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, 2012

	Library	JATV-12	Oak Hill Cemetery	Special Accounts	TIF No. 3
REVENUES					
Taxes	\$ 3,201,921	\$ -	\$ -	\$ 272,484	\$ 192,680
Investment income	-	-	10,031	3,265	-
State and federal aids	13,560	-	-	475,737	2,162
Service charges and other	768,918	191,933	165,695	1,075,822	-
Guaranteed payment	-	-	-	-	-
Total Revenues	<u>3,984,399</u>	<u>191,933</u>	<u>175,726</u>	<u>1,827,308</u>	<u>194,842</u>
EXPENDITURES					
Current					
Public safety	-	-	-	964,450	-
Public works	-	-	-	158,493	-
Recreation and parks	-	-	239,164	34,524	-
Community and economic development	-	-	-	558,600	3,850
Library	3,063,690	152,240	-	21,532	-
Capital Outlay	529,075	14,630	-	-	-
Debt Service					
Interest charges	-	-	-	-	-
Total Expenditures	<u>3,592,765</u>	<u>166,870</u>	<u>239,164</u>	<u>1,737,599</u>	<u>3,850</u>
Excess (deficiency) of revenues over expenditures	<u>391,634</u>	<u>25,063</u>	<u>(63,438)</u>	<u>89,709</u>	<u>190,992</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on long-term debt	-	-	-	-	-
Transfer in	-	-	75,000	226,000	-
Transfer out	<u>(215,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,992)</u>
Total Other Financing Sources (Uses)	<u>(215,502)</u>	<u>-</u>	<u>75,000</u>	<u>226,000</u>	<u>(190,992)</u>
Net change in fund balance	176,132	25,063	11,562	315,709	-
FUND BALANCES (DEFICIT) -					
Beginning of Year	<u>430,258</u>	<u>370,587</u>	<u>221,515</u>	<u>2,259,980</u>	<u>-</u>
FUND BALANCES (DEFICIT) -					
END OF YEAR	<u>\$ 606,390</u>	<u>\$ 395,650</u>	<u>\$ 233,077</u>	<u>\$ 2,575,689</u>	<u>\$ -</u>

TIF No. 9	TIF No. 16	TIF No. 17	TIF No. 21	TIF No. 22	TIF No. 23	TIF No. 24	TIF No. 25	TIF No. 26
\$ 48,338	\$ 266,634	\$ 39,282	\$ 126	\$ 1,281,768	\$ 103,072	\$ 142,321	\$ 97,284	\$ 154,254
-	151	-	-	41,593	16,161	71	-	5
1,535	1,626	63	-	3,398	1,227	1,358	2,171	6,107
-	-	-	-	-	45,691	-	-	-
-	-	-	-	34,034	-	-	-	-
<u>49,873</u>	<u>268,411</u>	<u>39,345</u>	<u>126</u>	<u>1,360,793</u>	<u>166,151</u>	<u>143,750</u>	<u>99,455</u>	<u>160,366</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,815	108,566	2,430	1,586	420,954	424	3,063	107,033	32,967
-	-	-	-	-	-	-	-	-
-	-	-	-	1,945,130	-	-	-	-
91	-	173	50	-	-	-	587	710
<u>1,906</u>	<u>108,566</u>	<u>2,603</u>	<u>1,636</u>	<u>2,366,084</u>	<u>424</u>	<u>3,063</u>	<u>107,620</u>	<u>33,677</u>
<u>47,967</u>	<u>159,845</u>	<u>36,742</u>	<u>(1,510)</u>	<u>(1,005,291)</u>	<u>165,727</u>	<u>140,687</u>	<u>(8,165)</u>	<u>126,689</u>
-	-	-	-	-	-	-	400,000	-
-	-	-	-	2,106	-	-	3,240	5,346
-	-	-	-	-	-	-	-	-
-	(173,050)	(45,817)	-	(980,078)	(84,391)	(85,900)	(74,500)	(207,922)
-	(173,050)	(45,817)	-	(977,972)	(84,391)	(85,900)	328,740	(202,576)
47,967	(13,205)	(9,075)	(1,510)	(1,983,263)	81,336	54,787	320,575	(75,887)
<u>(108,175)</u>	<u>13,205</u>	<u>(106,534)</u>	<u>(32,570)</u>	<u>417,745</u>	<u>69,462</u>	<u>(2,636)</u>	<u>(394,792)</u>	<u>59,367</u>
<u>\$ (60,208)</u>	<u>\$ -</u>	<u>\$ (115,609)</u>	<u>\$ (34,080)</u>	<u>\$ (1,565,518)</u>	<u>\$ 150,798</u>	<u>\$ 52,151</u>	<u>\$ (74,217)</u>	<u>\$ (16,520)</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, 2012

	TIF No. 27	TIF No. 28	TIF No. 29	TIF No. 30	TIF No. 31	TIF No. 32	TIF No. 33
REVENUES							
Taxes	\$ 16,408	\$ -	\$ 35,775	\$ -	\$ 17,524	\$ 651,380	\$ 320,581
Investment income	405	-	126	2	-	15,877	1,017
State and federal aids	1,638	3	1,427	1,836	4,034	28,321	1,569
Service charges and other	-	-	-	-	-	-	1,007
Guaranteed payment	-	1,995	-	-	-	-	-
Total Revenues	<u>18,451</u>	<u>1,998</u>	<u>37,328</u>	<u>1,838</u>	<u>21,558</u>	<u>695,578</u>	<u>324,174</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Community and economic development	2,703	2,453	5,491	150	424	9,616	4,445
Library	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	5,939
Debt Service							
Interest charges	-	127	-	-	5	-	-
Total Expenditures	<u>2,703</u>	<u>2,580</u>	<u>5,491</u>	<u>150</u>	<u>429</u>	<u>9,616</u>	<u>10,384</u>
Excess (deficiency) of revenues over expenditures	<u>15,748</u>	<u>(582)</u>	<u>31,837</u>	<u>1,688</u>	<u>21,129</u>	<u>685,962</u>	<u>313,790</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Premium on long-term debt	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-
Transfer out	(37,125)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(37,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(21,377)	(582)	31,837	1,688	21,129	685,962	313,790
FUND BALANCES (DEFICIT) - Beginning of Year	<u>311,937</u>	<u>(99,462)</u>	<u>55,224</u>	<u>1,498</u>	<u>(21,851)</u>	<u>(393,751)</u>	<u>129,312</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 290,560</u>	<u>\$ (100,044)</u>	<u>\$ 87,061</u>	<u>\$ 3,186</u>	<u>\$ (722)</u>	<u>\$ 292,211</u>	<u>\$ 443,102</u>

TIF No. 34	TIF No. 35	Golf Courses	Other Housing Grants	Community Development Block Grant	Industrial Waste Disposal	Totals
\$ 57,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,899,306
188	10,483	-	373	-	-	99,748
535	-	-	630,314	756,620	-	1,935,241
-	-	1,290,700	190,859	372,444	60,517	4,163,586
-	-	-	-	-	-	36,029
<u>58,197</u>	<u>10,483</u>	<u>1,290,700</u>	<u>821,546</u>	<u>1,129,064</u>	<u>60,517</u>	<u>13,133,910</u>
-	-	-	-	-	-	964,450
-	-	-	-	-	60,517	219,010
-	-	1,366,181	-	-	-	1,639,869
422	46,505	-	963,600	1,098,001	-	3,375,098
-	-	-	-	-	-	3,237,462
-	1,507,376	-	-	-	-	4,002,150
-	2,271	-	-	-	-	4,014
<u>422</u>	<u>1,556,152</u>	<u>1,366,181</u>	<u>963,600</u>	<u>1,098,001</u>	<u>60,517</u>	<u>13,442,053</u>
<u>57,775</u>	<u>(1,545,669)</u>	<u>(75,481)</u>	<u>(142,054)</u>	<u>31,063</u>	<u>-</u>	<u>(308,143)</u>
-	-	-	-	-	-	400,000
-	-	-	-	-	-	10,692
-	-	81,000	-	-	-	382,000
<u>(12,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,107,477)</u>
<u>(12,200)</u>	<u>-</u>	<u>81,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,314,785)</u>
45,575	(1,545,669)	5,519	(142,054)	31,063	-	(1,622,928)
<u>89,752</u>	<u>(77,308)</u>	<u>(104,789)</u>	<u>470,792</u>	<u>351,073</u>	<u>7,461</u>	<u>3,917,300</u>
<u>\$ 135,327</u>	<u>\$ (1,622,977)</u>	<u>\$ (99,270)</u>	<u>\$ 328,738</u>	<u>\$ 382,136</u>	<u>\$ 7,461</u>	<u>\$ 2,294,372</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,201,921	\$ 3,201,921	\$ 3,201,921	\$ -
State and federal aids	-	-	13,560	13,560
Service charges and other	<u>774,932</u>	<u>774,932</u>	<u>768,918</u>	<u>(6,014)</u>
Total Revenues	<u>3,976,853</u>	<u>3,976,853</u>	<u>3,984,399</u>	<u>7,546</u>
EXPENDITURES				
Current				
Library	3,295,270	3,295,270	3,063,690	231,580
Capital Outlay	<u>466,081</u>	<u>466,081</u>	<u>529,075</u>	<u>(62,994)</u>
Total Expenditures	<u>3,761,351</u>	<u>3,761,351</u>	<u>3,592,765</u>	<u>168,586</u>
Excess of revenues over expenditures	<u>215,502</u>	<u>215,502</u>	<u>391,634</u>	<u>176,132</u>
OTHER FINANCING USES				
Transfer out	<u>(215,502)</u>	<u>(215,502)</u>	<u>(215,502)</u>	<u>-</u>
Total Other Financing Uses	<u>(215,502)</u>	<u>(215,502)</u>	<u>(215,502)</u>	<u>-</u>
Net change in fund balance	-	-	176,132	176,132
FUND BALANCES - Beginning of Year	<u>430,258</u>	<u>430,258</u>	<u>430,258</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 430,258</u>	<u>\$ 430,258</u>	<u>\$ 606,390</u>	<u>\$ 176,132</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - JATV-12
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 154,900	\$ 154,900	\$ 191,933	\$ 37,033
EXPENDITURES				
Current				
Library	132,700	132,700	152,240	(19,540)
Capital Outlay	22,200	22,200	14,630	7,570
Total Expenditures	154,900	154,900	166,870	(11,970)
Net change in fund balance	-	-	25,063	25,063
FUND BALANCES - Beginning of Year	370,587	370,587	370,587	-
FUND BALANCES - END OF YEAR	\$ 370,587	\$ 370,587	\$ 395,650	\$ 25,063

CITY OF JANESVILLE

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

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 10,031	\$ 5,031
Service charges and other	146,000	146,000	165,695	19,695
Total Revenues	<u>151,000</u>	<u>151,000</u>	<u>175,726</u>	<u>24,726</u>
EXPENDITURES				
Current				
Recreation and parks	236,394	236,394	239,164	(2,770)
Total Expenditures	<u>236,394</u>	<u>236,394</u>	<u>239,164</u>	<u>(2,770)</u>
Excess (deficiency) revenues over expenditures	<u>(85,394)</u>	<u>(85,394)</u>	<u>(63,438)</u>	<u>21,956</u>
OTHER FINANCING SOURCES				
Transfers in	75,000	75,000	75,000	-
Net change in fund balance	(10,394)	(10,394)	11,562	21,956
FUND BALANCES- Beginning of Year	<u>221,515</u>	<u>221,515</u>	<u>221,515</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 211,121</u>	<u>\$ 211,121</u>	<u>\$ 233,077</u>	<u>\$ 21,956</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GOLF COURSES

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 1,200,133	\$ 1,200,133	\$ 1,290,700	\$ 90,567
EXPENDITURES				
Current				
Recreation and parks	1,277,273	1,277,273	1,366,181	(88,908)
Total Expenditures	1,277,273	1,277,273	1,366,181	(88,908)
Excess (deficiency) revenues over expenditures	(77,140)	(77,140)	(75,481)	1,659
OTHER FINANCING SOURCES				
Transfers in	81,000	81,000	81,000	-
Net change in fund balance	3,860	3,860	5,519	1,659
FUND BALANCES (DEFICIT) - Beginning of Year	(104,789)	(104,789)	(104,789)	-
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (100,929)	\$ (100,929)	\$ (99,270)	\$ 1,659

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER HOUSING GRANTS For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 373	\$ 373
State and federal aids	438,961	438,961	630,314	191,353
Service charges and other	175,400	175,400	190,859	15,459
Total Revenues	<u>614,361</u>	<u>614,361</u>	<u>821,546</u>	<u>207,185</u>
EXPENDITURES				
Current				
Community and economic development	<u>614,745</u>	<u>614,745</u>	<u>963,600</u>	<u>(348,855)</u>
Net change in fund balance	(384)	(384)	(142,054)	(141,670)
FUND BALANCES - Beginning of Year	<u>470,792</u>	<u>470,792</u>	<u>470,792</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 470,408</u>	<u>\$ 470,408</u>	<u>\$ 328,738</u>	<u>\$ (141,670)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 1,039,190	\$ 1,039,190	\$ 756,620	\$ (282,570)
Service charges and other	450,771	450,771	372,444	(78,327)
Total Revenues	<u>1,489,961</u>	<u>1,489,961</u>	<u>1,129,064</u>	<u>(360,897)</u>
EXPENDITURES				
Current				
Community and economic development	1,498,636	1,498,636	1,098,001	400,635
Net change in fund balance	(8,675)	(8,675)	31,063	39,738
FUND BALANCES - Beginning of Year	<u>351,073</u>	<u>351,073</u>	<u>351,073</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 342,398</u>	<u>\$ 342,398</u>	<u>\$ 382,136</u>	<u>\$ 39,738</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - INDUSTRIAL WASTE DISPOSAL
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 72,658	\$ 72,658	\$ 60,517	\$ (12,141)
EXPENDITURES				
Current				
Public works	72,658	72,658	60,517	12,141
Net change in fund balance	-	-	-	-
FUND BALANCES - Beginning of Year	7,461	7,461	7,461	-
FUND BALANCES - END OF YEAR	\$ 7,461	\$ 7,461	\$ 7,461	\$ -

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 -
FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 122,375	\$ 122,375	\$ 125,351	\$ 2,976
Special assessments	505,000	505,000	792,069	287,069
Total Revenues	<u>627,375</u>	<u>627,375</u>	<u>917,420</u>	<u>290,045</u>
EXPENDITURES				
Debt Service				
Principal retirement	8,634,441	8,634,441	10,394,441	(1,760,000)
Interest and fiscal charges	1,478,745	1,478,745	1,514,143	(35,398)
Total Expenditures	<u>10,113,186</u>	<u>10,113,186</u>	<u>11,908,584</u>	<u>(1,795,398)</u>
Excess (deficiency) of revenues over expenditures	<u>(9,485,811)</u>	<u>(9,485,811)</u>	<u>(10,991,164)</u>	<u>(1,505,353)</u>
OTHER FINANCING SOURCES				
Long-term debt issued	-	-	1,760,000	1,760,000
Premium on long-term debt	-	-	6,803	6,803
Transfers in	7,950,811	7,950,811	8,540,962	590,151
Total Other Financing Sources	<u>7,950,811</u>	<u>7,950,811</u>	<u>10,307,765</u>	<u>2,356,954</u>
Net change in fund balance	(1,535,000)	(1,535,000)	(683,399)	851,601
FUND BALANCES - Beginning of Year	<u>1,277,855</u>	<u>1,277,855</u>	<u>1,277,855</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (257,145)</u>	<u>\$ (257,145)</u>	<u>\$ 594,456</u>	<u>\$ 851,601</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 61,096	\$ 61,096
State and federal aids	-	-	462,779	462,779
Special assessments	-	-	183,669	183,669
Service charges and other	-	-	174,600	174,600
Total Revenues	<u>-</u>	<u>-</u>	<u>882,144</u>	<u>882,144</u>
EXPENDITURES				
Current				
Information systems	-	-	17,136	(17,136)
Police Department	-	-	367,123	(367,123)
Fire Department	-	-	252,140	(252,140)
Public works	-	-	3,098,829	(3,098,829)
Capital Outlay	16,619,500	16,619,500	8,258,770	8,360,730
Total Expenditures	<u>16,619,500</u>	<u>16,619,500</u>	<u>11,993,998</u>	<u>4,625,502</u>
Excess (deficiency) of revenues over expenditures	<u>(16,619,500)</u>	<u>(16,619,500)</u>	<u>(11,111,854)</u>	<u>5,507,646</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	15,219,500	15,219,500	9,340,000	(5,879,500)
Premium on long-term debt	-	-	75,654	75,654
Transfers in	1,400,000	1,400,000	1,218,536	(181,464)
Transfers out	-	-	(258,741)	(258,741)
Total Other Financing Sources (Uses)	<u>16,619,500</u>	<u>16,619,500</u>	<u>10,375,449</u>	<u>(6,244,051)</u>
Net change in fund balance	-	-	(736,405)	(736,405)
FUND BALANCES - Beginning of Year	<u>11,751,538</u>	<u>11,751,538</u>	<u>11,751,538</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,751,538</u>	<u>\$ 11,751,538</u>	<u>\$ 11,015,133</u>	<u>\$ (736,405)</u>

NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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.

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.

CITY OF JANESVILLE

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
As of December 31, 2012

	<u>Stormwater Utility</u>	<u>Transit System</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash	\$ 271,460	\$ -	\$ 271,460
Accounts receivable	150,188	383,933	534,121
Unbilled revenue	367,769	-	367,769
Due from other funds	116,332	-	116,332
Inventories	-	220,297	220,297
Prepaid items	-	832	832
Total Current Assets	<u>905,749</u>	<u>605,062</u>	<u>1,510,811</u>
Non-current Assets			
Restricted Assets			
Construction account	634,500	-	634,500
Deferred Assets			
Unamortized debt issuance expense	<u>8,944</u>	<u>-</u>	<u>8,944</u>
Total Noncurrent Assets	<u>643,444</u>	<u>-</u>	<u>643,444</u>
Utility Plant			
Land	-	356,520	356,520
Utility plant in service (at cost)	7,071,924	8,076,384	15,148,308
Construction work in progress	98,293	-	98,293
Accumulated depreciation	<u>(1,002,796)</u>	<u>(4,565,507)</u>	<u>(5,568,303)</u>
Net Plant	<u>6,167,421</u>	<u>3,867,397</u>	<u>10,034,818</u>
Total Noncurrent Assets	<u>6,810,865</u>	<u>3,867,397</u>	<u>10,678,262</u>
Total Assets	<u>\$ 7,716,614</u>	<u>\$ 4,472,459</u>	<u>\$ 12,189,073</u>

	Stormwater Utility	Transit System	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 15,451	\$ 40,477	\$ 55,928
Accrued salaries and wages	89,291	217,462	306,753
Accrued interest	25,126	-	25,126
Due to other funds	-	261,823	261,823
Current portion of long-term G.O. debt	470,000	-	470,000
Total Current Liabilities	<u>599,868</u>	<u>519,762</u>	<u>1,119,630</u>
Noncurrent Liabilities			
General obligation long-term debt payable	2,179,630	-	2,179,630
Other post employment benefits	-	453,217	453,217
Total Noncurrent Liabilities	<u>2,179,630</u>	<u>453,217</u>	<u>2,632,847</u>
 Total Liabilities	 <u>\$ 2,779,498</u>	 <u>\$ 972,979</u>	 <u>\$ 3,752,477</u>
NET POSITION			
Net investment in capital assets	\$ 4,161,235	\$ 3,867,397	\$ 8,028,632
Unrestricted (deficit)	<u>775,881</u>	<u>(367,917)</u>	<u>407,964</u>
 TOTAL NET POSITION	 <u>\$ 4,937,116</u>	 <u>\$ 3,499,480</u>	 <u>\$ 8,436,596</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Stormwater Utility	Transit System	Totals
OPERATING REVENUES			
Charges for services	\$ 2,065,056	\$ 465,648	\$ 2,530,704
Total Operating Revenues	<u>2,065,056</u>	<u>465,648</u>	<u>2,530,704</u>
OPERATING EXPENSES			
Operation and maintenance	1,466,079	3,154,186	4,620,265
Depreciation	138,962	455,322	594,284
Total Operating Expenses	<u>1,605,041</u>	<u>3,609,508</u>	<u>5,214,549</u>
Operating Income (Loss)	<u>460,015</u>	<u>(3,143,860)</u>	<u>(2,683,845)</u>
NONOPERATING REVENUES (EXPENSES)			
Federal operating grants	-	932,913	932,913
State operating grants	-	802,836	802,836
Local operating subsidy	-	124,617	124,617
Investment income	684	-	684
Interest expense	(47,345)	-	(47,345)
Amortization expense	(1,791)	-	(1,791)
Total Nonoperating Revenues (Expenses)	<u>(48,452)</u>	<u>1,860,366</u>	<u>1,811,914</u>
Income (Loss) Before Contributions and Transfers	411,563	(1,283,494)	(871,931)
CAPITAL CONTRIBUTIONS- EXTERNAL TRANSFERS IN	-	16,085	16,085
	<u>-</u>	<u>777,511</u>	<u>777,511</u>
Net Change in Net Position	411,563	(489,898)	(78,335)
NET POSITION - Beginning of Year	<u>4,525,553</u>	<u>3,989,378</u>	<u>8,514,931</u>
NET POSITION - END OF YEAR	<u>\$ 4,937,116</u>	<u>\$ 3,499,480</u>	<u>\$ 8,436,596</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2012

	<u>Stormwater Utility</u>	<u>Transit System</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,108,686	\$ 458,964	\$ 2,567,650
Cash paid to suppliers for goods and services	(502,720)	(876,928)	(1,379,648)
Cash payments to employees for services	(902,923)	(2,238,267)	(3,141,190)
Net Cash Flows From Operating Activities	<u>703,043</u>	<u>(2,656,231)</u>	<u>(1,953,188)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidies received - federal	-	932,913	932,913
Subsidies received - state	-	724,880	724,880
Subsidies received - local	-	95,669	95,669
Negative cash balance implicitly financed for other utilities	-	(69,825)	(69,825)
Transfers from other funds	-	773,490	773,490
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>2,457,127</u>	<u>2,457,127</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash used to retire debt	(665,000)	-	(665,000)
Interest paid	(48,667)	-	(48,667)
Contributions and assessments for construction	-	211,655	211,655
Acquisition and construction of capital assets	(530,880)	(12,551)	(543,431)
Long term debt issued	635,000	-	635,000
Issuance cost of new debt	(2,167)	-	(2,167)
Net Cash Flows From Capital and Related Financing Activities	<u>(611,714)</u>	<u>199,104</u>	<u>(412,610)</u>
Net Change in Cash and Cash Equivalents	91,329	-	91,329
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>814,631</u>	<u>-</u>	<u>1,328,835</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 905,960</u>	<u>\$ -</u>	<u>\$ 1,420,164</u>

	<u>Stormwater Utility</u>	<u>Transit System</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 460,015	\$ (3,143,860)	\$ (2,683,845)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income (Loss)			
Depreciation	138,962	455,322	594,284
Depreciation charged to other accounts	-	5,498	5,498
Change in Noncash Components of Working Capital			
Accounts receivable	40,729	(6,684)	34,045
Due from other funds	2,901	-	2,901
Inventories	-	(28,132)	(28,132)
Prepaid items	-	(46)	(46)
Accounts payable	11,771	(20,189)	(8,418)
Other current liabilities	48,665	27,177	75,842
Other post employment benefits	-	54,683	54,683
	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 703,043</u>	<u>\$ (2,656,231)</u>	<u>\$ (1,953,188)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2012, \$19,866 of capital interest was charged due to construction in the stormwater utility.

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
As of December 31, 2012

	Balance 12-31-11	Additions	Retirements	Balance 12-31-12
SOURCE OF SUPPLY				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	2,283,716	-	-	2,283,716
Total Source of Supply	<u>2,487,133</u>	<u>-</u>	<u>-</u>	<u>2,487,133</u>
PUMPING				
Land and land rights	11,565	-	-	11,565
Structures and improvements	4,260,499	-	-	4,260,499
Electric pumping equipment	3,835,900	540,315	-	4,376,215
Total Pumping	<u>8,107,964</u>	<u>540,315</u>	<u>-</u>	<u>8,648,279</u>
WATER TREATMENT				
Water treatment equipment	<u>227,004</u>	<u>-</u>	<u>-</u>	<u>227,004</u>
TRANSMISSION AND DISTRIBUTION				
Land and land rights	90,496	-	-	90,496
Reservoirs and standpipes	3,423,372	-	-	3,423,372
Transmission and distribution mains	43,095,976	704,527	18,939	43,781,564
Services	5,346,584	566,684	2,628	5,910,640
Meters	3,095,408	298,496	82,403	3,311,501
Hydrants	2,750,991	90,420	19,783	2,821,628
Total Transmission and Distribution	<u>57,802,827</u>	<u>1,660,127</u>	<u>123,753</u>	<u>59,339,201</u>
GENERAL				
Structures and improvements	777,982	20,082	-	798,064
Office furniture and equipment	43,765	-	-	43,765
Transportation equipment	721,581	60,279	19,800	762,060
Stores equipment	15,938	-	-	15,938
Tools, shop and garage equipment	172,651	-	-	172,651
Power operated equipment	661,997	-	-	661,997
Communication equipment	1,053,079	-	870	1,052,209
Computer equipment	819,041	72,959	58,389	833,611
Total General	<u>4,266,034</u>	<u>153,320</u>	<u>79,059</u>	<u>4,340,295</u>
TOTAL PLANT IN SERVICE	<u>\$ 72,890,962</u>	<u>\$ 2,353,762</u>	<u>\$ 202,812</u>	<u>\$ 75,041,912</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2012 and 2011

OPERATING REVENUES	<u>2012</u>	<u>2011</u>
Sales of Water		
Metered Sales		
Residential	\$ 3,089,741	\$ 2,764,592
Commercial	1,001,553	954,650
Industrial	1,070,640	996,109
Public authorities	257,349	209,055
Private fire protection	47,086	46,245
Public fire protection	861,001	804,031
Total Sales of Water	<u>6,327,370</u>	<u>5,774,682</u>
Other Operating Revenues		
Forfeited discounts	54,359	56,046
Water department rentals	40,436	27,184
Other water revenues	68,561	66,751
Total Other Operating Revenues	<u>163,356</u>	<u>149,981</u>
Total Operating Revenues	<u>6,490,726</u>	<u>5,924,663</u>
OPERATING EXPENSES		
Operation and Maintenance		
Source of Supply		
Miscellaneous source of supply	37,686	49,215
Maintenance of wells	12,294	29,487
Total Source of Supply	<u>49,980</u>	<u>78,702</u>
Pumping		
Fuel or power purchased for pumping	519,330	533,087
Pumping labor	104,100	92,775
Maintenance of buildings and grounds	69,894	68,731
Maintenance of structures and improvements	10,470	7,687
Maintenance of pumping equipment	94,797	93,371
Total Pumping	<u>798,591</u>	<u>795,651</u>
Water Treatment		
Chemicals	52,516	60,934
Operation labor	39,059	32,538
Maintenance of water treatment equipment		
Total Water Treatment	<u>91,575</u>	<u>93,472</u>
Transmission and Distribution		
Transmission and distribution line expenses	139,762	183,653
Meter expenses	67,854	72,441
Maintenance of distribution reservoirs	1,641	5,907
Maintenance of mains	361,581	354,204
Maintenance of services	231,221	187,656
Maintenance of meters	23,127	30,986
Maintenance of hydrants	93,143	95,623
Total Transmission and Distribution	<u>918,329</u>	<u>930,470</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) For the Years Ended December 31, 2012 and 2011

	2012	2011
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 37,789	\$ 37,751
Meter reading expense	33,267	32,529
Customer records and collection	128,307	195,160
Customer service and information	32,781	34,385
Total Customer Accounts	232,144	299,825
Administrative and General		
Administrative and general salaries	338,666	353,721
Office supplies	26,729	31,929
Outside services employed	4,124	6,063
Property insurance	9,657	10,469
Injuries and damages	38,874	41,302
Employees pensions and benefits	621,934	641,007
Regulatory commission	6,031	1,022
Rents	18,035	19,024
Maintenance of general plant	18,270	19,308
Total Administrative and General	1,082,320	1,123,845
Total Operation and Maintenance	3,172,939	3,321,965
Depreciation	1,636,032	1,650,352
Taxes	1,389,354	1,321,967
Total Operating Expenses	6,198,325	6,294,284
Taxes reported as transfers out	1,301,089	1,257,157
 OPERATING INCOME	 \$ 1,593,490	 \$ 887,536

* Amount includes the payment in lieu of tax (PILOT) of \$1,301,089 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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Utility Plant in Service		
Beginning of year	\$ 46,509,092	\$ 44,174,831
End of year	<u>48,500,092</u>	<u>46,509,092</u>
Average	<u>47,504,592</u>	<u>45,341,962</u>
Accumulated Depreciation		
Beginning of year	(13,691,323)	(12,522,142)
End of year	<u>(14,843,908)</u>	<u>(13,691,323)</u>
Average	<u>(14,267,616)</u>	<u>(13,106,733)</u>
Materials and Supplies		
Beginning of year	275,435	280,904
End of year	<u>328,191</u>	<u>275,435</u>
Average	<u>301,813</u>	<u>278,170</u>
Balance - Regulatory Liability	<u>1,653,124</u>	<u>1,796,874</u>
AVERAGE NET RATE BASE	<u>\$ 31,885,665</u>	<u>\$ 30,716,525</u>
OPERATING INCOME	<u>\$ 808,682</u>	<u>\$ 41,010</u>
RATE OF RETURN (PERCENT)	<u>2.54</u>	<u>0.13</u>

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 \$414,168 depreciation expense on contributed capital, Other Post Employment Benefits of \$102,113, and includes tax equivalent payment of \$1,301,389 reported as a transfer out.

JANESVILLE WASTEWATER UTILITY

UTILITY PLANT As of December 31, 2012

	Balance 12-31-11	Additions	Retirements	Balance 12-31-12
COLLECTION SYSTEM				
Collecting mains	\$ 49,119,581	\$ 1,527,779	\$ 5,515	\$ 50,641,845
Collection system equipment	1,316,129	-	-	1,316,129
Total Collection System	<u>50,435,710</u>	<u>1,527,779</u>	<u>5,515</u>	<u>51,957,974</u>
TREATMENT AND DISPOSAL				
Land	18,000	-	-	18,000
Buildings and structures	23,228,222	108,170	2,563,564	20,772,828
Preliminary treatment equipment	2,829,923	-	291,235	2,538,688
Primary treatment equipment	1,815,547	-	153,808	1,661,739
Secondary treatment equipment	5,363,681	54,800	783,474	4,635,007
Disinfection equipment	391,753	-	-	391,753
Sludge treatment and disposal equipment	8,312,398	862,799	837,382	8,337,815
Plant sitework and piping	7,632,648	-	424,256	7,208,392
Metering, sampling and testing equipment	122,245	7,157	-	129,402
Other treatment and disposal equipment	1,551,820	7,849	1,656	1,558,013
Electrical and HVAC	6,116,618	-	792,678	5,323,940
Total Treatment and Disposal	<u>57,382,855</u>	<u>1,040,775</u>	<u>5,848,053</u>	<u>52,575,577</u>
GENERAL				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	103,179	58,203	-	161,382
Office equipment	73,770	-	-	73,770
Miscellaneous equipment	294,875	-	-	294,875
Computer equipment	1,086,860	90,939	1,933	1,175,866
Total General	<u>1,644,701</u>	<u>149,142</u>	<u>1,933</u>	<u>1,791,910</u>
TOTAL UTILITY PLANT	<u>\$109,463,266</u>	<u>\$ 2,717,696</u>	<u>\$ 5,855,501</u>	<u>\$ 106,325,461</u>

JANESVILLE WASTEWATER UTILITY

OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Wastewater Revenues		
Residential	\$ 6,125,982	\$ 5,855,141
Commercial	1,516,744	1,490,018
Industrial	673,376	853,000
Public authority	225,986	226,429
Industrial pollution charge	563,125	438,857
Pretreatment program	52,316	37,086
Total Wastewater Revenues	9,157,529	8,900,531
Other Operating Revenues		
Forfeited discounts	91,887	93,474
Miscellaneous revenues	224,892	456,501
Total Other Operating Revenues	316,779	549,975
Total Operating Revenues	9,474,308	9,450,506
 OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Treatment plant	1,150,484	1,194,656
Laboratory	192,457	207,993
Pretreatment	70,598	86,719
Sludge disposal	438,235	485,009
Total Operation	1,851,774	1,974,377
Maintenance		
Collecting sewers	734,676	774,746
Treatment plant	427,872	504,557
Wastewater lift stations	7,012	11,572
Meters	306,450	301,986
Total Maintenance	1,476,010	1,592,861
Administrative		
General administration	838,685	873,754
Customer accounts	261,530	313,536
City service charges	45,956	46,606
Total Administrative	1,146,171	1,233,896
Total Operation and Maintenance	4,473,955	4,801,134
Depreciation	3,412,697	2,817,104
Total Operating Expenses	7,886,652	7,618,238
 OPERATING INCOME	 \$ 1,587,656	 \$ 1,832,268

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, 2012

	Vehicle Operation & Maintenance	Insurance	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 10,636	\$ 1,092,061	\$ 1,102,697
Accounts receivable	20,077	772,910	792,987
Due from other funds	-	2,325,653	2,325,653
Inventories	352,978	-	352,978
Prepaid items	-	69,735	69,735
Deposits with risk pool	-	1,604,120	1,604,120
Total Current Assets	<u>383,691</u>	<u>5,864,479</u>	<u>6,248,170</u>
Total Assets	<u>383,691</u>	<u>5,864,479</u>	<u>6,248,170</u>
LIABILITIES			
Current Liabilities			
Accounts payable	100,352	57,852	158,204
Claims payable	-	1,812,880	1,812,880
Accrued salaries and wages	95,695	9,121	104,816
Total Liabilities	<u>196,047</u>	<u>1,879,853</u>	<u>2,075,900</u>
NET POSITION			
Unrestricted	<u>187,644</u>	<u>3,984,626</u>	<u>4,172,270</u>
TOTAL NET POSITION	<u>\$ 187,644</u>	<u>\$ 3,984,626</u>	<u>\$ 4,172,270</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
OPERATING REVENUES				
Charges for services	<u>\$ 4,181,979</u>	<u>\$ 10,593,124</u>	<u>\$ 63,095</u>	<u>\$ 14,838,198</u>
OPERATING EXPENSES				
Operation and maintenance	<u>2,990,758</u>	<u>11,383,166</u>	<u>-</u>	<u>14,373,924</u>
Operating Income (Loss)	<u>1,191,221</u>	<u>(790,042)</u>	<u>63,095</u>	<u>464,274</u>
OTHER FINANCING USES				
Transfers out	<u>(1,198,000)</u>	<u>-</u>	<u>(63,095)</u>	<u>(1,261,095)</u>
Total Other Financing Uses	<u>(1,198,000)</u>	<u>-</u>	<u>(63,095)</u>	<u>(1,261,095)</u>
Net Change in Net Position	<u>(6,779)</u>	<u>(790,042)</u>	<u>-</u>	<u>(796,821)</u>
NET POSITION - Beginning of Year	<u>194,423</u>	<u>4,774,668</u>	<u>-</u>	<u>4,969,091</u>
NET POSITION - END OF YEAR	<u>\$ 187,644</u>	<u>\$ 3,984,626</u>	<u>\$ -</u>	<u>\$ 4,172,270</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from other funds for services	\$ 4,180,916	\$ 9,544,864	\$ 63,095	\$ 13,788,875
Cash paid to suppliers for goods and services	(2,101,068)	(11,236,071)	-	(13,337,139)
Cash payments to employees for services	(928,616)	(97,655)	-	(1,026,271)
Net Cash Flows From Operating Activities	<u>1,151,232</u>	<u>(1,788,862)</u>	<u>63,095</u>	<u>(574,535)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers	<u>(1,198,000)</u>	-	<u>(63,095)</u>	<u>(1,261,095)</u>
Net Change in Cash and Cash Equivalents	(46,768)	(1,788,862)	-	(1,835,630)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>57,404</u>	<u>2,880,923</u>	-	<u>2,938,327</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,636</u>	<u>\$ 1,092,061</u>	<u>\$ -</u>	<u>\$ 1,102,697</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,191,221	\$ (790,042)	\$ 63,095	\$ 464,274
Change in Assets and Liabilities				
Accounts receivable	(1,063)	(110,851)	-	(111,914)
Due from other funds	-	(937,409)	-	(937,409)
Inventories	(5,132)	-	-	(5,132)
Prepaid items	1,048	(59,735)	-	(58,687)
Accounts payable	(83,293)	3,956	-	(79,337)
Accrued liabilities	<u>48,451</u>	<u>105,219</u>	-	<u>153,670</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,151,232</u>	<u>\$ (1,788,862)</u>	<u>\$ 63,095</u>	<u>\$ (574,535)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None

FIDUCIARY FUNDS

AGENCY FUNDS

Agency Funds are used to account for assets held by the Municipality as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Tax Collection Fund – The Tax Collection Fund is an Agency Fund recording the current tax roll, taxes paid, and payment of tax revenues to other governmental units.

Disposal Site Study Fund – The Disposal Site Study Fund is an Agency Fund that accounts for receipts from Industrial responsible parties and the City of Janesville to cover costs for the next year's Industrial Waste Disposal Fund activities.

CITY OF JANESVILLE

COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
As of December 31, 2012

	Agency		Totals
	Tax Collection Fund	Disposal Site Study Fund	
ASSETS			
Cash and investments	\$ 23,340,881	\$ 85,312	\$ 23,426,193
Taxes receivable	45,642,241	-	45,642,241
Delinquent taxes	160,522	-	160,522
TOTAL ASSETS	<u>\$ 69,143,644</u>	<u>\$ 85,312</u>	<u>\$ 69,228,956</u>
LIABILITIES			
Due to other taxing units	\$ 69,138,223	-	\$ 69,138,223
Accounts payable	5,421	-	5,421
Due to landfill users	-	85,312	85,312
TOTAL LIABILITIES	<u>\$ 69,143,644</u>	<u>\$ 85,312</u>	<u>\$ 69,228,956</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS

For the Year Ended December 31, 2012

Agency	Balance 1-1-12	Additions	Deductions	Balance 12-31-12
TAX COLLECTION				
Assets				
Investments and taxes receivable	<u>\$ 68,750,560</u>	<u>\$ 69,143,644</u>	<u>\$ 68,750,560</u>	<u>\$ 69,143,644</u>
Liabilities				
Due to other government units and other units	<u>\$ 68,750,560</u>	<u>\$ 69,143,644</u>	<u>\$ 68,750,560</u>	<u>\$ 69,143,644</u>
DISPOSAL SITE STUDY				
Assets				
Investments	<u>\$ 145,662</u>	<u>\$ 167</u>	<u>\$ 60,517</u>	<u>\$ 85,312</u>
Liabilities				
Due to landfill users	<u>\$ 145,662</u>	<u>\$ 167</u>	<u>\$ 60,517</u>	<u>\$ 85,312</u>
TOTAL - ALL AGENCY FUNDS				
TOTAL ASSETS	<u>\$ 68,896,222</u>	<u>\$ 69,143,811</u>	<u>\$ 68,811,077</u>	<u>\$ 69,228,956</u>
TOTAL LIABILITIES	<u>\$ 68,896,222</u>	<u>\$ 69,143,811</u>	<u>\$ 68,811,077</u>	<u>\$ 69,228,956</u>

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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 2,611,862
Cash paid to suppliers for goods and services	(2,672,204)
Cash payments to employees for services	<u>(224,440)</u>
Net Cash Flows From Operating Activities	<u>(284,782)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>359</u>
Net Change in Cash and Cash Equivalents	(284,423)

CASH AND CASH EQUIVALENTS - Beginning of Year 456,664

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 172,241

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (293,548)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income	
Depreciation	4,767
Change in Assets and Liabilities	
Accounts receivable	(2,044)
Prepaid items	5,730
Accounts payable	(697)
Other current liabilities	<u>1,010</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ (284,782)

STATISTICAL SECTION

This section of the City of Janesville's Comprehensive Annual Financial Report (CAFR) 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.

Contents

Schedule

Financial Trends:

1 - 4

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

Revenue Capacity:

5 - 8

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

Debt Capacity:

9 - 13

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.

Demographic and Economic Information:

14 - 15

These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information:

16 - 18

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.

Sources:

Unless otherwise noted, the information in these schedules is derived from the CAFR reports for the relevant year. The City of Janesville implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 101,984,501	\$ 112,365,501	\$ 118,979,801	\$ 129,298,563	\$ 138,939,061	\$ 142,853,627	\$ 149,239,985	\$ 154,397,316	\$ 157,671,125	\$ 160,445,022
Restricted	13,736,425	13,279,349	12,748,007	14,071,084	14,782,242	14,230,324	12,810,959	9,585,005	11,506,652	12,579,140
Unrestricted	(1,813,814)	(3,429,375)	(3,227,072)	2,944,405	7,794,820	6,337,164	3,175,936	1,835,281	(1,735,225)	(6,091,774)
Total governmental activities net assets	\$ 113,907,112	\$ 122,215,475	\$ 128,500,736	\$ 146,314,052	\$ 161,516,123	\$ 163,421,115	\$ 165,226,880	\$ 165,817,602	\$ 167,442,552	\$ 166,932,388
Business-type activities										
Invested in capital assets, net of related debt	\$ 67,073,372	\$ 67,870,387	\$ 69,207,688	\$ 73,053,861	\$ 75,805,619	\$ 77,890,685	\$ 81,862,742	\$ 86,317,284	\$ 91,220,876	\$ 92,313,711
Restricted	2,262,848	2,513,579	3,025,976	3,624,948	4,213,063	4,670,711	5,155,342	6,549,521	5,684,352	6,560,819
Unrestricted	7,403,169	8,136,662	8,909,816	11,426,629	11,878,119	11,533,253	8,456,014	5,911,610	3,402,388	2,746,934
Total business-type activities net assets	\$ 76,739,389	\$ 78,520,628	\$ 81,143,480	\$ 88,105,438	\$ 91,896,801	\$ 94,094,649	\$ 95,474,098	\$ 98,778,415	\$ 100,307,616	\$ 101,621,464
Primary Government										
Invested in capital assets, net of related debt	\$ 169,057,873	\$ 178,857,343	\$ 186,960,165	\$ 201,271,382	\$ 213,663,638	\$ 219,794,007	\$ 230,357,041	\$ 240,221,347	\$ 248,580,858	\$ 252,638,733
Restricted	15,999,273	15,792,928	15,773,983	17,696,032	18,995,305	18,901,035	17,966,301	16,134,526	17,191,004	19,139,959
Unrestricted	5,589,355	6,085,832	6,910,068	15,452,076	20,753,981	18,820,722	12,377,636	8,240,144	1,978,306	(3,224,840)
Total primary government net assets	\$ 190,646,501	\$ 200,736,103	\$ 209,644,216	\$ 234,419,490	\$ 253,412,924	\$ 257,515,764	\$ 260,700,978	\$ 264,596,017	\$ 267,750,168	\$ 268,553,852

Notes: The amounts shown above have been restated as noted below:

(1) 2007 Unrestricted Governmental Activities Net Assets were restated to add \$8,623,889 of post retirement benefits which were attributable to governmental activities prior to the implementation of GASB 45 in 2008.

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General Government	\$ 3,296,483	\$ 3,140,205	\$ 3,740,895	\$ 3,978,852	\$ 3,961,356	\$ 4,133,635	\$ 3,943,921	\$ 4,049,662	\$ 4,186,293	\$ 4,572,485
Public Safety	17,513,519	20,121,489	20,670,659	21,744,301	22,534,342	25,394,411	25,838,312	25,148,762	25,466,279	27,928,051
Public Works	10,297,180	12,082,530	12,757,262	14,211,917	14,033,222	15,072,811	15,482,564	16,192,666	16,781,023	16,038,880
Recreation and Parks	2,891,953	3,000,125	3,006,849	3,197,572	3,212,659	3,377,551	3,574,626	3,774,576	4,759,187	4,978,467
Community/Economic Development	2,695,647	4,379,769	3,698,452	3,165,599	5,301,452	4,912,861	5,312,773	3,535,983	5,595,106	5,047,406
Library	4,370,514	4,165,142	4,215,506	4,129,950	4,157,837	4,312,637	4,207,445	4,353,927	4,405,358	3,962,324
Interest and Fiscal Charges	1,923,820	1,782,454	1,760,713	1,926,315	2,051,793	2,069,942	1,916,839	1,764,420	1,566,299	1,450,484
Total governmental activities expenses	42,989,116	48,671,714	49,850,336	52,354,506	55,252,661	59,273,848	60,276,480	58,819,996	62,759,545	63,978,097
Business-type activities:										
Water Utility	3,460,842	3,734,611	4,106,255	4,462,799	4,806,252	4,984,168	5,101,040	5,343,100	5,360,990	5,287,441
Wastewater Utility	5,584,133	5,917,000	6,056,310	6,369,932	6,685,200	6,773,400	6,663,525	6,928,411	7,773,308	8,719,761
Stormwater Utility	445,073	701,795	717,692	928,324	958,206	1,968,957	1,545,207	1,326,800	1,580,309	1,546,949
Transit	2,343,609	2,433,645	2,519,532	2,765,715	2,979,388	3,297,266	3,345,395	3,368,980	3,482,774	3,617,960
Total business-type activities	11,833,657	12,787,051	13,399,789	14,526,770	15,429,046	17,023,791	16,655,167	16,967,291	18,197,381	19,172,111
Total primary government expenses	\$ 54,822,773	\$ 61,458,765	\$ 63,250,125	\$ 66,881,276	\$ 70,681,707	\$ 76,297,639	\$ 76,931,647	\$ 75,787,287	\$ 80,956,926	\$ 83,150,208
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	381,358	330,027	362,499	333,106	432,247	242,573	279,735	280,076	392,965	408,798
Public Safety	2,062,588	2,022,597	2,354,496	2,422,108	2,616,080	2,583,521	2,624,580	2,700,923	2,904,044	2,878,891
Public Works	2,882,606	3,292,965	4,794,575	5,970,778	6,552,540	6,556,524	5,871,663	7,006,361	8,428,099	6,727,157
Recreation and Parks	799,903	770,918	867,445	862,011	795,222	747,599	910,454	1,040,506	2,119,722	2,179,915
Community/Economic Development	380,054	1,538,625	1,133,023	971,950	1,623,684	729,978	477,580	604,735	1,299,796	2,565,475
Library	959,257	933,363	979,130	1,034,641	1,065,715	1,083,977	1,039,302	1,006,020	995,230	957,961
Operating grants and contributions	3,891,532	3,975,006	3,757,672	3,522,875	3,839,593	4,628,312	5,992,828	5,656,639	5,175,981	4,650,278
Capital grants and contributions	4,856,736	9,325,709	6,611,702	18,177,983	6,181,917	4,917,043	4,717,044	1,587,045	2,002,304	2,619,764
Total governmental activities program revenues	16,214,034	22,189,210	20,860,542	33,295,452	23,106,998	21,489,527	21,913,186	19,882,305	23,318,141	22,988,239
Business-type activities:										
Charges for services:										
Water Utility	4,492,868	4,614,976	4,906,617	5,370,442	5,915,168	6,048,253	5,817,708	5,890,963	5,924,663	6,490,726
Wastewater Utility	5,391,568	5,335,735	5,869,743	6,453,636	6,496,484	6,979,210	7,483,921	9,549,391	9,450,506	9,474,307
Stormwater Utility	192,643	820,672	977,288	1,194,973	1,336,873	1,782,649	1,899,777	2,058,510	2,172,210	2,065,056
Transit	351,695	315,097	322,404	350,662	410,184	398,439	367,294	408,176	439,180	465,647
Operating grants and contributions	1,291,763	1,321,122	1,357,796	1,476,571	1,540,541	2,053,182	1,729,215	1,687,653	1,764,936	1,860,366
Capital grants and contributions	1,724,847	2,259,458	2,334,127	5,586,403	2,694,934	1,573,924	836,969	975,820	395,169	584,516
Total business-type activities program revenues	13,445,384	14,667,060	15,767,975	20,432,687	18,394,184	18,835,657	18,134,884	20,570,513	20,146,664	20,940,618
Total primary government program revenues	\$ 29,659,418	\$ 36,856,270	\$ 36,628,517	\$ 53,728,139	\$ 41,501,182	\$ 40,325,184	\$ 40,048,070	\$ 40,452,818	\$ 43,464,805	\$ 43,928,857

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental activities	\$ (26,775,082)	\$ (26,482,504)	\$ (28,989,794)	\$ (19,059,054)	\$ (32,145,663)	\$ (37,784,321)	\$ (38,363,294)	\$ (38,937,691)	\$ (39,441,404)	\$ (40,989,858)
Business-type activities	1,611,727	1,880,009	2,368,186	5,905,917	2,965,138	1,811,866	1,479,717	3,603,222	1,949,283	1,768,507
Total primary government net expenses	\$ (25,163,355)	\$ (24,602,495)	\$ (26,621,608)	\$ (13,153,137)	\$ (29,180,525)	\$ (35,972,455)	\$ (36,883,577)	\$ (35,334,469)	\$ (37,492,121)	\$ (39,221,351)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 23,710,283	\$ 25,020,048	\$ 25,810,979	\$ 26,974,983	\$ 28,068,202	\$ 29,301,229	\$ 30,714,943	\$ 30,606,896	\$ 31,527,740	\$ 32,754,235
Other taxes	875,509	904,306	977,531	1,048,915	1,028,488	1,147,714	883,300	947,001	914,183	1,370,092
Intergovernmental revenues	7,619,364	6,558,197	6,596,592	6,602,405	6,558,634	6,565,038	6,588,241	6,195,752	6,116,411	5,413,874
Investment income	735,762	719,454	1,198,887	1,890,844	2,382,204	1,625,934	920,423	692,506	538,926	340,085
Miscellaneous	677,502	1,233,013	521,988	634,122	506,719	881,154	757,869	678,983	1,490,349	77,830
Transfers	(236,117)	355,849	169,078	(278,899)	179,598	168,244	304,273	407,275	478,745	523,578
Total governmental activities	33,382,303	34,790,867	35,275,055	36,872,370	38,723,845	39,689,313	40,169,049	39,528,413	41,066,354	40,479,694
Business-type activities:										
Investment earnings	249,006	234,231	412,225	728,931	994,671	542,738	201,160	92,331	58,663	48,028
Miscellaneous	16,562	22,848	11,519	48,211	11,152	11,488	2,845	16,039	-	20,891
Transfers	236,117	(355,849)	(169,078)	278,899	(179,598)	(168,244)	(304,273)	(407,275)	(478,745)	(523,578)
Total business-type activities	501,685	(98,770)	254,666	1,056,041	826,225	385,982	(100,268)	(298,905)	(420,082)	(454,659)
Total primary government	\$ 33,883,988	\$ 34,692,097	\$ 35,529,721	\$ 37,928,411	\$ 39,550,070	\$ 40,075,295	\$ 40,068,781	\$ 39,229,508	\$ 40,646,272	\$ 40,025,035
Change in Net Assets										
Governmental activities	\$ 6,607,221	\$ 8,308,363	\$ 6,285,261	\$ 17,813,316	\$ 6,578,182	\$ 1,904,992	\$ 1,805,755	\$ 590,722	\$ 1,624,950	\$ (510,164)
Business-type activities	2,113,412	1,781,239	2,622,852	6,961,958	3,791,363	2,197,848	1,379,449	3,304,317	1,529,201	1,313,848
Total primary government	\$ 8,720,633	\$ 10,089,602	\$ 8,908,113	\$ 24,775,274	\$ 10,369,545	\$ 4,102,840	\$ 3,185,204	\$ 3,895,039	\$ 3,154,151	\$ 803,684

CITY OF JANESVILLE, WISCONSIN

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

	2003 (Restated)	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable:										
Long-term receivables/ advances	\$ 972,099	\$ 982,130	\$ 1,087,119	\$ 990,859	\$ 947,874	\$ 858,212	\$ 686,067	\$ 472,502	\$ 477,324	\$ 484,749
Inventories and prepaid items	6,220	5,391	4,146	5,483	4,527	6,271	4,500	41,267	22,539	3,998
Assigned	2,360,870	2,394,473	2,495,771	2,529,837	2,578,820	1,231,000	850,000	890,000	825,000	926,435
Unassigned	4,558,140	4,543,833	5,027,335	5,465,498	5,283,514	5,678,760	5,689,704	6,091,178	7,747,001	7,622,953
Total General Fund	\$ 7,897,329	\$ 7,925,827	\$ 8,614,371	\$ 8,991,677	\$ 8,814,735	\$ 7,774,243	\$ 7,230,271	\$ 7,494,947	\$ 9,071,864	\$ 9,038,135
All Other Governmental Funds (Reflecting GASB 54 Classification)										
Nonspendable:										
Inventories and prepaid items									\$ 280,810	\$ 292,275
Restricted reported in:										
Debt service fund									1,277,855	594,456
Capital projects fund									9,575,388	7,138,340
Special revenue funds									4,426,799	5,027,057
Committed reported in:										
Sanitation Fund									2,103,725	1,199,147
Special revenue funds									832,191	956,123
Assigned reported in:										
Capital projects fund									1,938,042	3,626,875
Unassigned reported in:										
Special revenue funds									(1,383,868)	(3,731,165)
Total All Other Governmental Funds									\$ 19,050,942	\$ 15,103,108
All Other Governmental Funds (Before GASB 54 Reclassification)										
Reserved:										
Debt service	\$ 5,001,495	\$ 5,559,520	\$ 4,511,543	\$ 4,835,092	\$ 5,404,843	\$ 6,576,009	\$ 9,003,777	\$ 2,976,816		
Encumbrance				2,545,138	597,104	1,013,779	1,369,138	40,580		
Inventories and prepaid items	31,419	27,123	26,353	376,173	487,540	446,834	346,088	266,891		
Long-term receivables										
Unreserved reported in:										
Capital projects fund	2,080,233	1,234,446	1,369,261	2,998,949	3,783,110	4,859,680	4,828,004	5,389,278		
Special revenue funds	998,684	10,101	785,704	3,995,522	4,479,880	7,906,814	11,429,728	10,311,458		
Total All Other Governmental Funds	\$ 8,111,831	\$ 6,831,190	\$ 6,692,861	\$ 14,750,874	\$ 14,752,477	\$ 20,803,116	\$ 26,976,735	\$ 18,985,023		

Notes: The amounts shown above have been restated as noted below:

- (1) 2003 Fund balances were restated due to a change in reporting accrued vacation benefits; \$1,129,870 was added to the general fund assigned balance, \$132,339 added in Special Revenue funds, and \$12,408 added in Capital Projects fund.
- (2) 2002 General Fund Unassigned Fund balance was increased by \$861,293 to reflect the 2002 water payment in lieu of taxes received in 2003.
- (3) 2008 General Fund Assigned Fund balance no longer includes accrued vacation balances.
- (4) The General Fund balances reflect fund balance classification in accordance with GASB 54.

CITY OF JANESVILLE, WISCONSIN

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue										
Taxes	\$ 24,585,792	\$ 25,924,354	\$ 26,788,510	\$ 28,023,898	\$ 29,096,691	\$ 30,341,144	\$ 31,583,980	\$ 31,486,289	\$ 32,472,722	\$ 34,122,674
Licenses and permits	998,219	1,293,306	1,333,531	1,270,877	1,514,044	1,087,422	1,085,092	1,260,490	1,209,307	1,132,445
Investment income, rents and fines	1,450,610	1,935,691	1,730,746	2,639,245	3,030,427	2,242,210	1,479,479	1,253,668	1,156,004	1,078,636
State and federal aid	12,651,343	12,336,491	10,478,343	10,680,197	10,497,817	11,251,371	13,362,388	12,377,267	12,335,185	10,501,029
Special assessments	2,820,921	2,975,005	3,336,621	8,772,521	6,286,880	4,801,611	1,717,558	917,104	1,141,772	975,738
Service charges and other	7,064,520	7,378,713	9,311,566	10,968,922	11,148,770	12,069,815	11,817,521	12,165,836	15,411,002	13,231,319
Miscellaneous	38,322	160,139	144,233	153,883	159,821	104,407	99,507	102,190	74,047	36,029
Total revenues	49,609,727	52,003,699	53,123,550	62,509,543	61,734,450	61,897,980	61,145,525	59,562,844	63,800,039	61,077,870
Expenditures										
General government	3,258,307	3,351,946	3,368,825	3,529,577	3,729,418	3,994,415	3,879,345	3,881,072	4,067,662	3,872,629
Public safety	17,789,589	18,892,617	19,743,416	20,574,389	21,559,137	22,566,701	22,957,291	22,888,083	23,612,281	24,793,414
Public works	8,442,125	9,840,696	10,158,845	11,739,975	11,621,929	12,058,457	12,559,211	12,934,530	13,337,435	13,495,489
Recreation and parks	2,729,570	2,756,164	2,716,373	2,901,387	2,935,603	2,830,357	3,109,510	3,215,383	4,292,982	4,258,796
Community and economic devel.	2,988,409	4,454,592	3,315,281	3,121,290	4,093,073	5,712,703	6,108,707	4,934,294	6,038,294	4,605,947
Library	3,354,901	3,490,267	3,557,534	3,584,804	3,237,582	3,370,564	3,301,084	3,403,762	3,485,239	3,237,462
Capital Outlay	8,050,732	14,616,804	8,403,811	11,132,789	14,449,888	8,027,425	9,626,232	8,285,157	7,037,844	12,260,920
Debt Service										
Principal	7,570,647	7,290,228	6,849,210	7,271,807	7,298,749	7,795,055	8,679,586	8,993,416	10,120,021	10,394,441
Interest	1,532,995	1,328,377	1,540,443	1,805,983	2,004,046	2,002,895	2,064,838	1,794,361	1,669,146	1,518,157
Total expenditures	55,717,275	66,021,691	59,653,738	65,662,001	70,929,425	68,358,572	72,285,804	70,330,058	73,660,904	78,437,255
Excess of revenues over (under) expenditures	(6,107,548)	(14,017,992)	(6,530,188)	(3,152,458)	(9,194,975)	(6,460,592)	(11,140,279)	(10,767,214)	(9,860,865)	(17,359,385)
Other financing sources (uses)										
Long-term debt issued	6,100,000	12,520,000	11,196,325	11,515,000	7,920,000	10,285,000	11,450,000	5,200,000	8,880,000	11,500,000
Refunding Debt Issued	1,850,063	1,831,645	-	1,567,024	-	-	6,915,000	-	-	-
Payment on refunded debt	(1,850,063)	(1,831,645)	-	(1,567,024)	-	-	(3,118,770)	(3,930,000)	-	-
Premium on long-term debt	-	-	-	-	-	34,619	-	-	-	93,149
Sale of City property	-	-	-	-	-	-	-	-	638,477	-
Transfers in	8,765,440	11,204,874	10,261,894	8,540,484	10,044,808	9,816,701	10,950,498	11,520,300	11,047,314	11,633,579
Transfers out	(9,001,557)	(10,959,025)	(10,092,816)	(8,767,707)	(8,645,172)	(8,665,581)	(9,426,802)	(9,750,122)	(9,062,090)	(9,848,906)
Total other financing sources (uses)	5,863,883	12,765,849	11,365,403	11,287,777	9,319,636	11,470,739	16,769,926	3,040,178	11,503,701	13,377,822
Special Item										
Retirement of prior service			(4,285,000)							
Net change in fund balances	\$ (243,665)	\$ (1,252,143)	\$ 550,215	\$ 8,135,319	\$ 124,661	\$ 5,010,147	\$ 5,629,647	\$ (7,727,036)	\$ 1,642,836	\$ (3,981,563)
Debt Service as a percentage of noncapital expenditures	19.2%	16.9%	16.6%	17.0%	17.8%	16.2%	17.1%	17.4%	17.7%	18.0%

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>
2003	2004	2,093,506,500	760,398,300	143,256,600	2,129,000	128,556,490	3,127,846,890	7.4276	3,251,498,900	96.24%
2004	2005	2,141,067,100	774,491,500	138,701,100	2,019,300	118,698,730	3,174,977,730	7.6527	3,433,005,900	92.56%
2005	2006	2,203,265,900	790,514,100	137,098,500	2,010,200	123,287,320	3,256,176,020	7.7703	3,670,111,700	88.72%
2006	2007	2,270,647,400	803,375,300	135,323,500	3,088,900	118,329,200	3,330,764,300	7.8750	3,927,834,200	84.80%
2007	2008	2,323,675,600	830,293,900	132,600,100	2,832,400	117,911,010	3,407,313,010	8.0408	4,160,780,300	81.89%
2008	2009	2,372,646,300	843,383,400	135,700,300	2,835,100	125,925,430	3,480,490,530	8.1804	4,370,063,000	79.99%
2009	2010	2,393,616,900	857,280,900	118,689,000	3,006,100	128,318,270	3,500,911,170	8.2381	4,251,636,500	81.94%
2010	2011	2,405,821,900	864,969,400	121,438,100	1,728,700	129,347,480	3,523,305,580	8.3737	3,991,153,400	88.10%
2011	2012	2,538,559,400	1,036,108,100	132,858,200	1,762,000	138,539,030	3,847,826,730	7.9014	3,940,763,600	97.45%
2012	2013	2,541,718,200	1,061,486,400	141,437,500	1,744,900	147,735,220	3,894,122,220	7.8746	3,895,706,200	99.72%

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

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>City Rate</u>	<u>Library Rate</u>	<u>City of Janesville Direct Rate⁽¹⁾</u>	<u>Janesville School District</u>	<u>Blackhawk Technical</u>	<u>County of Rock</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2003	2004	6.5095	0.9181	7.4276	9.2652	1.8878	6.4002	0.2079	25.1887	1.3886	23.8001
2004	2005	6.7408	0.9119	7.6527	9.8550	1.8931	6.5978	0.2163	26.2149	1.2863	24.9286
2005	2006	6.8373	0.9330	7.7703	9.2521	1.9405	6.5904	0.2114	25.7647	1.2103	24.5544
2006	2007	6.9609	0.9141	7.8750	9.0897	1.9694	6.4563	0.2071	25.5975	1.4618	24.1357
2007	2008	7.1497	0.8911	8.0408	10.1877	2.0703	6.5383	0.2072	27.0443	1.5837	25.4606
2008	2009	7.2716	0.9088	8.1804	10.4087	2.1406	6.6105	0.2131	27.5533	1.7113	25.8420
2009	2010	7.3155	0.9226	8.2381	10.4635	2.1001	6.7476	0.2061	27.7554	1.7016	26.0538
2010	2011	7.4359	0.9378	8.3737	10.7203	1.9589	6.7987	0.1922	28.0438	1.6933	26.3505
2011	2012	7.0402	0.8612	7.9014	10.1902	1.8275	6.4427	0.1738	26.5356	1.5208	25.0148
2012	2013	7.0318	0.8428	7.8746	9.8001	1.8492	6.5219	0.1698	26.2156	1.5018	24.7138

MILTON SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>City Rate</u>	<u>Library Rate</u>	<u>City of Janesville Direct Rate⁽¹⁾</u>	<u>Milton School District</u>	<u>Blackhawk Technical</u>	<u>County of Rock</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2003	2004	6.5095	0.9181	7.4276	7.9409	1.8878	6.4002	0.2079	23.8644	1.3886	22.4758
2004	2005	6.7408	0.9119	7.6527	9.2364	1.8931	6.5978	0.2163	25.5963	1.2863	24.3100
2005	2006	6.8373	0.9330	7.7703	8.6300	1.9405	6.5904	0.2114	25.1426	1.2103	23.9323
2006	2007	6.9609	0.9141	7.8750	8.6227	1.9694	6.4563	0.2071	25.1305	1.4618	23.6687
2007	2008	7.1497	0.8911	8.0408	9.2325	2.0703	6.5383	0.2072	26.0891	1.5837	24.5054
2008	2009	7.2716	0.9088	8.1804	9.2490	2.1406	6.6105	0.2131	26.3936	1.7113	24.6823
2009	2010	7.3155	0.9226	8.2381	9.6484	2.1001	6.7476	0.2061	26.9403	1.7016	25.2387
2010	2011	7.4359	0.9378	8.3737	9.6787	1.9589	6.7987	0.1922	27.0022	1.6933	25.3089
2011	2012	7.0402	0.8612	7.9014	9.0327	1.8275	6.4427	0.1738	25.3781	1.5208	23.8573
2012	2013	7.0318	0.8428	7.8746	8.6310	1.8492	6.5219	0.1698	25.0465	1.5018	23.5447

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
2012 and Nine Years Prior

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Mercy Health System Corp.	\$ 68,054,450	1	1.75%	12,826,140	10	0.41%
Janesville Mall Limited Part	34,594,700	2	0.89%	32,341,070	2	1.03%
Dean/St. Mary's/Riverview Care	33,623,600	3	0.86%	18,715,470	5	--
GHC Specialty Brands, LLC (Lab Safety)	30,311,860	4	0.78%	23,782,580	4	0.76%
Blain Supply Inc	29,827,330	5	0.77%	26,046,850	3	0.83%
Wal-Mart Real Estate Business	22,544,600	6	0.58%	--		--
Helgesen Family Partnership	20,251,300	7	0.52%	--		--
Menards	19,236,050	8	0.49%	--		--
Woodman's Food Market	18,661,200	9	0.48%	14,899,170	9	0.48%
Lemans Corp	18,895,260	10	0.49%	18,152,830	6	0.58%
General Motors	--		--	40,356,870	1	1.29%
Inland Pine Tree LLC	--		--	17,025,900	7	0.54%
Norman Weitzel	--		--	16,567,720	8	0.53%
Total	\$ 296,000,350		7.60%	\$ 220,714,600		7.06%

Source: City of Janesville Clerk Treasurer Office

CITY OF JANESVILLE, WISCONSIN

Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year	Fiscal Year	Total City Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date		Outstanding Delinquent PP Taxes 12/31/2012
			Amount	Percentage of Levy	Amount	Percentage of Levy	
2002	2003	23,644,835	23,606,513	99.84%	23,635,964	99.96%	
2003	2004	24,914,757	24,901,799	99.95%	24,910,864	99.98%	
2004	2005	25,819,580	25,790,079	99.89%	25,811,912	99.97%	
2005	2006	26,968,587	26,934,619	99.87%	26,961,393	99.97%	
2006	2007	28,062,823	28,014,779	99.83%	28,048,652	99.95%	
2007	2008	29,326,955	29,252,694	99.75%	29,311,257	99.95%	15,698
2008	2009	30,727,505	30,654,028	99.76%	30,706,586	99.93%	20,919
2009	2010	30,679,585	30,552,174	99.58%	30,651,153	99.91%	28,432
2010	2011	31,493,963	31,416,545	99.75%	31,468,249	99.92%	25,714
2011	2012	32,799,590	32,729,830	99.79%	32,729,830	99.79%	69,760

Notes: Delinquent real estate taxes are paid in full by Rock County with the August settlement. Outstanding delinquent taxes represents personal property taxes outstanding at the end of the year. After one year, the delinquent personal property taxes 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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 162,574,945	\$ 171,650,295	\$ 183,505,585	\$ 196,391,710	\$ 208,039,015	\$ 218,503,150	\$ 212,581,825	\$ 199,557,670	\$ 197,038,180	\$ 194,785,310
Total net debt applicable to limit	<u>56,670,631</u>	<u>63,987,466</u>	<u>69,246,432</u>	<u>78,630,253</u>	<u>80,214,188</u>	<u>82,529,034</u>	<u>87,480,869</u>	<u>76,914,642</u>	<u>74,814,441</u>	<u>74,190,000</u>
Legal Debt Margin	<u>\$ 105,904,314</u>	<u>\$ 107,662,829</u>	<u>\$ 114,259,153</u>	<u>\$ 117,761,457</u>	<u>\$ 127,824,827</u>	<u>\$ 135,974,116</u>	<u>\$ 125,100,956</u>	<u>\$ 122,643,028</u>	<u>\$ 122,223,739</u>	<u>\$ 120,595,310</u>
Total net debt applicable to limit as a percentage of debt limit	34.86%	37.28%	37.74%	40.04%	38.56%	37.77%	41.15%	38.54%	37.97%	38.09%

<u>Legal Debt Margin Calculation for Fiscal Year 2012</u>	
Equalized Value of Taxable Property	\$ 3,895,706,200
Legal Debt limit (5% of total equalized value)	194,785,310
Less : General Obligation Debt	<u>74,190,000</u>
Legal debt margin	<u>\$ 120,595,310</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⁾	Capital Leases	General Obligation Debt ⁽¹⁾	Revenue Bonds			
2003	37,078,060	141,643	19,592,571	2,897,546	59,709,820	3.44%	974
2004	42,284,388	99,971	21,703,078	5,786,279	69,873,716	4.01%	1,125
2005	46,408,390	175,034	22,838,042	7,413,643	76,835,109	4.27%	1,229
2006	50,556,390	108,943	28,073,863	7,463,672	86,202,868	4.53%	1,374
2007	51,042,492	68,797	29,171,706	7,053,580	87,336,575	4.45%	1,375
2008	53,590,831	43,291	28,986,040	6,632,653	89,252,815	4.42%	1,406
2009	60,180,295	17,009	27,343,829	6,200,601	93,741,734	4.72%	1,476
2010	52,470,426	0	24,481,627	24,314,249	101,266,302	5.04%	1,593
2011	51,226,943	0	23,619,967	32,058,342	106,905,252	5.05%	1,683
2012	52,417,532	0	21,915,644	30,442,245	104,775,421	N/A	1,651

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 14 for personal income and population data.

CITY OF JANESVILLE, WISCONSIN

Schedule 11

Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years

<u>Year</u>	<u>Governmental General Obligation Debt</u>	<u>Proprietary General Obligation Debt</u>	<u>Total General Obligation Debt</u>	<u>Less: Amounts Reserved For Debt Service</u>	<u>Net General Obligation Debt</u>	<u>Percentage Debt to Equalized Valuation⁽¹⁾</u>	<u>Net General Obligation Debt Per Capita⁽²⁾</u>
2003	37,078,060	19,592,571	56,670,631	(5,001,495)	51,669,136	1.59%	843
2004	42,284,388	21,703,078	63,987,466	(5,559,520)	58,427,946	1.70%	940
2005	46,408,390	22,838,042	69,246,432	(4,511,543)	64,734,889	1.76%	1,035
2006	50,556,390	28,073,863	78,630,253	(4,835,092)	73,795,161	1.88%	1,177
2007	51,042,492	29,171,706	80,214,198	(5,404,843)	74,809,355	1.80%	1,177
2008	53,557,943	28,971,091	82,529,034	(6,576,009)	75,953,025	1.74%	1,196
2009	60,150,869	27,330,000	87,480,869	(9,003,777)	78,477,092	1.85%	1,236
2010	52,444,462	24,470,000	76,914,462	(2,976,816)	73,937,646	1.85%	1,163
2011	51,204,441	23,610,000	74,814,441	(1,277,855)	73,536,586	1.87%	1,158
2012	52,310,000	21,880,000	74,190,000	(594,456)	73,595,544	1.89%	1,159

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

(1) See Schedule 5 for property value data.

(2) See Schedule 14 for population data.

CITY OF JANESVILLE, WISCONSIN

Schedule 12
Direct and Overlapping General Obligation Debt
As of December 31, 2012

<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	\$ 74,190,000	100.00%	\$ 74,190,000
Rock County	43,485,000	41.30%	17,959,305
School Districts			
Janesville	88,560,000	89.99%	79,695,144
Milton	4,230,000	31.82%	1,345,986
Blackhawk Technical College	20,165,000	34.40%	6,936,760
	<u>156,440,000</u>		<u>105,937,195</u>
	Total Direct and Overlapping Debt <u>\$230,630,000</u>		<u>\$ 180,127,195</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.

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		
2003	-	-	-	-	-		5,541,701	3,558,942	1,982,759	143,921	77,528	9.0
2004	4,718,545	2,442,544	2,276,001	-	18,950	120.1	5,483,066	3,765,224	1,717,842	153,973	89,368	7.1
2005	5,062,300	2,525,516	2,536,784	54,518	39,783	26.9	6,110,649	3,712,589	2,398,060	229,531	111,729	7.0
2006	5,627,468	2,715,871	2,911,597	133,060	77,953	13.8	6,939,255	3,940,312	2,998,943	247,156	110,276	8.4
2007	6,273,899	2,943,953	3,329,946	151,279	80,219	14.4	7,110,122	4,178,104	2,932,018	258,814	104,675	8.1
2008	6,224,571	3,137,249	3,087,322	155,079	76,355	13.3	7,341,888	4,370,586	2,971,302	265,848	97,511	8.2
2009	5,903,631	3,193,839	2,709,792	158,974	72,394	11.7	7,605,357	4,322,197	3,283,160	273,077	90,148	9.0
2010	5,926,063	3,121,079	2,804,984	162,968	68,333	12.1	9,624,957	4,332,237	5,292,720	280,507	223,336	10.5
2011	5,943,221	3,387,695	2,555,526	167,062	64,170	11.1	9,489,103	4,816,726	4,672,377	288,143	582,300	5.4
2012	6,505,870	3,265,729	3,240,141	171,260	59,901	14.0	9,531,919	4,473,955	5,057,964	1,523,141	633,828	2.3

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	<u>Population</u>⁽¹⁾	<u>Personal Income</u>	<u>Per Capita Income</u>⁽²⁾	<u>School System Enrollment</u>⁽³⁾	<u>Unemployment Rate</u>⁽⁴⁾
2003	61,310	1,735,379,550	28,305	10,458	7.1%
2004	62,130	1,730,631,150	27,855	10,327	6.7%
2005	62,540	1,780,326,180	28,467	10,252	6.5%
2006	62,720	1,903,928,320	30,356	10,372	5.2%
2007	63,540	1,962,814,140	30,891	10,192	6.0%
2008	63,500	2,020,951,000	31,826	10,019	6.8%
2009	63,500	1,987,169,000	31,294	9,849	13.8%
2010	63,575	2,007,952,800	31,584	9,713	11.4%
2011	63,515	2,115,367,075	33,305	10,429	10.1%
2012	63,480	N/A	N/A	10,308	9.0%

⁽¹⁾ From the WI Dept of Administration as of January 1 the following year, 2010 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

CITY OF JANESVILLE, WISCONSIN

Schedule 15
Principal Employers
2012 and Nine Years Prior

Employer	2012			2003		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Mercy Health System	3,869	1	13.25%	1,300	4	4.17%
Janesville School District	1,303	2	4.46%	1,412	3	4.53%
Rock County	1,162	3	3.98%	1,500	2	4.82%
Granger Brands	745	4	2.55%	--	--	0.00%
Blain's Supply (Farm & Fleet)	538	5	1.84%	--	--	0.00%
City of Janesville	527	6	1.81%	454	8	1.46%
Wal-Mart/Sam's Club	504	7	1.73%	--	--	0.00%
J.P. Cullen & Sons, Inc.	500	8	1.71%	--	--	0.00%
SSI Technologies / Bornes	500	9	1.71%	666	7	2.14%
Lemans Corp	450	10	1.54%	450	9	1.44%
Dean Health System (Dean Clinic-Janesville East)	-	--	--	410	10	1.32%
General Motors	-	--	--	4,220	1	13.55%
Lear Corporation	-	--	--	944	5	3.03%
GHC Specialty Brands/Lab Safety Supply Inc	-	--	--	800	6	2.57%
Total	10,098		34.59%	12,156		39.02%
Total City Employment	29,196			31,150		

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
City Manager	2.51	2.26	2.26	2.26	2.56	2.15	2.34	2.34	2.34	2.34
Assessor	9.25	8.25	7.25	7.34	7.34	8.34	7.34	6.94	6.50	6.00
Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerk Treasurer	8.19	9.92	7.77	8.10	7.77	10.56	7.67	9.36	7.00	10.00
Administrative Services & Accounting	8.05	7.90	7.85	6.85	6.54	6.72	6.49	6.34	6.22	5.37
Human Resources	2.45	2.10	2.10	2.10	2.05	2.05	2.05	2.05	2.05	2.05
Information Technology	<u>2.75</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>2.70</u>	<u>2.75</u>	<u>2.75</u>	<u>2.25</u>	2.25	<u>2.25</u>
Total General Government	<u>37.20</u>	<u>37.43</u>	<u>34.23</u>	<u>33.65</u>	<u>32.96</u>	<u>36.57</u>	<u>32.64</u>	<u>33.28</u>	<u>30.36</u>	<u>32.01</u>
Public Safety										
Police	121.00	117.00	119.50	119.50	119.50	118.50	118.50	119.50	118.50	117.50
Fire	<u>93.00</u>	<u>89.00</u>	<u>90.75</u>	<u>90.75</u>	<u>90.75</u>	<u>92.75</u>	<u>93.75</u>	<u>93.75</u>	<u>93.25</u>	<u>92.25</u>
Total Public Safety	<u>214.00</u>	<u>206.00</u>	<u>210.25</u>	<u>210.25</u>	<u>210.25</u>	<u>211.25</u>	<u>212.25</u>	<u>213.25</u>	<u>211.75</u>	<u>209.75</u>
Public Works										
Engineering	21.80	21.24	21.24	20.91	20.33	20.47	18.75	18.40	18.35	18.34
DPW/Tech Services	30.51	29.39	28.32	28.52	28.16	26.77	25.53	26.68	27.18	26.49
Sanitation/Landfill	<u>19.92</u>	<u>19.97</u>	<u>19.97</u>	<u>20.20</u>	<u>20.83</u>	<u>23.11</u>	<u>23.73</u>	<u>21.50</u>	<u>21.88</u>	<u>21.07</u>
Total Public Works	<u>72.23</u>	<u>70.60</u>	<u>69.53</u>	<u>69.63</u>	<u>69.32</u>	<u>70.35</u>	<u>68.01</u>	<u>66.58</u>	<u>67.41</u>	<u>65.90</u>
Recreation & Parks										
Leisure Services	22.55	18.25	18.69	24.36	24.15	23.31	25.08	21.55	21.37	20.26
Parks	<u>17.60</u>	<u>16.90</u>	<u>16.90</u>	<u>16.60</u>	<u>16.45</u>	<u>15.45</u>	<u>16.45</u>	<u>20.12</u>	<u>18.81</u>	<u>17.01</u>
Total Recreation & Parks	<u>40.15</u>	<u>35.15</u>	<u>35.59</u>	<u>40.96</u>	<u>40.60</u>	<u>38.76</u>	<u>41.53</u>	<u>41.67</u>	<u>40.18</u>	<u>37.27</u>
Community & Economic Development										
Community Development	17.90	17.40	16.00	16.44	16.20	17.25	17.23	15.14	15.32	14.73
Neighborhood Services	<u>8.09</u>	<u>8.59</u>	<u>8.09</u>	<u>7.34</u>	<u>7.03</u>	<u>6.51</u>	<u>6.76</u>	<u>6.96</u>	<u>6.91</u>	<u>5.85</u>
Total Community & Economic Development	<u>25.99</u>	<u>25.99</u>	<u>24.09</u>	<u>23.78</u>	<u>23.23</u>	<u>23.76</u>	<u>23.99</u>	<u>22.10</u>	<u>22.23</u>	<u>20.58</u>
Library	52.30	52.10	53.70	53.70	51.90	50.75	51.20	51.45	49.53	49.01
Water Utility	19.59	19.09	18.75	19.09	19.00	20.47	20.49	20.40	19.67	19.59
Wastewater Utility	26.87	26.40	25.64	26.33	24.74	26.43	25.88	25.99	26.22	26.17
Stormwater Utility	5.85	5.68	5.72	6.44	7.45	10.49	10.92	11.22	11.27	11.19
Transit	<u>31.33</u>	<u>31.87</u>	<u>31.20</u>	<u>31.09</u>	<u>30.98</u>	<u>30.46</u>	<u>30.46</u>	<u>31.09</u>	<u>30.57</u>	<u>31.39</u>
Total Employment	<u>525.51</u>	<u>510.31</u>	<u>508.70</u>	<u>514.92</u>	<u>510.43</u>	<u>519.29</u>	<u>517.37</u>	<u>517.03</u>	<u>509.19</u>	<u>502.86</u>

Source: City of Janesville Annual Budget

CITY OF JANESVILLE, WISCONSIN

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Assessor										
Real Estate and Mobile Home Assessments	22,928	23,257	23,679	24,140	24,445	24,050	24,100	24,120	24,535	24,407
New Construction, Permits, Sale Reviews	1,584	2,500	2,958	2,772	3,200	2,590	4,000	2,160	2,005	2,514
Attorney										
Case Litigated	12,523	13,194	13,590	9,764	9,874	9,987	8,447	10,509	8,540	8,450
Public Safety										
Police										
Traffic Citations (#)	6,865	7,177	5,964	5,893	6,094	5,235	5,237	9,320	10,848	10,147
Violent Crime Incidents (#)	N/A	N/A	170	134	158	172	153	170	169	182
Property Crime Incidents (#)	N/A	N/A	2,980	2,987	2,740	2,813	2,254	2,423	2,412	2,474
Parking Tickets Processed (#)	6,184	5,164	4,432	4,104	4,104	3,644	2,745	3,313	2,823	2,555
Fire										
Fire and EMS Emergency Responses (#)	6,716	6,760	6,943	6,078	6,298	6,734	6,404	6,708	7,306	7,426
Inspections (#)	5,871	6,094	5,923	6,143	6,201	6,265	6,325	6,460	5,728	5,297
Public Works										
Street Maintenance										
Crack Sealing (feet)	50,000	50,000	20,000	20,000	50,000	20,000	21,000	18,000	65,472	29,251
Street Resurfacing (miles)	12.0	13.0	10.3	11.5	11.9	10.9	13.5	8.0	6.4	5.2
Street Cleaning - Leaf Collection (miles)	210	207	213	218	209	222	228	226	218	209
Traffic Management										
Traffic Signs Installed/Repaired (#)	1,990	1,908	2,219	1,946	1,155	1,122	1,200	1,739	1,150	1,546
Line Striping (feet)	468,500	425,000	366,600	363,300	338,000	314,484	248,633	144,899	283,462	269,216
Sanitation										
Sanitary Landfill (tons)	121,000	132,000	180,000	195,700	274,200	274,213	220,849	228,758	185,065	156,804
Trash Collection(stops/week)	22,268	22,596	22,902	23,143	23,393	24,347	23,700	23,700	23,449	23,473
VOM - Vehicles Repaired (#)	2,910	2,791	2,694	2,681	3,244	3,268	2,902	2,879	2,699	2,561
Recreation and Parks										
Recreation Program Participants (#)	235,812	233,480	271,632	276,398	237,022	246,967	230,142	278,198	271,739	267,490
Special Events	82	85	85	89	90	80	104	105	109	114
Parks (acres)	2,295	2,295	2,300	2,400	2,580	2,580	2,590	2,590	2,595	2,595
Parks Mowing (acres)	593	593	605	655	658	664	666	666	666	666
Golf Course Rounds Played (#)	66,473	59,190	61,768	56,627	55,376	58,142	59,734	56,270	53,606	56,368
Community/Economic Development										
Permits Issued (#)	4,585	4,814	4,609	4,481	4,490	3,543	2,866	3,201	2,872	3,068
Inspections (#)	10,597	11,731	10,541	9,149	9,188	7,694	6,687	6,791	6,374	6,000
TIF Development Activity										
New Construction (square feet)	474,000	213,500	50,000	108,000	315,915	20,000	28,125	532,445	21,000	22,000
Value of Projects (dollars)	12,263,200	4,176,800	2,155,100	3,012,000	9,477,450	800,000	1,600,000	33,923,068	775,000	1,796,500
Neighborhood Services										
Complaints Received (#)	1,284	1,301	1,295	1,450	1,177	1,419	1,778	1,648	1,992	1,586
Housing/Nuisance Inspections (#)	4,919	3,473	3,860	4,056	2,819	3,951	4,632	6,061	7,159	5,356
Housing Rehab./Homeownership Loans (#)	50	55	34	46	37	64	101	82	70	87
Library										
Circulation (#)	1,104,710	1,165,503	1,175,430	1,198,251	1,183,981	1,176,691	1,199,606	1,144,919	1,153,991	1,131,907
Registered Patrons (#)	56,942	56,884	56,872	56,663	59,485	61,812	64,245	66,544	69,542	72,394
Water Utility										
Water Pumped (billions of gallons)	4.90	4.50	4.78	4.51	4.48	4.28	3.88	3.54	3.55	3.52
Water Tests (#)	2,614	4,459	4,545	4,785	4,976	4,797	4,844	4,922	4,611	4,525
Water Main Repairs (#)	109	69	71	84	128	92	88	87	108	82
Wastewater Utility										
Sewage Treatment (millions of gallons)	4,924	5,328	4,632	4,814	5,351	6,728	5,882	5,637	5,083	4,375
Laboratory Tests (#)	26,605	25,103	24,335	24,714	24,845	25,461	24,996	24,665	23,749	22,542
Stormwater Utility										
Street Sweeping (miles)	4,554	4,897	7,041	7,176	7,141	6,688	7,003	7,767	5,887	5,846
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	6,500	2,930	689	906	575	614	600	600	600	600
Catch Basin Cleaning (#)	814	1,014	201	390	193	173	181	212	200	589
Transit										
Total Route Miles	473,469	474,660	476,787	475,893	478,329	477,266	471,711	471,711	471,682	501,025
Ridership (#)	385,020	416,611	424,430	431,924	392,306	396,773	352,144	338,739	364,696	393,347

Sources: Various City Departments

CITY OF JANESVILLE, WISCONSIN

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	29	29	31	31	30	36	37	39	37	37
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Trucks	10	10	10	10	10	10	10	10	10	11
Ambulances	4	5	5	5	5	6	6	6	6	6
Public Works:										
Streets (miles)	322	326	331	338	345	350	350	350	350	350
Street Lights (city owned)	1854	1886	1945	2049	2103	2185	2215	2278	2267	2286
Traffic Signals (intersections)	72	74	78	79	79	76	71	71	71	71
Parks and Recreation:										
Number of Parks	62	62	63	63	63	64	64	64	64	66
Acreage of Parkland	2301	2295	2350	2350	2580	2580	2590	2590	2595	2595
Number of Swimming Pools	3	3	3	3	3	3	3	3	3	3
Water Utility:										
Number of Wells	6	7	7	8	8	8	8	8	8	8
Number of Reservoirs	4	5	5	6	6	7	7	7	7	7
Miles of Water Main	339	344	350	354	362	366	367	367	368	368
Number of Hydrants	2360	2404	2445	2485	2528	2552	2553	2561	2561	2561
Storage Capacity (million gallons)	14.64	14.94	14.94	15.34	15.34	15.84	15.84	15.84	15.84	15.84
Production Capacity (million gallons/day)	29	29	32	32	32	32	32	35	35	35
Wastewater Utility:										
Miles of Sanitary Sewer	296	299	304	307	313	320	320	320	320	320
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	166	167	170	173	177	179	179	180	180	180
Transit										
Number of Buses	20	20	24	23	21	21	21	20	20	17

Sources: Various City Departments