

CITY OF JANESVILLE

Wisconsin's Park Place:
*Discover the community of choice
to realize life's opportunities*



Marvin W. Roth Community Pavilion photo by The Janesville Gazette

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED DECEMBER 31, 2014



CITY OF JANESVILLE

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to realize life's opportunities*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Prepared By:

Finance Division

Tim Allen, Finance Director
Mandy Price, CPA, Senior Accountant
Jane Reedy, Accountant
Steve Wanninger, CPA, Accountant

CITY OF JANESVILLE, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

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CITY OF JANESVILLE

Wisconsin's Park Place

June 11, 2015

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, 2014.

This report was prepared by the City's Finance 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, 2014 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 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 provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

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

Background Information

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

In 1836, the Village of Rockport was platted on the west side of the Rock River. In 1839, Rockport was named the Rock County seat. In 1840, Mr. Henry Janes established the original plat of Janesville on the east side of the Rock River in the area of the current central business district. In 1853, seven and one-half square miles of land on both sides of the Rock River were incorporated into the City of Janesville. Population growth during the City's first 100 years was moderate but steady (1900 Census totaled 13,187, and 1950 Census 24,899), and was accommodated almost entirely within the City's original land area. However, the population doubled between 1940 and 1960. Between 1960 and 1970 the annual growth rate was over three percent per year. The growth rate between 1970 and 1980 was one percent per year. During the 1980's the population remained stable, increasing only two percent from 51,071 in 1980 to 52,210 in 1990. Between 1990 and 2000 the City experienced a population growth of 7,990, or 15.3%. 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 537 full-time and part-time employees.

Major Initiatives

In 2014, the City developed a 5-year strategic plan linked with the 5-year capital improvement program. During the strategic planning process, a community vision statement; an organizational mission statement and values; and strategic goals, objectives and tasks were developed to guide the City forward.

The City finalized the Rock Renaissance Area Redevelopment and Implementation Strategy (ARISE), an action-based strategy focused on 240 acres in the city's central area riverfront. The strategy was developed with considerable community involvement.

The City Council approved a location for the new Central Fire Station, and the City completed the site acquisition process in anticipation of 2015-16 construction of the new station.

Neighborhood & Community Services completed 5-year plans for the Community Development Block Grant/HOME Investment Partnership Program and the Rent Assistance Program.

The Janesville Transit System dedicated and occupied the new Transit Services Center on Black Bridge Road in August 2014. The new facility provides 43,000 square feet of floor space for vehicle parking, maintenance and fueling, and office area. The new facility has been designed to accommodate hybrid buses and to be energy efficient.

The City Council selected sites for the Riverside Park Splash Pad and Bond Park Skate Park and the City began construction coordination.

The Janesville Police Department achieved reaccreditation, began executing a Fourth Ward Action Strategy and instituted a state-of-the-art body-worn camera program, where 43 cameras provide for about 90% of all patrol responses.

The Janesville Fire Department achieved Rock County Hazmat Team validation, implemented new fire incident reporting software, and purchased a 100 foot aerial platform truck to replace an outdated 1997 unit.

With the Wisconsin Department of Transportation, Public Works began the replacement of the Jackson Street Bridge.

The Marvin W. Roth Community Pavilion was constructed in Lower Courthouse Park as a result of a partnership between the City of Janesville, South Central Wisconsin Builders Association (SCWBA), Forward Janesville, and the Roth family.

The number of miles of streets rehabilitated in 2014 was increased from past years to 6.5.

The City began accepting debit and credit cards over the counter for certain fees.

The Conde Street Pretreatment Facility was built and began operating. This facility will be used by Seneca Foods and has a payback to the City of 12 years.

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 2014, there were numerous new commercial projects within Janesville including Panera Bread and a new location for the Diamond Center along Milton Avenue, Casey's General Store on Center Avenue, and a new Aldi grocery on Deerfield Drive. Woodman's Grocery started a 31,000 square foot addition for warehouse space on their existing facility on Lexington Drive which is the first step in full rehabilitation of the existing store. The Janesville Mall also started a rehabilitation of the former JC Penney for conversion of a portion of the space to Dick's Sporting Goods and Ulta Beauty, both of which are anticipated to open in the Fall of 2015. In early 2015, the City approved the redevelopment of the former K-Mart site with a teardown of the existing structure and construction of a 77,000 square foot Festival grocery store. There will be two outparcels constructed with the project for which tenants will be announced later in 2015. A third Culvers location will be added on the east side, just north of the Dean/St Mary's medical facility.

Prent Corporation will be expanding into the space vacated by Goex which relocated to USH 14. Sintered Specialties Inc (SSI) purchased an existing industrial/office building on Palmer Drive for expansion of their manufacturing production facilities to be completed in 2015.

In early 2015, the City entered into TIF Development agreements for the expansion of Gallina USA which produces plastic architectural panels. This expansion will almost double their manufacturing facility on the east side of Janesville. The City also entered into a TIF development agreement for construction of a 150,000 square foot speculative industrial building also in the east side industrial park. The number of companies entertaining discussions with the City of Janesville for industrial projects is at its highest level in recent memory. The location of Janesville relative to several large metro areas and the economic climate of Wisconsin relative to surrounding states continue to be positive for Janesville as companies consider where to relocate or expand.

Janesville and Rock County continue to be well positioned for recovery from the Great Recession and the decline in the auto industry. Janesville's progressiveness with preparation of industrial sites with necessary infrastructure will position the community to continue to grow by preparing industrial land for immediate construction.

All of these positive factors will continue to position Janesville as "the community of choice to realize life's opportunities."

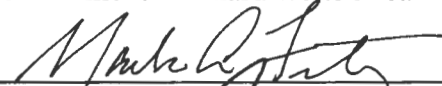
Reporting Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Janesville for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended December 31, 2013. This was the twentieth 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 Finance Division.



Mark Freitag, City Manager



Tim Allen, Finance Director



Mandy Price, Senior Accountant

DIRECTORY OF OFFICIALS

CITY OF JANESVILLE, WISCONSIN General Information

ELECTED OFFICIALS

CITY COUNCIL

TERM EXPIRES

Doug Marklein, Council President	April 2017
Carol Tidwell, Council Vice President	April 2017
Mark Bobzien	April 2016
Kay Deupree	April 2017
Jim Farrell	April 2016
Richard Gruber	April 2016
Sam Liebert	April 2017

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

APPOINTED OFFICIALS

City Manager - Mark Freitag
Deputy City Manager - Ryan McCue

Department Heads

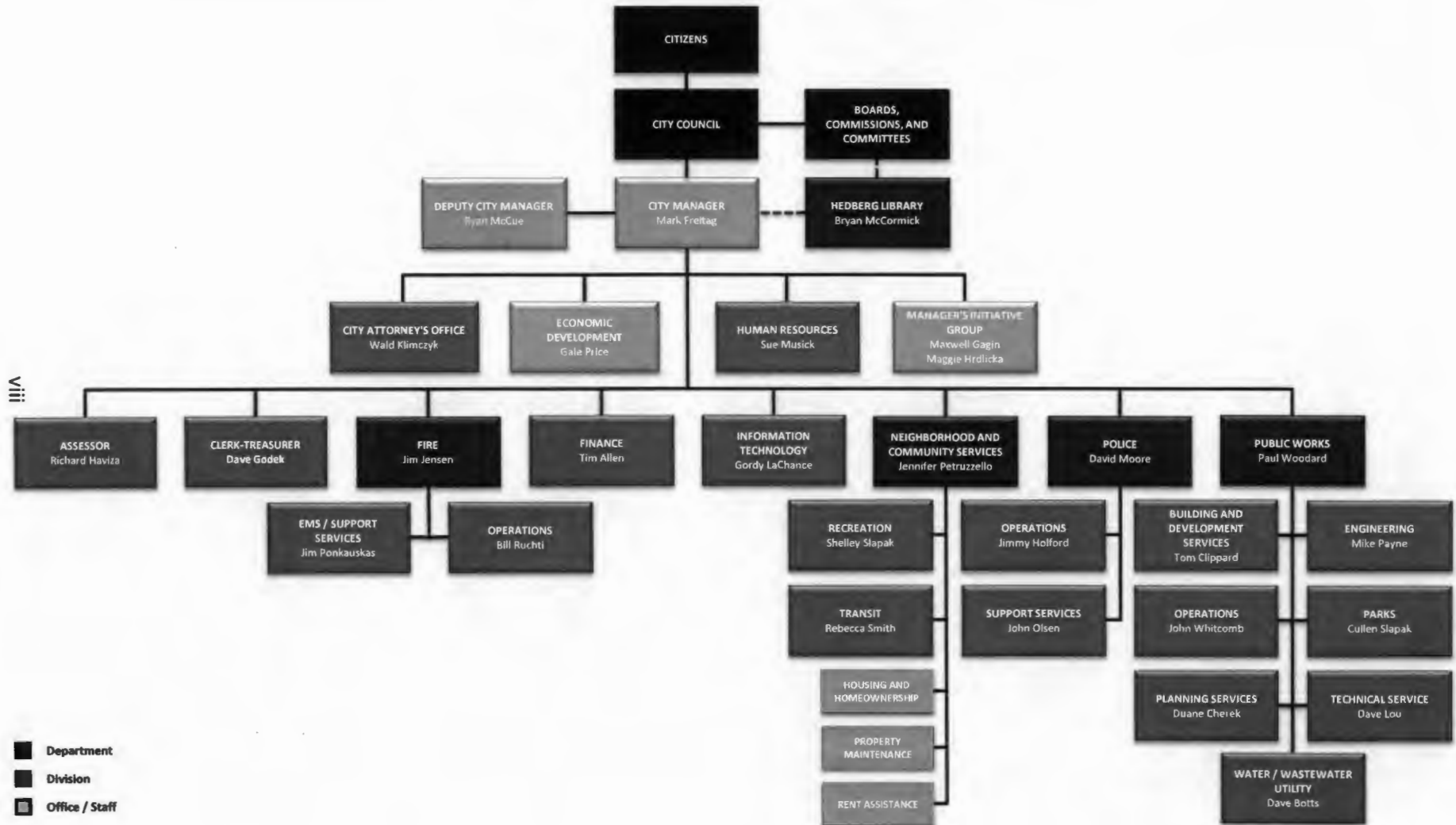
Jim Jensen, Fire Chief
Bryan McCormick, Library Director
David Moore, Chief of Police
Jennifer Petruzzello, Director of Neighborhood Services
Paul Woodard, Director of Public Works

Division Heads

Tim Allen, Finance Director
Dave Botts, Utility Director
David Godek, City Clerk-Treasurer
Richard Haviza, City Assessor
Wald Klimczyk, City Attorney
Gordy LaChance, Information Technology Manager
Susan Musick, Human Resources Director
Michael Payne, City Engineer
Cullen Slapak, Parks Director
Shelley Slapak, Recreation Director
Rebecca Smith, Transit Director
John Whitcomb, Operations Director

CITY OF JANESVILLE ORGANIZATIONAL CHART

As of 6/8/2015



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- Department
- Division
- Office / Staff



Government Finance Officers Association

**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, 2013

Executive Director/CEO



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

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, 2014, 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, 2014 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.

Other Matters

Required Supplementary Information

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.

Supplementary Information

Our audit for the year ended December 31, 2014 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 for the year ended December 31, 2014 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2014, 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 for the year ended December 31, 2014.

To the City Council
City of Janesville

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Janesville as of and for the year ended December 31, 2013 (not presented herein), and have issued our report thereon dated June 9, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2013 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 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended December 31, 2013.

Other 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.

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 the City of Janesville's internal control over financial reporting and compliance.

Baker Tilly Vuchow Krause, LLP

Madison, Wisconsin
June 11, 2015

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, 2014, with comparative data for fiscal year ended December 31, 2013. 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, 2014 by \$275,140,948 (net position). Of this amount, \$259,755,873 represented the City's net investment in capital assets, \$21,205,081 was restricted, and (\$5,820,006) was unrestricted.
- > During the year, the City's total net position increased by \$4,511,086, or 1.7%. This increase indicated that the City's overall financial position improved during 2014. Of this increase, \$10,251,582 was attributable to business-type activities and (\$5,740,496) related to governmental functions.
- > As of December 31, 2014, the City of Janesville's Governmental Funds reported combined ending fund balances of \$27,892,280, an increase of \$996,523, or 3.7%, in comparison with the prior year. Approximately 38% of the fund balance, \$10,489,542 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, 2014, the Assigned and Unassigned Fund Balance for the General Fund was \$8,474,930, or 22.9%, of the 2014 budgeted General Fund operating expenditures.
- > During 2014, actual General Fund revenues and other financing sources were \$12,304 less than the amount budgeted. Expenditures and other financing uses were \$1,000,573 less than budgeted. The City Council approved \$474,320 in supplemental appropriations to fund snow removal. The City's original General Fund budget included usage of \$675,000 of Unassigned Fund Balance. The fund balance decreased by \$195,635 because of the favorable budget variances totaling \$988,269. Primary factors in the expenditure savings are due to the Police & Fire union contract settlement in 2013 that offset wage increases in 2014 for \$346,477, reduced greenbelt activity due to the heavy snowfall, and budget savings related to holding vacant positions open.
- > The City of Janesville's total notes and revenue bonds outstanding increased by \$3.4 million to \$108.7 million. General Obligation debt increased \$5.2 million from 2013 and revenue bonds decreased \$1.8 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 two legally distinct entities for which the City has financial responsibility, known as Component Units. These Component Units are the Janesville Community Development Authority (CDA) and Janesville Innovation Incorporated (JII). These entities are described in Note I following the Financial Statements. Separately issued financial statements and management discussion information are not published for these component units.

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Janesville, like other state and local governments, uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Funds of the City of Janesville can be divided into three categories: *Governmental Funds*, *Proprietary Funds*, and *Agency 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 29 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 25 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.

Agency Funds. Agency Funds are used to account for resources held for the benefit of parties outside the government. Agency 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 Agency Funds maintained by the City of Janesville are 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 Agency 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 - 74 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 75 and 76 of this report.

An additional required supplementary information schedule shows the City has not funded the actuarial value of the other postemployment benefits (OPEB). The *Schedule of Funded Status - Other Postemployment Benefits* is found on page 77 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 79 - 116 of this report.

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

Financial Analysis of the City Government-wide Statements

The City of Janesville's statements of net position at December 31, 2014 and 2013 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 \$275 million at the close of 2014. This is an increase of \$4.5 million, or 1.7% over 2013.

City of Janesville's Summary Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$77,302,230	\$76,476,806	\$17,900,722	\$16,534,503	\$95,202,952	\$93,011,309
Capital assets (net)	<u>203,501,360</u>	<u>204,148,512</u>	<u>149,623,615</u>	<u>140,547,897</u>	<u>353,124,975</u>	<u>344,696,409</u>
Total Assets	<u>\$280,803,590</u>	<u>\$280,625,318</u>	<u>\$167,524,337</u>	<u>\$157,082,400</u>	<u>\$448,327,927</u>	<u>\$437,707,718</u>
Current liabilities	\$6,786,715	\$7,015,584	\$2,092,816	\$1,709,604	\$8,879,531	\$8,725,188
Long-term liabilities	\$77,803,025	\$72,785,282	\$51,719,139	\$51,911,996	\$129,522,164	\$124,697,278
Total Liabilities	<u>\$84,589,740</u>	<u>\$79,800,866</u>	<u>\$53,811,955</u>	<u>\$53,621,600</u>	<u>\$138,401,695</u>	<u>\$133,422,466</u>
Deferred inflows of revenues	\$34,785,284	\$33,655,390			\$34,785,284	\$33,655,390
Net Position:						
Net investment in capital assets	\$160,797,187	\$162,078,352	\$99,851,686	\$91,214,006	\$260,528,873	\$253,172,358
Restricted	13,599,327	12,698,813	7,605,754	7,076,333	21,205,081	19,775,146
Unrestricted (deficit)	<u>(12,967,948)</u>	<u>(7,608,103)</u>	<u>6,254,942</u>	<u>5,170,461</u>	<u>(6,593,006)</u>	<u>(2,317,642)</u>
Total Net Position	<u>\$161,428,566</u>	<u>\$167,169,062</u>	<u>\$113,712,382</u>	<u>\$103,460,800</u>	<u>\$275,140,948</u>	<u>\$270,629,862</u>

The largest portion of the City of Janesville's net position (approximately 94.7%) 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 7.7%) 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 \$6.6 million.

Net position decreased by \$5,740,496 (3.4%) for governmental activities and increased \$10,251,582 (9.9%) for business-type activities during the current year. This increase indicates that the City's overall financial position improved during 2014.

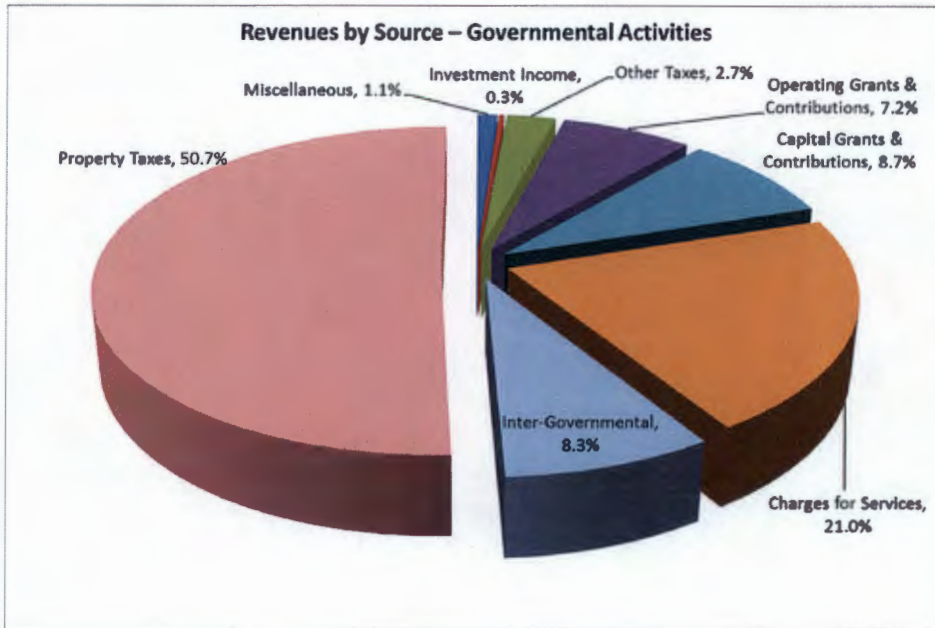
The following table provides a summary of the City's changes in net position.

City of Janesville						
Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
<u>Program Revenues:</u>						
Charges for Services	\$ 13,890,556	\$ 13,548,171	\$ 19,039,134	\$ 19,237,907	\$ 32,929,690	\$ 32,786,078
Operating Grants & Contributions	4,761,005	4,227,501	2,245,852	2,183,845	7,006,857	6,411,346
Capital Grants & Contributions	5,750,467	5,957,771	1,294,708	446,217	7,045,175	6,403,988
<u>General Revenues:</u>						
Property Taxes	33,431,343	32,285,025	-	-	33,431,343	32,285,025
Other Taxes	1,817,507	1,524,835	-	-	1,817,507	1,524,835
Inter-Governmental Revenues Not Restricted to Specific Programs	5,495,465	5,518,957	-	-	5,495,465	5,518,957
Investment Income	202,932	273,606	15,630	80,554	218,562	354,160
Miscellaneous	745,445	565,401	8,992	5,189	754,437	570,590
Total Revenues	66,094,720	63,901,267	22,604,316	21,953,712	88,699,036	85,854,979
EXPENSES						
General Government	\$ 4,477,733	\$ 4,092,977	\$ -	\$ -	\$ 4,477,733	\$ 4,092,977
Public Safety	25,081,688	26,449,707	-	-	25,081,688	26,449,707
Public Works	16,542,498	19,368,381	-	-	16,542,498	19,368,381
Recreation & Parks	4,935,058	4,787,017	-	-	4,935,058	4,787,017
Community/Economic Dev.	8,130,524	4,553,738	-	-	8,130,524	4,553,738
Library	3,927,977	3,651,388	-	-	3,927,977	3,651,388
Interest and Fiscal Charges	1,315,738	1,469,979	-	-	1,315,738	1,469,979
Water Utility	-	-	5,516,981	5,484,483	5,516,981	5,484,483
Wastewater Utility	-	-	8,580,826	8,487,523	8,580,826	8,487,523
Stormwater Utility	-	-	1,536,882	1,662,098	1,536,882	1,662,098
Transit	-	-	4,142,045	3,771,678	4,142,045	3,771,678
Total Expenses	64,411,216	64,373,187	19,776,734	19,405,782	84,187,950	83,778,969
Increase in Net Position Before Transfers	1,683,504	(471,920)	2,827,582	2,547,930	4,511,086	2,076,010
Transfers	(7,424,000)	708,594	7,424,000	(708,594)	-	-
Increase in Net Position	(5,740,496)	236,674	10,251,582	1,839,336	4,511,086	2,076,010
Net Position, beginning of year	167,169,062	166,932,388	103,460,800	101,621,464	270,629,862	268,553,852
Net Position, end of year	\$ 161,428,566	\$ 167,169,062	\$ 113,712,382	\$ 103,460,800	\$ 275,140,948	\$ 270,629,862

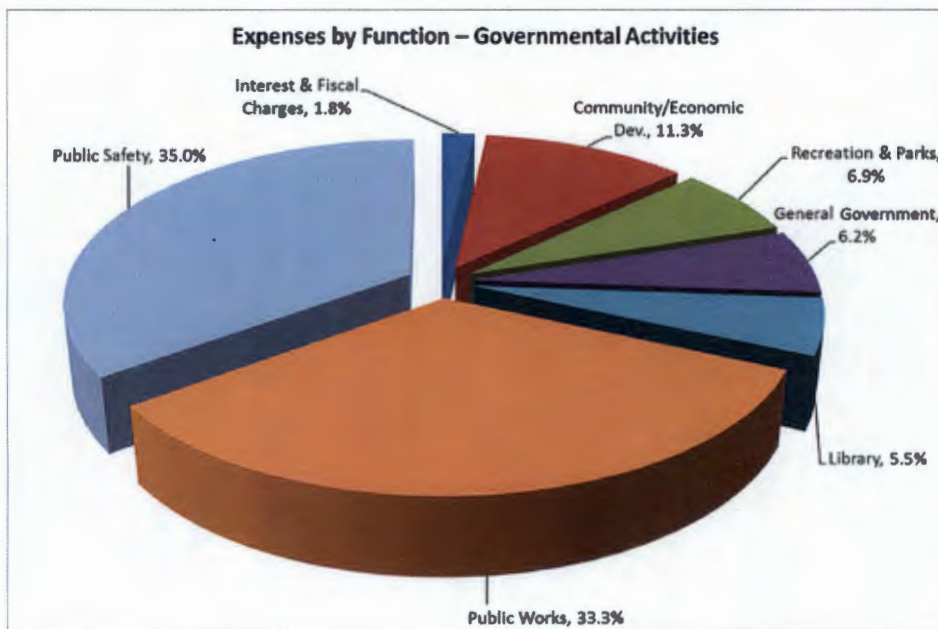
The total revenues have increased by \$2,844,057, or 3.3%. This is primarily due to an increase in Property Tax revenue (\$1,146,318).

The total expenses on the statement of activities increased by \$408,981, or .5%, in 2014. Community and Economic Development increased with industrial park development and development incentives (\$2,478,000). These increases were partially offset by decreases in Public Safety of \$1.3 million with the purchase of a rescue pumper in 2014 vs a quint rescue vehicle and ambulance in 2013 and Public Works with the 2013 cost of carts with the implementation of automated trash collection (\$2.2 million).

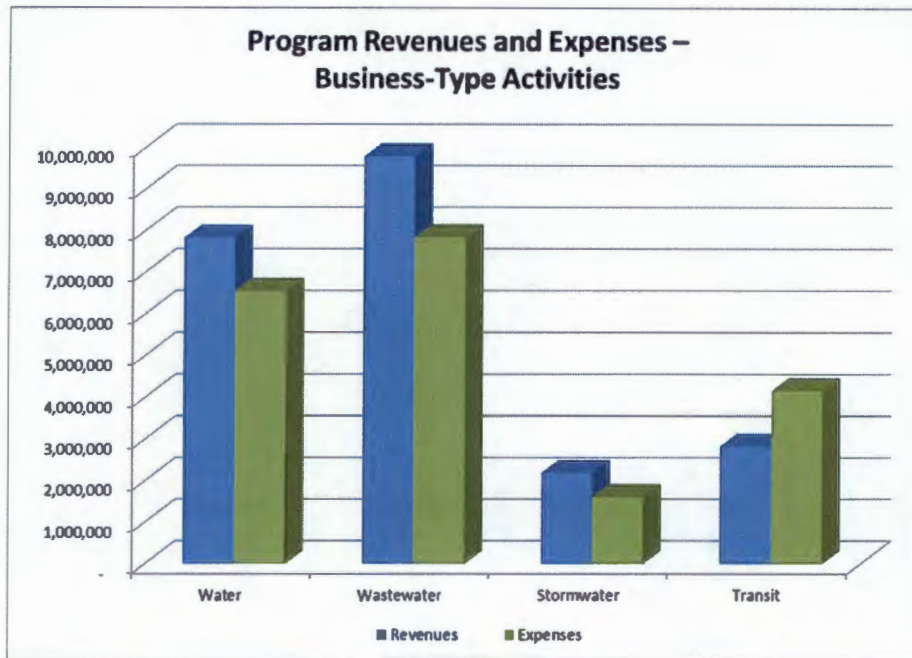
Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2014. Property taxes are the primary source of funding for governmental services providing more than half (50.7%) of the City's total governmental revenues. Charges for Services decreased slightly to 21.0%. State Aids (Inter-Governmental Revenues) decreased slightly to 8.3%. Operating Grants contributed 7.2%, and Capital Grants and Contributions 8.7%. Capital grants and contributions vary depending upon the specific capital projects and were at an elevated level again in 2014 due to the Transit services facility grant.



The graph below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 35.0% of the total. Public Works was the next largest expense category with 33.3% of the total 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 2014. The Transit fund requires annual transfers from the General Fund.



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 2014 was 3.29%. 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 (\$1,306,822), which are included in transfers on the statement of activities.

The Water Utility generated operating revenue of \$7,199,949, which is \$688,851 (8.7%) less than budgeted in 2014 due to declining residential and commercial water sales. Water operating expenses and payment in lieu of property tax transfer of \$6,536,167 were \$131,756 (2.1%) more than budgeted.

The Wastewater Utility produced a net operating income of \$1,366,001 in 2014 compared to \$1,624,096 in 2013.

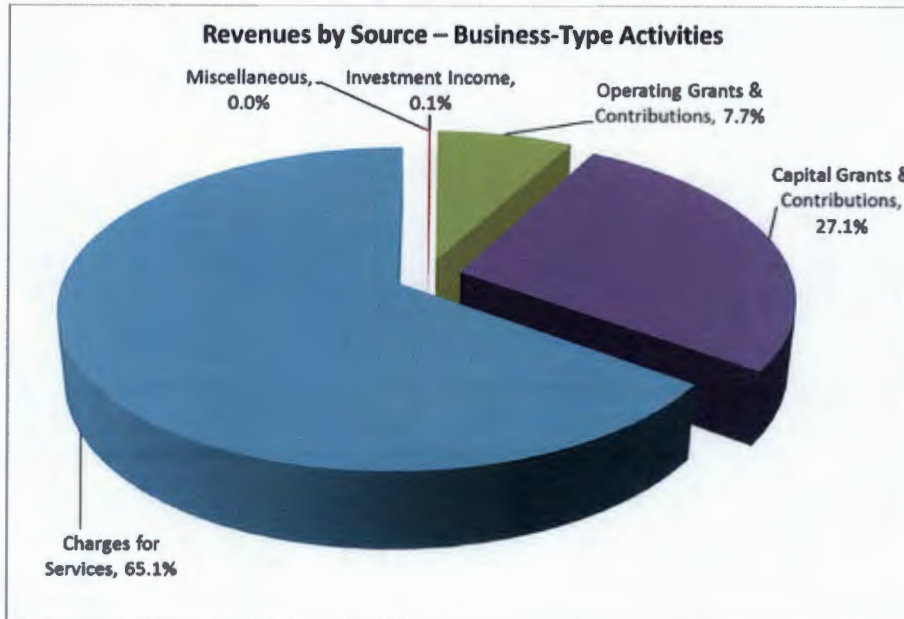
The Wastewater Utility generated operating revenue of \$9,187,862, which is 129,863 (1.4%) more than budgeted in 2014. Operating expenses of \$7,821,861 were 6.2% less than budgeted for 2014. This was primarily due to depreciation (\$262,773) attributed to the timing of placing assets in service and lower manhole rehab/reconstruction (\$251,197).

The Stormwater Utility is primarily funded by user charge rates per Equivalent Runoff Unit (ERU). The rate per ERU was designed to fund the 2014 budgeted expenditures. The utility generated net operating income of \$481,647. This revenue is used to pay its debt service requirements, which were \$492,024 in 2014.

Transit received 75% of its operating budget from combined Federal and State operating grants. Historically, this funding has remained relatively constant near the 60% maximum. Transit Fare revenue increased \$31,082 from the previous year and provided 6% of the revenue. Transit operations are funded in part by General Fund transfers, 18% in 2014. Without the influx of capital funding for the new Transit Center, these ratios would have been near the historical 60%, 20%, and 20%, respectively. The 2014 General Fund Subsidy for operation of the Transit system was \$760,840, which was \$107,112 less than budgeted primarily due to lower personnel costs (\$93,131).

As shown in the chart below, revenues from the business-type activities were generated primarily from Charges for Services (65.1%), Operating Grants (7.7%), and Capital Grants and Contributions (which spiked to 27.1%). Capital Contributions are the usual special assessments in Water and Wastewater

Utilities for subdivision and new commercial growth along with Federal grants for the construction of the new Transit Center this year (\$5,405,757). Operating grants and contributions are primarily State and Federal grants for the operation of the Transit System.



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, 2014, the City of Janesville's Governmental Funds reported combined ending balances of \$27,892,280, an increase of \$996,523, or 3.7%, in comparison with the prior year. A portion of the Fund balance is nonspendable for long-term receivables (\$877,752) which are unavailable for spending; and prepaid items and inventories (\$312,579) that has already been spent. The Restricted fund balance of \$16.2 million is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$996,012); (2) capital projects activities (\$7,730,977); and (3) special revenue activities (\$7,485,418). Approximately \$10.7 million, or 38% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$903,922 that has been committed to special revenue purposes by resolutions and ordinances, \$635,649 assigned to fund the 2015 budget, \$3,115,756 assigned to future capital projects, and unassigned funds of \$5,834,215.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2014, the total fund balance of the General Fund was \$9,358,006, of which \$8,474,930 was unrestricted (Assigned and Unassigned). This Unrestricted Fund Balance represents approximately 20.5% of total 2014 General Fund expenditures and transfers out, while the total fund balance represents approximately 22.1% of that same amount.

The City of Janesville's General Fund balance decreased \$195,635 in 2014. After increasing the budget for additional snow removal activities (\$474,320), the Fund Balance was budgeted to decrease \$1,183,904 in 2014. Revenues exceeded budget by \$64,874. Expenditures were under budget by

\$933,129. Budget savings were the result of the 2013 favorable settlement of the Police & Fire union contracts \$346,477 applied to 2014 and salary and benefit savings from vacant positions \$598,304.

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, 2014 was (\$259,812), a decrease of \$544,854 from 2013. Operating revenue was under realized by \$621,815 due to a decline in disposal fees as a result of lower tonnage received (18.4% less than budgeted). Operating expenses were under budget by \$322,200 primarily a result of \$132,000 lower VOM charges due to the reduction of a landfill compactor and \$97,000 lower DNR fees corresponding to the reduced tonnage.

The *Debt Service Fund* has a total fund balance of \$996,012, all of which is reserved for the payment of debt service. The fund balance increased by \$367,253.

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, 2014 was \$11,111,988, an increase of \$911,046 from the previous year. The increase is due to unspent proceeds for work on the new fire station.

The aggregated *Other Governmental Funds* column includes various special revenue funds, such as Tax Incremental Financing (TIF) accounts, that are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The accumulated fund balances for these accounts increased by \$458,713 in 2014 primarily due to tax increments received in TIF32.

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 \$10.1 million to \$111.9 million as of December 31, 2014. Approximately \$5.9 million of this increase came from the new Transit Center that was put into service, and operations of the Enterprise Funds used \$2.1 million.

The net position of the City's Vehicle Operations and Maintenance and Insurance Internal Service Funds decreased by \$658,667 to \$3,640,664.

General Fund Budgetary Highlights

The Budgetary Comparison Schedule – General Fund indicates that the original 2014 budget for expenditures and transfers out was \$42,796,692, funded by anticipated revenues and property sales (\$40,737,692), with no transfers in from VOM or Insurance, and Water Utility-payment in lieu of taxes (\$1,384,000), and the application of available reserves (\$675,000). The City Council authorized an additional \$474,320 to fund snow removal.

Actual revenues and transfers resulted in an unfavorable revenue variance of \$12,304 or 0.0% less than the amount budgeted for 2014. The average favorable revenue variance since 2009 has been 1.1%.

The major revenue budget to actual variances are as follows:

- General Fund Tax Levy – (\$107,660) due to refunds paid to taxpayers
- Water Utility Taxes – usage was down and thus taxes were also
- Recreation Fees – Although the ice skating center and family programming were bright spots that exceeded budgeted revenues, other programs did not realize the budgeted revenues due to an overly optimistic budget
- Cable TV Franchise Fees – \$85,234 with a 4% increase from Charter and 10% increase from AT&T fees collected
- Building and Planning Permits – \$57,003, there were 18 new commercial permits with a value of \$11 million, in addition, residential new single family permits continued the upward trend over the past several years
- Public Works Service Charges – \$44,246 due to increase charges for code books, maps, traffic research, bid deposits, plan approval fees, and right of way excavation

- Motel Tax – \$35,248 as room rentals continued to rebound

The expenditure and transfer budget results after the supplemental appropriation yielded a favorable variance of \$1,000,573, or 2.3% less than the final budget. The average amount returned from unexpended budget allocations has been 2.3% since 2009.

The contingency account had the largest under expenditure due to the 2013 settlement of the Police and Fire contracts (\$528,973 which provides funding for negotiated wage increases of \$346,477 in 2014 and \$182,496 in 2015) and lower Transit personnel costs resulted in \$67,443 less General Fund subsidy. Budget savings were also gained in salary and benefits related to the vacant positions primarily in Public Works (\$234,319), and Recreation and Parks (\$220,394).

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 79 – 82.

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, 2014 of \$353 million.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$35,213,232	\$35,507,900	\$1,033,509	\$679,998	\$36,246,741	\$36,187,898
Construction in Progress	4,080,262	5,054,002	2,118,301	253,508	6,198,563	5,307,510
Land Improvements	8,524,344	8,507,742	997,512	184,817	9,521,856	8,692,559
Buildings	35,165,488	35,050,531	43,030,423	36,996,637	78,195,911	72,047,168
Furniture and Fixtures	10,122,180	9,583,628	4,968,312	4,816,468	15,090,492	14,400,096
Vehicles and Equipment	22,843,799	19,922,964	35,624,991	35,221,343	58,468,790	55,144,307
Plant in Service	-	-	126,833,930	122,329,716	126,833,930	122,329,716
Infrastructure	180,308,559	177,978,873	-	-	180,308,559	177,978,873
Total Capital Assets	<u>\$296,257,864</u>	<u>\$291,605,640</u>	<u>\$214,606,978</u>	<u>\$200,482,487</u>	<u>\$510,864,842</u>	<u>\$492,088,127</u>
Less Accumulated Depreciation	<u>(92,756,504)</u>	<u>(87,457,128)</u>	<u>(64,983,363)</u>	<u>(59,934,590)</u>	<u>(157,739,867)</u>	<u>(147,391,718)</u>
Capital Assets Net of Depreciation	<u>\$203,501,360</u>	<u>\$204,148,512</u>	<u>\$149,623,615</u>	<u>\$140,547,897</u>	<u>\$353,124,975</u>	<u>\$344,696,409</u>

In 2014, capital asset additions were \$22,073,538, and retirements were \$4,585,550. Significant capital asset additions include the following:

Wastewater Utility	Collection System Construction/Additions	\$1,376,845
Water Utility	Distribution System Construction/Additions	\$2,984,446
Stormwater Utility	Collection/Retention Infrastructure	\$317,171
Library	Collection	\$456,608
Transit	Transit Service Center	\$7,503,261
Infrastructure	Traffic Signals	299,412
	Annual sidewalk program	1,392,822
	Street Construction/ Reconstruction	794,696
Land and Building	Tallman House Improvements	\$133,831
Capital Equipment	Fire Department Quint Aerial Ladder	\$1,081,759
	Fire Department Pierce Quantum Pumper	\$625,385
	Technology Related	459,731

Additional information of the City of Janesville's capital assets can be found in Note IV-D on pages 49 – 54.

Long-Term Debt. At the end of the current fiscal year, the City of Janesville has \$109 million of long-term notes, bonds and capital leases outstanding, as summarized in the following table.

**City of Janesville
Notes and Bonds Outstanding**

	<u>Governmental Activities</u>		<u>Business Type-Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General Obligation Bonds and Notes	\$58,503,000	\$54,753,000	\$21,922,000	\$20,402,000	\$80,425,000	\$75,155,000
Revenue Bonds	-	-	28,245,050	30,065,522	28,245,050	30,065,522
Total	<u>\$58,503,000</u>	<u>\$54,753,000</u>	<u>\$50,167,050</u>	<u>\$50,467,522</u>	<u>\$108,670,050</u>	<u>\$105,220,522</u>

The 2014 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 \$200,293,825, which significantly exceeds the City of Janesville's current outstanding General Obligation Debt of \$80,425,000.

As of December 31, 2014, the City of Janesville's outstanding general obligation debt equaled 40% of the State authorized debt.

The City of Janesville issued three General Obligation Promissory Notes in 2014. During 2014, the City issued \$3,005,000 to refund 2006 notes for interest savings and debt restructuring. The annual capital project note \$16,920,000 was issued September 3, 2014. It includes funding street improvements and infrastructure (\$2,979,000); public buildings, parks, and public grounds (\$3,025,000); Water, Wastewater, and Stormwater Utility improvements (\$5,984,000); acquire capital equipment (\$2,454,000); and TIFs 21, 22, and 25 for industrial park development and development incentives (\$2,478,000).

Additional information of the City of Janesville's long-term debt can be found in Note IV.F. on pages 57 – 61 and in the *Statistical Information* section of this report.

Economic Factors and Next Year's Budget and Rates

- > The 2014 annual average unemployment rate for the City of Janesville was 6.2%, a decrease from 7.8% in 2013. This compares to the 2014 unemployment rate of 5.5% for the State of Wisconsin and a national unemployment rate of 6.2%.
- > The City's total equalized property value at January 1, 2014 was \$4,005,876,500. This compares to the previous year's total of \$3,793,359,600, a 5.3% increase.
- > The Janesville City Council adopted the 2015 general city budget (General Fund and Library) that included a 1.05% decrease in non-property tax revenue and applied fund balance and a 2.3% increase in total expenditures funded by a 3.95% increase in the property tax levy. When combined with a 0.24% increase in assessed property valuation, the property tax rate increased by 3.71%.
- > As a part of Wisconsin's Act 20 (2013), legislation continues 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 percentage increase in equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from levy limits. The city is also required to reduce its allowable levy by fee revenue it collects for certain services if they were funded by property tax levy in the prior year. Levies may exceed the allowable limits if approved by referendum.

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 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, 2014

	Governmental Activities	Business- type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 30,937,089	\$ 1,633,598	\$ 32,570,687	\$ 111,874
Receivables (net)				
Taxes receivable	35,626,761	-	35,626,761	-
Accounts	3,101,432	6,438,757	9,540,189	-
Special assessments receivable	774,482	91,200	865,682	-
Other receivables	159,641	73,310	232,951	-
Prepaid items and inventories	674,563	552,334	1,226,897	-
Internal balances	(459,739)	459,739	-	-
Restricted assets				
Cash and investments	-	8,651,784	8,651,784	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Loans receivable (net)	4,883,881	-	4,883,881	-
Capital Assets				
Land	35,213,232	1,033,509	36,246,741	-
Construction in progress	4,080,262	2,118,301	6,198,563	-
Other capital assets, net of depreciation	164,207,866	146,471,805	310,679,671	31,313
Total Assets	<u>280,803,590</u>	<u>167,524,337</u>	<u>448,327,927</u>	<u>143,187</u>
LIABILITIES				
Accounts payable and accrued liabilities	6,786,715	1,547,539	8,334,254	34,802
Payable from restricted assets	-	545,277	545,277	-
Noncurrent liabilities				
Due within one year	10,829,483	5,111,738	15,941,221	-
Due in more than one year	66,973,542	46,607,401	113,580,943	-
Total Liabilities	<u>84,589,740</u>	<u>53,811,955</u>	<u>138,401,695</u>	<u>34,802</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	34,785,284	-	34,785,284	-
NET POSITION				
Net investment in capital assets	160,797,187	99,851,686	259,755,873	31,313
Restricted for				
Equipment replacement	-	5,241,020	5,241,020	-
Debt service	931,556	2,364,734	3,296,290	-
Grants	5,877,429	-	5,877,429	77,072
Library	705,953	-	705,953	-
TIF districts	3,662,588	-	3,662,588	-
Landfill long-term care	2,421,801	-	2,421,801	-
Unrestricted (deficit)	<u>(12,967,948)</u>	<u>6,254,942</u>	<u>(5,820,006)</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 161,428,566</u>	<u>\$ 113,712,382</u>	<u>\$ 275,140,948</u>	<u>\$ 108,385</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Program Revenues				Net Expenses (Revenues) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 4,477,733	\$ 363,891	\$ 7,200	\$ -	\$ (4,106,642)	\$ -	\$ (4,106,642)	
Public safety	25,081,688	3,181,322	347,288	120,834	(21,432,244)	-	(21,432,244)	
Public works	16,542,498	6,369,542	2,506,141	5,459,148	(2,207,667)	-	(2,207,667)	
Recreation and parks	4,935,058	2,221,913	25,265	-	(2,687,880)	-	(2,687,880)	
Community and economic development	8,130,524	815,156	1,683,904	170,485	(5,460,979)	-	(5,460,979)	
Library	3,927,977	938,732	191,207	-	(2,798,038)	-	(2,798,038)	
Interest and fiscal charges	1,315,738	-	-	-	(1,315,738)	-	(1,315,738)	
Total Governmental Activities	64,411,216	13,890,556	4,761,005	5,750,467	(40,009,188)	-	(40,009,188)	
Business-type Activities								
Water Utility	5,516,981	7,199,949	-	613,067	-	2,296,035	2,296,035	
Wastewater Utility	8,580,826	9,187,862	-	581,957	-	1,188,993	1,188,993	
Stormwater Utility	1,536,882	2,077,929	-	99,684	-	640,731	640,731	
Transit	4,142,045	573,394	2,245,852	-	-	(1,322,799)	(1,322,799)	
Total Business-type Activities	19,776,734	19,039,134	2,245,852	1,294,708	-	2,802,960	2,802,960	
Total Primary Government	\$ 84,187,950	\$ 32,929,690	\$ 7,006,857	\$ 7,045,175	(40,009,188)	2,802,960	(37,206,228)	
Component Unit- Community Development Authority	\$ 2,770,098	\$ 25,092	\$ 2,565,252	\$ -	-	-	-	\$ (179,754)
General Revenues								
Taxes								
Property taxes, levied for general purposes					27,145,610	-	27,145,610	-
Property taxes, levied for the library					3,201,636	-	3,201,636	-
Property taxes, levied for TIF Districts					3,084,097	-	3,084,097	-
Other taxes					1,817,507	-	1,817,507	-
Intergovernmental revenues not restricted to specific programs					5,495,465	-	5,495,465	-
Investment income					202,932	15,630	218,562	117
Miscellaneous					745,445	8,992	754,437	-
Total General Revenues					41,692,692	24,622	41,717,314	117
Transfers					(7,424,000)	7,424,000	-	-
Change in Net Position					(5,740,496)	10,251,582	4,511,086	(179,637)
NET POSITION - Beginning of Year					167,169,062	103,460,800	270,629,862	288,022
NET POSITION - END OF YEAR					\$ 161,428,566	\$ 113,712,382	\$ 275,140,948	\$ 108,385

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, 2014**

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 6,242,629	\$ -	\$ 992,557	\$ 12,006,748	\$ 8,011,389	\$ 27,253,323
Receivables						
Taxes	28,807,744	201,669	258,777	-	6,358,571	35,626,761
Accounts	800,712	889,171	-	47,817	1,363,732	3,101,432
Special assessments	-	-	407,310	-	102,313	509,623
Delinquent special assessments	-	-	264,859	-	-	264,859
Accrued investment income	24,773	-	-	-	-	24,773
Due from other funds	4,344,510	-	-	393,797	-	4,738,307
Inventories	704	-	-	265,255	-	265,959
Prepaid items	4,620	-	-	-	42,000	46,620
Loans receivable (net)	12,000	-	-	-	4,871,881	4,883,881
TOTAL ASSETS	\$ 40,237,692	\$ 1,090,840	\$ 1,923,503	\$ 12,713,617	\$ 20,749,886	\$ 76,715,538

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 975,473	\$ 183,085	\$ 220	\$ 1,193,770	\$ 343,123	\$ 2,695,671
Accrued liabilities	1,077,008	78,442	-	14,062	179,528	1,349,040
Due to other funds	-	1,089,125	393,797	-	1,948,563	3,431,485
Total Liabilities	<u>2,052,481</u>	<u>1,350,652</u>	<u>394,017</u>	<u>1,207,832</u>	<u>2,471,214</u>	<u>7,476,196</u>
Deferred Inflows of Resources						
Unearned revenues	28,419,153	-	-	-	6,366,131	34,785,284
Unavailable revenues	408,052	-	533,474	393,797	5,228,455	6,561,778
Total Deferred Inflows of Resources	<u>28,827,205</u>	<u>-</u>	<u>533,474</u>	<u>393,797</u>	<u>11,592,586</u>	<u>41,347,062</u>
Fund Balances						
Nonspendable	883,076	-	-	265,255	42,000	1,190,331
Restricted	-	-	996,012	7,730,977	7,485,418	16,212,407
Committed	-	-	-	-	903,922	903,922
Assigned	635,649	-	-	3,115,756	-	3,751,405
Unassigned (deficit)	7,839,281	(259,812)	-	-	(1,745,254)	5,834,215
Total Fund Balances	<u>9,358,006</u>	<u>(259,812)</u>	<u>996,012</u>	<u>11,111,988</u>	<u>6,686,086</u>	<u>27,892,280</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 40,237,692	\$ 1,090,840	\$ 1,923,503	\$ 12,713,617	\$ 20,749,886	

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.	203,501,360
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	6,561,778
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.	(78,400,955)
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>1,874,103</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 161,428,566

CITY OF JANESVILLE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 28,356,467	\$ -	\$ -	\$ -	\$ 6,665,146	\$ 35,021,613
Licenses and permits	1,386,431	-	-	-	-	1,386,431
Investment income, rents and fines	658,255	-	68,457	170,728	76,655	974,095
State and federal aids	7,627,752	226,645	-	3,595,255	2,482,514	13,932,166
Special assessments	-	-	805,772	300,965	-	1,106,737
Service charges and other	2,773,661	6,046,140	-	96,032	4,249,185	13,165,018
Miscellaneous	-	-	-	-	35,566	35,566
Total Revenues	<u>40,802,566</u>	<u>6,272,785</u>	<u>874,229</u>	<u>4,162,980</u>	<u>13,509,066</u>	<u>65,621,626</u>
EXPENDITURES						
Current						
General government	3,985,891	-	-	-	-	3,985,891
Public safety	22,724,779	-	-	-	1,272,874	23,997,653
Public works	4,684,087	5,399,092	-	-	228,843	10,312,022
Recreation and parks	2,691,988	-	-	-	1,704,085	4,396,073
Community and economic development	1,431,591	-	-	-	6,647,462	8,079,053
Library	-	-	-	-	3,590,194	3,590,194
Capital Outlay	-	-	-	14,380,609	475,120	14,855,729
Debt Service						
Principal retirement	-	-	9,650,000	-	-	9,650,000
Interest and fiscal charges	-	-	1,318,854	-	1,575	1,320,429
Total Expenditures	<u>35,518,336</u>	<u>5,399,092</u>	<u>10,968,854</u>	<u>14,380,609</u>	<u>13,920,153</u>	<u>80,187,044</u>
Excess (deficiency) of revenues over expenditures	<u>5,284,230</u>	<u>873,693</u>	<u>(10,094,625)</u>	<u>(10,217,629)</u>	<u>(411,087)</u>	<u>(14,565,418)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	9,573,237	2,511,763	12,085,000
Refunding debt issued	-	-	1,315,000	-	-	1,315,000
Premium on long-term debt	-	-	96,759	-	-	96,759
Transfers in	1,306,822	-	9,050,119	1,555,438	167,495	12,079,874
Transfers out	<u>(6,786,687)</u>	<u>(1,418,547)</u>	<u>-</u>	<u>-</u>	<u>(1,809,458)</u>	<u>(10,014,692)</u>
Total Other Financing Sources (Uses)	<u>(5,479,865)</u>	<u>(1,418,547)</u>	<u>10,461,878</u>	<u>11,128,675</u>	<u>869,800</u>	<u>15,561,941</u>
Net Change in Fund Balance	(195,635)	(544,854)	367,253	911,046	458,713	996,523
FUND BALANCES - Beginning of Year	<u>9,553,641</u>	<u>285,042</u>	<u>628,759</u>	<u>10,200,942</u>	<u>6,227,373</u>	<u>26,895,757</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 9,358,006</u>	<u>\$ (259,812)</u>	<u>\$ 996,012</u>	<u>\$ 11,111,988</u>	<u>\$ 6,686,086</u>	<u>\$ 27,892,280</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, 2014

Net change in fund balances - total governmental funds	\$ 996,523
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives. Depreciation is reported as expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	14,855,729
Certain capital outlay expenditures were not capitalized and are reported as functional expenditures in the government-wide statements	(2,151,924)
Some items are capitalized that are reported as functional expenses in the fund financial statements	182,360
Some assets were contributed by donors or developers	938,095
Depreciation expense is reported in the government-wide statements	(6,103,537)
Capital assets transferred to business-type activities from construction in progress	(7,570,517)
Capital assets transferred to business-type activities from land	(359,796)
Net book value of remaining assets retired	(437,562)
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	(242,593)
Special assessments receivable	32,737
Grants and other receivables	51,866
Debt issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Debt issued	(13,400,000)
Principal paid	9,650,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Other post employment benefits	(1,201,412)
Landfill liability	52,000
Compensated absences	(55,827)
Accrued interest on debt	(81,232)
Governmental funds report debt discount and issuance costs as expenditures. Premiums on debt issuance are recorded as revenues. However, in the statement of net assets, premiums and discounts are deferred and reported as additions to/subtractions from long-term debt. These balances are amortized over the period the debt is outstanding.	
Premium on new debt	(96,759)
Amortization of premium	34,255
The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	<u>(832,902)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (5,740,496)</u>

See accompanying notes to financial statements.

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, 2014

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current Assets					
Cash and working funds	\$ -	\$ 1,257,909	\$ 375,689	\$ 1,633,598	\$ 3,683,766
Accounts receivable	1,397,938	1,917,749	927,616	4,243,303	134,868
Unbilled revenue	830,995	994,577	369,882	2,195,454	-
Other accounts receivable	28,456	44,854	-	73,310	-
Due from other funds	-	1,898,012	-	1,898,012	584,332
Inventories	292,170	-	260,164	552,334	351,984
Prepaid items	-	-	-	-	10,000
Restricted Assets					
Revenue bond redemption account	235,085	2,233,663	-	2,468,748	-
Total Current Assets	2,784,644	8,346,764	1,933,351	13,064,759	4,764,950
Noncurrent Assets					
Restricted Assets					
Construction account	314,723	429,129	198,164	942,016	-
Replacement account	-	5,241,020	-	5,241,020	-
Total Restricted Assets	314,723	5,670,149	198,164	6,183,036	-
Special assessments receivable	19,865	71,335	-	91,200	-
Deposit with risk pool	-	-	-	-	1,604,120
Utility Plant					
Land	305,478	18,000	710,031	1,033,509	-
Utility plant in service (at cost)	78,574,509	109,225,669	23,654,990	211,455,168	-
Construction work in progress	144,325	1,941,265	32,711	2,118,301	-
Accumulated depreciation	(24,370,595)	(33,796,986)	(6,815,782)	(64,983,363)	-
Net Plant	54,653,717	77,387,948	17,581,950	149,623,615	-
Total Noncurrent Assets	54,988,305	83,129,432	17,780,114	155,897,851	1,604,120
Total Assets	57,772,949	91,476,196	19,713,465	168,962,610	6,369,070

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 215,439	\$ 107,230	\$ 179,456	\$ 502,125	\$ 156,737
Claims payable	-	-	-	-	1,872,054
Accrued salaries and wages	261,416	248,174	318,200	827,790	115,283
Accrued interest	110,279	88,462	18,883	217,624	-
Due to other funds	2,705,580	-	499,254	3,204,834	584,332
Current portion of long-term debt	1,305,000	1,535,000	410,000	3,250,000	-
Current Liabilities Payable from Restricted Assets					
Construction payables	110,032	331,231	-	441,263	-
Current maturities of revenue bonds	184,502	1,677,236	-	1,861,738	-
Interest accrued on revenue bonds	8,255	95,759	-	104,014	-
Total Current Liabilities	<u>4,900,503</u>	<u>4,083,092</u>	<u>1,425,793</u>	<u>10,409,388</u>	<u>2,728,406</u>
Noncurrent Liabilities					
General obligation long-term debt payable	10,079,645	7,203,145	1,494,842	18,777,632	-
Revenue bonds	1,792,693	24,590,619	-	26,383,312	-
Other post employment benefits	847,989	78,525	519,943	1,446,457	-
Total Noncurrent Liabilities	<u>12,720,327</u>	<u>31,872,289</u>	<u>2,014,785</u>	<u>46,607,401</u>	<u>-</u>
Total Liabilities	<u>17,620,830</u>	<u>35,955,381</u>	<u>3,440,578</u>	<u>57,016,789</u>	<u>2,728,406</u>
NET POSITION					
Net investment in capital assets	41,496,568	42,479,846	15,875,272	99,851,686	-
Restricted per bond ordinance for:					
Debt service	226,830	2,137,904	-	2,364,734	-
Equipment replacement	-	5,241,020	-	5,241,020	-
Unrestricted (deficit)	(1,571,279)	5,662,045	397,615	4,488,381	3,640,664
TOTAL NET POSITION	<u>\$ 40,152,119</u>	<u>\$ 55,520,815</u>	<u>\$ 16,272,887</u>	<u>111,945,821</u>	<u>\$ 3,640,664</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>1,766,561</u>	
Net Position of Business-type Activities				<u>\$ 113,712,382</u>	

CITY OF JANESVILLE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 7,199,949	\$ 9,187,862	\$ 2,651,323	\$ 19,039,134	\$ 14,304,497
Total Operating Revenues	<u>7,199,949</u>	<u>9,187,862</u>	<u>2,651,323</u>	<u>19,039,134</u>	<u>14,304,497</u>
OPERATING EXPENSES					
Operation and maintenance	3,566,969	4,567,634	5,020,701	13,155,304	13,404,295
Depreciation	1,662,376	3,254,227	726,622	5,643,225	-
Total Operating Expenses	<u>5,229,345</u>	<u>7,821,861</u>	<u>5,747,323</u>	<u>18,798,529</u>	<u>13,404,295</u>
Operating Income (Loss)	<u>1,970,604</u>	<u>1,366,001</u>	<u>(3,096,000)</u>	<u>240,605</u>	<u>900,202</u>
NONOPERATING REVENUES (EXPENSES)					
Federal operating grants	-	-	1,173,476	1,173,476	-
State operating grants	-	-	918,418	918,418	-
Local operating subsidy	-	-	153,958	153,958	-
Investment income	4,070	11,408	152	15,630	-
Debt issuance costs	(31,627)	(38,433)	(1,475)	(71,535)	-
Amortization premium	6,682	6,698	-	13,380	-
Interest expense	(312,525)	(743,152)	(38,612)	(1,094,289)	-
Miscellaneous revenues (expenses)	9,207	(211)	-	8,996	-
Total Nonoperating Revenues (Expenses)	<u>(324,193)</u>	<u>(763,690)</u>	<u>2,205,917</u>	<u>1,118,034</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	1,646,411	602,311	(890,083)	1,358,639	900,202
CAPITAL CONTRIBUTIONS	613,067	581,957	8,029,997	9,225,021	-
TRANSFERS IN	-	-	800,509	800,509	-
TRANSFERS OUT	<u>(1,306,822)</u>	<u>-</u>	<u>-</u>	<u>(1,306,822)</u>	<u>(1,558,869)</u>
Net Change in Net Position	952,656	1,184,268	7,940,423	10,077,347	(658,667)
NET POSITION - Beginning of Year	<u>39,199,463</u>	<u>54,336,547</u>	<u>8,332,464</u>	<u>4,299,331</u>	<u>4,299,331</u>
NET POSITION - END OF YEAR	<u>\$ 40,152,119</u>	<u>\$ 55,520,815</u>	<u>\$ 16,272,887</u>	<u>\$ 14,376,678</u>	<u>\$ 3,640,664</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.

174,235

Change in net position of business-type activities

\$ 10,251,582

See accompanying notes to financial statements.

CITY OF JANESVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 7,763,008	\$ 9,244,282	\$ 2,636,514	\$ 19,643,804	\$ 14,322,850
Cash paid to suppliers for goods and services	(1,668,653)	(2,292,547)	(1,738,911)	(5,700,111)	(11,949,281)
Cash payments to employees for services	(2,158,092)	(2,276,842)	(3,268,549)	(7,703,483)	(1,065,119)
Net Cash Flows From Operating Activities	<u>3,936,263</u>	<u>4,674,893</u>	<u>(2,370,946)</u>	<u>6,240,210</u>	<u>1,308,450</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidies received - federal	-	-	880,107	880,107	-
Subsidies received - state	-	-	1,047,264	1,047,264	-
Subsidies received - local	-	-	111,220	111,220	-
Paid to municipality for tax equivalent	(1,400,970)	-	-	(1,400,970)	-
Negative cash balance implicitly financed for other utilities	-	-	192,164	192,164	-
Due to other funds	(398,847)	-	-	(398,847)	-
Transfers from (to) other funds	-	-	760,840	760,840	-
Transfer to debt service	-	-	-	-	(51,869)
Transfer to capital projects	-	-	-	-	(1,507,000)
Net Cash Flows From Noncapital Financing Activities	<u>(1,799,817)</u>	<u>-</u>	<u>2,991,595</u>	<u>1,191,778</u>	<u>(1,558,869)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash used to retire debt	(2,894,977)	(3,463,495)	(467,000)	(6,825,472)	-
Interest paid	(332,624)	(780,110)	(45,005)	(1,157,739)	-
Contributions and assessments for construction	73,543	424,491	39,670	537,704	-
Acquisition and construction of capital assets	(2,384,497)	(2,948,632)	(284,373)	(5,617,502)	-
Proceeds from long term debt issued	3,610,000	2,724,000	191,000	6,525,000	-
Issuance cost of new debt	(5,553)	(18,734)	(748)	(25,035)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,934,108)</u>	<u>(4,062,480)</u>	<u>(566,456)</u>	<u>(6,563,044)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	4,070	11,408	-	15,478	-
Net Change in Cash Cash Equivalents	206,408	623,821	54,193	884,422	(250,419)
CASH AND CASH EQUIVALENTS -					
Beginning of Year	<u>343,400</u>	<u>8,537,900</u>	<u>519,660</u>	<u>9,400,960</u>	<u>3,934,185</u>
CASH AND CASH EQUIVALENTS -					
END OF YEAR	<u>\$ 549,808</u>	<u>\$ 9,161,721</u>	<u>\$ 573,853</u>	<u>\$ 10,285,382</u>	<u>\$ 3,683,766</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,970,604	\$ 1,366,001	\$ (3,096,000)	\$ 240,605	\$ 900,202
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income (expense)	9,207	(211)	-	8,996	-
Depreciation	1,662,376	3,254,227	726,622	5,643,225	-
Depreciation charged to other accounts	99,124	-	-	99,124	-
Change in Noncash Components of Working Capital					
Accounts receivable	115,605	(3,848)	(118,537)	(6,780)	18,354
Other accounts receivable	8,970	(5,925)	-	3,045	-
Due from other funds	(68,694)	66,404	103,728	101,438	-
Inventories	7,131	-	(26,450)	(19,319)	(45,567)
Prepaid items	3,000	-	-	3,000	3,607
Accounts payable	39,978	14,815	(2,831)	51,962	(102,772)
Other current liabilities	16,721	7,064	16,635	40,420	534,626
Other post employment benefits	72,241	(23,634)	25,887	74,494	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 3,936,263	\$ 4,674,893	\$ (2,370,946)	\$ 6,240,210	\$ 1,308,450
Cash and investments - statement of net position	\$ -	\$ 1,257,909	\$ 375,689	\$ 1,633,598	\$ 3,683,766
Revenue bond redemption account - statement of net position	235,085	2,233,663	-	2,468,748	-
Restricted cash and investments - statement of net position	314,723	5,670,149	198,164	6,183,036	-
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	\$ 549,808	\$ 9,161,721	\$ 573,853	\$ 10,285,382	\$ 3,683,766

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2014, \$508,543, \$222,989 and \$99,684 of capital additions were contributed to the water, wastewater and stormwater utilities, respectively, by customers and Tax Incremental Financing (TIF). In addition, \$29,052, \$38,894, and \$5,495 of capital interest was charged due to construction in the water, wastewater, and stormwater utilities, respectively. \$7,930,313 of capital additions were contributed to the transit system by the municipality.

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, 2014

	<u>Agency</u>
ASSETS	
Cash and investments	\$ 27,178,507
Taxes receivable	<u>39,658,398</u>
TOTAL ASSETS	<u>\$ 66,836,905</u>
LIABILITIES	
Due to other taxing units	\$ 66,836,276
Accounts payable	451
Due to landfill users	<u>178</u>
TOTAL LIABILITIES	<u>\$ 66,836,905</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

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CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Discretely Presented Component Unit

City of Janesville Community Development Authority

The government-wide financial statements include the City of Janesville Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. The city can impose its will on the CDA and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by the CDA. As a component unit, the CDA financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2014. The CDA does not issue separate financial statements.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

A. *REPORTING ENTITY* (cont.)

Blended Component Unit

Janesville Innovation, Inc.

The financial statements include Janesville Innovation, Inc. ("JII") as a component unit. JII is a legally separate organization. The board of JII is appointed by the city council. The city can impose its will on JII and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by JII. JII's activities benefit almost exclusively the city's economic development department. As a blended component unit, JII's financial statements have been presented as a nonmajor fund in the financial statements. The information presented is for the fiscal year ended December 31, 2014. JII does not issue separate financial statements.

B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

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

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

The city reports the following major governmental funds:

General Fund – accounts for the city's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Sanitation Fund – 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds:

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

Library	TIF No. 24	TIF No. 34
JATV-12	TIF No. 25	TIF No. 35
Oak Hill Cemetery	TIF No. 26	Golf Courses
Special Accounts	TIF No. 27	Other Housing Grants
TIF No. 9	TIF No. 28	Community Development Block Grant
TIF No. 17	TIF No. 29	Industrial Waste Disposal
TIF No. 21	TIF No. 31	Innovation Center
TIF No. 22	TIF No. 32	
TIF No. 23	TIF No. 33	

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

Stormwater Utility
Transit System

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for most revenues including taxes and 90 days for certain grants. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

Proprietary 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.

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, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

1. Deposits and Investments (cont.)

- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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, 2014, 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 combining statement of assets and liabilities – agency funds.

Property tax calendar – 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale – 2014 delinquent real estate taxes	October 2017

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the 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.

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 \$126,976.

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

3. Inventories and Prepaid Items

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets 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. \$73,441 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

6. Other Assets

The preliminary engineering balance represents initial project engineering costs that will be capitalized when and if construction commences on the project.

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, 2015 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2015 and for most employee groups this vacation balance must be used by December 31, 2015. The balance is \$2,129,483 as of December 31, 2014.

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, 2014 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 amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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 \$7,710,000, made up of one issue.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

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.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 160,797,187	\$ 99,851,686	\$ (893,000)	\$ 259,755,873
Unrestricted (deficit)	(12,967,948)	6,254,942	893,000	(5,820,006)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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 balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a resolution approved by the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. 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, 2014

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

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

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

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 January 19, 2013. New water rates with an overall rate increase of 3% were authorized by the Public Service Commission of Wisconsin in 2740-WQ-101 to become effective January 19, 2015.

Wastewater Utility

Current wastewater rates were approved by the City Council on January 1, 2013. New wastewater rates were approved by the City Council to become effective January 1, 2015.

Stormwater Utility

The current stormwater utility rates were approved by the City Council on January 1, 2014. New stormwater rates were approved by the City Council to become effective January 1, 2015.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	\$ 58,503,000
Premium on debt	315,338
Post retirement benefits	16,091,204
Landfill super fund care	764,000
Accrued vacation	2,129,483
Accrued interest	<u>597,930</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 78,400,955</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, the debt service fund, the capital projects fund, and the following special revenue funds: Library, JATV-12, Oak Hill Cemetery, Golf Courses, Other Housing Grants, Community Development Block Grant, 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.

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. The Debt Service expenditures exceeded budget due to the refunding of 2006 debt for interest savings.

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess</u>
Golf course	\$ 1,266,406	\$ 1,275,127	\$ 8,721
Debt service	9,560,771	10,968,854	1,408,083

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, 2014

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, 2014, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Sanitation	\$ 259,812	Unfunded costs
Golf Courses	6,900	Unfunded costs
TIF No. 17	87,075	Unfunded costs
TIF No. 21	354,295	Unfunded costs
TIF No. 22	487,069	Unfunded costs
TIF No. 25	182,375	Unfunded costs
TIF No. 26	206,610	Unfunded costs
TIF No. 28	96,498	Unfunded costs
TIF No. 35	324,432	Unfunded costs

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	\$ 52,279,352	\$ 52,360,782	Custodial credit
LGIP	11,850,477	11,850,477	Credit
U.S. agencies explicitly guaranteed	3,941,081	3,941,081	Custodial credit, interest rate
U.S. Treasury Notes	322,224	322,224	Custodial credit, interest rate
Petty cash	7,844	N/A	N/A
Total Cash and Investments	\$ 68,400,978	\$ 68,474,564	

Reconciliation to financial statements-primary government

Per statement of net position

Unrestricted cash and investments	\$ 32,570,687
Restricted cash and investments	8,651,784

Per combining statement of assets and liabilities - agency funds

	<u>27,178,507</u>
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Total Cash and Investments	\$ 68,400,978
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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 accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

As of December 31, 2014, the city had investments in the following external pool which is not rated:

Local Government Investment Pool (LGIP)

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014, the city had no investments subject to concentration of credit risk.

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, 2014, the city's investments were as follows:

Investment Type	Fair Value	Maturity		
		Less than 60 Days	60 Days - 2 years	2 years - 42 years
GNMA	\$ 2,133,788	\$ -	\$ -	\$ 2,133,788
FNMA	822,061	-	91,958	730,103
FHLMC	957,128	125,353	-	831,775
SBA	28,101	-	-	28,101
US Treasury Bills	322,224	-	322,224	-
Totals	\$ 4,263,302	\$ 125,353	\$ 414,182	\$ 3,723,767

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, 2014

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	Wastew ater Utility	Nonmajor and Other	Total
Net Total Receivables	\$ 29,645,229	\$1,090,840	\$ 930,946	\$ 47,817	\$ 2,277,254	\$ 3,028,515	\$ 14,128,863	\$ 51,149,464
Amounts not expected to be collected within one year	\$ 396,052	\$ -	\$ 672,169	\$ -	\$ 19,865	\$ 71,335	\$ 4,871,881	\$ 6,031,302

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$5,387,271. These amounts are not expected to be collected within one year.

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 34,770,266	\$ 34,770,266
Delinquent personal property taxes	396,052	-	396,052
Long-term loans receivable	4,883,881	-	4,883,881
Special assessments not yet due	1,029,584	-	1,029,584
Grants not available at year end	252,261	-	252,261
Miscellaneous	-	15,018	15,018
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 6,561,778	\$ 34,785,284	\$ 41,347,062

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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, 2014:

	<u>Restricted Assets</u>
Enterprise Funds	
Construction account	\$ 942,016
Replacement account	5,241,020
Revenue bond redemption account	<u>2,468,748</u>
Total Restricted Assets	<u>\$ 8,651,784</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	1/1/2014 Ending Balance	Additions	Deletions	12/31/2014 Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 23,799,131	\$ 19,108	\$ (407,210)	\$ 23,411,029
Right of way	11,708,769	93,434	-	11,802,203
Construction in progress	<u>5,054,002</u>	<u>7,921,583</u>	<u>(8,895,323)</u>	<u>4,080,262</u>
Total Capital Assets Not Being Depreciated	<u>40,561,902</u>	<u>8,034,125</u>	<u>(9,302,533)</u>	<u>39,293,494</u>
Capital assets being depreciated				
Land improvements	8,507,742	16,602	-	8,524,344
Buildings	35,050,531	337,170	(222,213)	35,165,488
Furniture and fixtures	9,583,628	916,338	(377,786)	10,122,180
Vehicles and equipment	19,922,964	3,338,308	(417,472)	22,843,800
Landfill improvements	5,696,327	-	-	5,696,327
Storm sewer	31,736,777	19,320	-	31,756,097
Roads	98,186,356	794,969	(108,851)	98,872,474
Sidewalks	16,511,342	1,392,822	(66,607)	17,837,557
Street lights	3,840,999	-	(1,380)	3,839,619
Traffic signals	3,906,871	299,412	-	4,206,283
Bridges	10,060,349	-	-	10,060,349
Boat launches	286,199	-	-	286,199
Bike trails	6,081,721	-	-	6,081,721
Riverwall/retaining wall	1,340,003	-	-	1,340,003
Dams	<u>331,930</u>	<u>-</u>	<u>-</u>	<u>331,930</u>
Total Capital Assets Being Depreciated	<u>251,043,738</u>	<u>7,114,941</u>	<u>(1,194,309)</u>	<u>256,964,370</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	Ending Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (2,292,171)	\$ (323,405)	\$ -	\$ (2,615,576)
Buildings	(10,269,111)	(783,499)	11,079	(11,041,531)
Furniture and fixtures	(7,491,774)	(453,514)	377,786	(7,567,502)
Vehicles and equipment	(12,973,474)	(1,516,411)	238,457	(14,251,428)
Landfill improvements	(1,948,823)	(284,816)	-	(2,233,639)
Storm sewer	(9,284,843)	(424,310)	-	(9,709,153)
Roads	(29,992,796)	(1,589,919)	108,851	(31,473,864)
Sidewalks	(5,867,320)	(286,913)	66,608	(6,087,625)
Street lights	(1,208,010)	(76,806)	1,380	(1,283,436)
Traffic signals	(830,083)	(81,131)	-	(911,214)
Bridges	(3,668,366)	(133,803)	-	(3,802,169)
Boat launches	(237,943)	(14,310)	-	(252,253)
Bike trails	(1,124,617)	(101,261)	-	(1,225,878)
Riverwall/retaining wall	(251,200)	(26,800)	-	(278,000)
Dams	(16,597)	(6,639)	-	(23,236)
Total Accumulated Depreciation	<u>(87,457,128)</u>	<u>(6,103,537)</u>	<u>804,161</u>	<u>(92,756,504)</u>
 Net Capital Assets Being Depreciated	 <u>163,586,610</u>	 <u>1,011,404</u>	 <u>(390,148)</u>	 <u>164,207,866</u>
 Total Governmental Activities Capital Assets, Net of Depreciation	 <u>\$ 204,148,512</u>	 <u>\$ 9,045,529</u>	 <u>\$ (9,692,681)</u>	 <u>\$ 203,501,360</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 265,622
Public safety	708,091
Public works, which includes the depreciation of infrastructure	4,136,603
Recreation and parks	582,483
Community and economic development	90,472
Library	320,266
Total Governmental Activities Depreciation Expense	<u>\$ 6,103,537</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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	136,999	72,801	(65,475)	144,325
Total Capital Assets Not Being Depreciated	442,477	72,801	(65,475)	449,803
Capital assets being depreciated				
Source of supply	2,301,834	-	-	2,301,834
Pumping	8,636,714	-	-	8,636,714
Treatment	227,004	-	(1,512)	225,492
Transmission and distribution	60,059,916	2,984,447	(163,777)	62,880,586
Administrative and general assets	4,486,512	154,547	(111,176)	4,529,883
Total Capital Assets Being Depreciated	75,711,980	3,138,994	(276,465)	78,574,509
Total Capital Assets	76,154,457	3,211,795	(341,940)	79,024,312
Less: Accumulated depreciation for				
Source of supply	(914,571)	(66,753)	-	(981,324)
Pumping	(3,680,328)	(328,890)	-	(4,009,218)
Treatment	(227,005)	-	1,512	(225,493)
Transmission and distribution	(14,229,667)	(1,101,405)	149,813	(15,181,259)
Administrative and general assets	(3,820,025)	(264,453)	111,177	(3,973,301)
Total Accumulated Depreciation	(22,871,596)	(1,761,501)	262,502	(24,370,595)
Water Capital Assets, Net of Depreciation	\$ 53,282,861	\$ 1,450,294	\$ (79,438)	\$ 54,653,717

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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	116,508	1,886,231	(61,474)	1,941,265
Total Capital Assets Not Being Depreciated	<u>134,508</u>	<u>1,886,231</u>	<u>(61,474)</u>	<u>1,959,265</u>
Capital assets being depreciated				
Collection system	53,470,433	1,392,396	(51,815)	54,811,014
Treatment and disposal	52,706,272	34,382	(336,064)	52,404,590
General assets	1,883,827	128,338	(2,100)	2,010,065
Total Capital Assets Being Depreciated	<u>108,060,532</u>	<u>1,555,116</u>	<u>(389,979)</u>	<u>109,225,669</u>
Total Capital Assets	<u>108,195,040</u>	<u>3,441,347</u>	<u>(451,453)</u>	<u>111,184,934</u>
Less: Accumulated depreciation for				
Collection system	(13,876,295)	(719,160)	51,816	(14,543,639)
Treatment and disposal	(15,529,394)	(2,379,459)	322,039	(17,586,814)
General assets	(1,513,023)	(155,608)	2,098	(1,666,533)
Total Accumulated Depreciation	<u>(30,918,712)</u>	<u>(3,254,227)</u>	<u>375,953</u>	<u>(33,796,986)</u>
Wastewater Capital Assets, Net of Depreciation	<u>\$ 77,276,328</u>	<u>\$ 187,120</u>	<u>\$ (75,500)</u>	<u>\$ 77,387,948</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

Business-type Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 32,711	\$ -	\$ 32,711
Total Capital Assets Not Being Depreciated	-	32,711	-	32,711
Capital assets being depreciated				
Detention ponds	2,604,463	-	-	2,604,463
Greenbelt crossings	2,248,035	-	-	2,248,035
Stormwater mains	2,331,816	313,142	-	2,644,958
Dam Improvements	139,226	4,029	-	143,255
General assets	276,242	-	-	276,242
Total Capital Assets Being Depreciated	7,599,782	317,171	-	7,916,953
Total Capital Assets	7,599,782	349,882	-	7,949,664
Less: Accumulated depreciation for				
Detention ponds	(499,188)	(52,089)	-	(551,277)
Greenbelt crossings	(402,100)	(29,974)	-	(432,074)
Stormwater mains	(119,811)	(33,178)	-	(152,989)
Dam Improvements	(15,677)	(2,825)	-	(18,502)
General assets	(129,031)	(63,488)	-	(192,519)
Total Accumulated Depreciation	(1,165,807)	(181,554)	-	(1,347,361)
Stormwater Capital Assets, Net of Depreciation	\$ 6,433,975	\$ 168,328	\$ -	\$ 6,602,303

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
<u>Transit</u>				
Capital assets not being depreciated				
Land and land rights	\$ 356,520	\$ 353,511	\$ -	\$ 710,031
Total Capital Assets Not Being Depreciated	<u>356,520</u>	<u>353,511</u>	<u>-</u>	<u>710,031</u>
Capital assets being depreciated				
Building	2,594,201	6,003,510	-	8,597,711
Equipment	5,582,487	1,612,961	(55,122)	7,140,326
Total Capital Assets Being Depreciated	<u>8,176,688</u>	<u>7,616,471</u>	<u>(55,122)</u>	<u>15,738,037</u>
Total Capital Assets	<u>8,533,208</u>	<u>7,969,982</u>	<u>(55,122)</u>	<u>16,448,068</u>
Less: Accumulated depreciation for				
Building	(1,290,364)	(263,407)	-	(1,553,771)
Equipment	(3,688,111)	(281,661)	55,122	(3,914,650)
Total Accumulated Depreciation	<u>(4,978,475)</u>	<u>(545,068)</u>	<u>55,122</u>	<u>(5,468,421)</u>
Transit Capital Assets, Net of Depreciation	<u>\$ 3,554,733</u>	<u>\$ 7,424,914</u>	<u>\$ -</u>	<u>\$ 10,979,647</u>
Business-type Capital Assets, Net of Depreciation	<u>\$ 140,547,897</u>	<u>\$ 9,230,656</u>	<u>\$ (154,938)</u>	<u>\$ 149,623,615</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Transit	\$ 545,068
Stormwater	181,554
Water	1,662,376
Wastewater	<u>3,254,227</u>
Total Business-type Activities	<u>\$ 5,643,225</u>

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Water Utility	\$ 1,306,822	\$ -
General Fund	Sanitation	1,089,125	259,812
General Fund	TIF 17	87,075	47,216
General Fund	TIF 21	665,627	85,023
General Fund	TIF 22	386,816	-
General Fund	TIF 25	182,375	54,983
General Fund	TIF 26	206,610	12,716
General Fund	TIF 28	96,498	94,440
General Fund	TIF 35	323,562	323,562
Capital Projects Fund	Debt Service Fund	393,797	-
Wastewater Utility	Transit System	499,254	-
Wastewater Utility	Water Utility	1,398,758	-
Insurance Fund	VOM	584,332	-
Subtotal- Fund Financial Statements		7,220,651	877,752
Less: Fund eliminations		(5,913,829)	(877,752)
Less: Internal service fund elimination adjustment		(1,766,561)	-
Total Government-wide Statement of Net Position		\$ (459,739)	\$ -

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,306,822
Business-type Activities	Governmental Activities	(1,766,561)
Total Government-wide Statement of Net Position		\$ (459,739)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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 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	\$ 1,306,822	Tax equivalent	General Fund	\$ 5,812,178	Debt payments
Total General Fund	<u>1,306,822</u>		General Fund	800,509	Subsidy
Debt Service Fund	5,812,178	Debt payments	General Fund	26,562	Subsidy
Debt Service Fund	1,350,052	Debt payments	General Fund	48,438	Subsidy
Debt Service Fund	212,045	Debt payments	General Fund	75,000	Subsidy
Debt Service Fund	1,753	Debt payments	General Fund	24,000	Subsidy
Debt Service Fund	1,011,632	Debt payments	Total General Fund	<u>6,786,687</u>	
Debt Service Fund	117,125	Debt payments	Sanitation Fund	1,350,052	Debt payments
Debt Service Fund	142,800	Debt payments	Sanitation Fund	68,495	Long-term care
Debt Service Fund	92,200	Debt payments	Total Sanitation Fund	<u>1,418,547</u>	
Debt Service Fund	129,953	Debt payments	Water Utility	1,306,822	Tax equivalent
Debt Service Fund	35,850	Debt payments	Total Water Utility	<u>1,306,822</u>	
Debt Service Fund	66,100	Debt payments	Library	212,045	Debt payments
Debt Service Fund	51,869	Debt payments	TIF 17	1,753	Debt payments
Debt Service Fund	26,562	Subsidy	TIF 22	1,011,632	Debt payments
Total Debt Service Fund	<u>9,050,119</u>		TIF 23	117,125	Debt payments
Capital Projects Fund	48,438	Subsidy	TIF 24	142,800	Debt payments
Capital Projects Fund	1,507,000	Capital equipment	TIF 25	92,200	Debt payments
Total Capital Projects Fund	<u>1,555,438</u>		TIF 26	129,953	Debt payments
Cemetery Fund	75,000	Subsidy	TIF 27	35,850	Debt payments
Golf Courses	24,000	Subsidy	TIF 34	66,100	Debt payments
Special Accounts	68,495	Long-term care	Benefits Funding	51,869	Debt payments
Transit	760,839	Subsidy	VOM	1,507,000	Capital equipment
Transit	39,670	Subsidy	Total Nonmajor Funds	<u>3,368,327</u>	
Total Nonmajor Funds	<u>968,004</u>				
Sub-Total Fund Financial Statements	\$ 12,880,383			12,880,383	
Less: Fund Eliminations				(10,815,201)	
Less: Government-wide Eliminations				(1,558,869)	
Less: Contribution of capital assets from governmental activities to business-type activities				(7,930,313)	
Total Government Wide Statement of Activities				<u>\$ (7,424,000)</u>	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 1,306,822
Business-type Activities	Governmental Activities	(8,730,822)
		<u>\$ (7,424,000)</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 54,753,000	\$ 13,400,000	\$ 9,650,000	\$ 58,503,000	\$ 8,660,000
Premium on debt	252,834	96,759	34,255	315,338	-
Total Notes Payable	<u>55,005,834</u>	<u>13,496,759</u>	<u>9,684,255</u>	<u>58,818,338</u>	<u>8,660,000</u>
Other Liabilities					
Other post retirement benefits	14,889,792	2,773,336	1,571,924	16,091,204	-
Landfill superfund care	816,000	-	52,000	764,000	40,000
Accrued vacation*	2,073,656	2,129,483	2,073,656	2,129,483	2,129,483
Total Other Liabilities	<u>17,779,448</u>	<u>4,902,819</u>	<u>3,697,580</u>	<u>18,984,687</u>	<u>2,169,483</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 72,785,282</u>	<u>\$ 18,399,578</u>	<u>\$ 13,381,835</u>	<u>\$ 77,803,025</u>	<u>\$ 10,829,483</u>
Business-Type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 20,402,000	\$ 6,525,000	\$ 5,005,000	\$ 21,922,000	\$ 3,250,000
Other post employment benefits	1,371,963	249,499	175,005	1,446,457	-
Premium on debt	72,511	47,153	14,032	105,632	-
Revenue bonds	30,065,522	-	1,820,472	28,245,050	1,861,738
Total Business-Type Activities Long-Term Liabilities	<u>\$ 51,911,996</u>	<u>\$ 6,821,652</u>	<u>\$ 7,014,509</u>	<u>\$ 51,719,139</u>	<u>\$ 5,111,738</u>

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, 2014

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, 2014 was \$200,293,825. Total general obligation debt outstanding at year end was \$80,425,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2014
Governmental Activities					
General Obligation Debt					
General obligation notes	7/1/2007	2/1/2017	4.00 - 5.00%	\$ 7,920,000	\$ 1,615,000
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	10,285,000	3,535,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	11,450,000	5,105,000
General obligation notes	11/23/2009	2/1/2018	2.00 - 3.50%	6,915,000	2,675,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	6,145,000	2,350,000
General obligation notes	11/4/2010	2/1/2020	1.05 - 3.60%	1,055,000	775,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	7,595,000	5,955,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	1,285,000	320,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	9,740,000	7,936,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	1,760,000	1,395,000
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	3,668,000	3,337,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	8,035,000	8,020,000
State Trust Fund Loan	12/3/2013	3/15/2023	3.75%	2,085,000	2,085,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	12,085,000	12,085,000
General obligation notes	9/3/2014	2/1/2016	3.00%	1,315,000	1,315,000
Total Governmental Activities – General Obligation Debt					<u>\$ 58,503,000</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2014</u>
Business-type Activities					
General Obligation Debt					
General obligation notes	7/1/2007	2/1/2017	4.00 - 5.00%	\$ 5,245,000	\$ 1,135,000
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	4,960,000	1,220,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	3,955,000	1,795,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	2,620,000	1,625,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	4,420,000	3,705,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	620,000	265,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	2,960,000	2,599,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	790,000	440,000
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	547,000	353,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	2,415,000	2,260,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	4,835,000	4,835,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	1,690,000	1,690,000
Total Business-type Activities General Obligation Debt					<u>\$ 21,922,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Government Activities</u>		<u>Business- Type Activities</u>	
	<u>General Obligation Debt</u>		<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 8,660,000	\$ 1,375,495	\$ 3,250,000	\$ 498,067
2016	8,635,134	1,158,774	3,055,000	425,717
2017	8,290,904	923,546	2,966,000	339,711
2018	8,019,787	694,757	2,661,000	261,516
2019	6,745,005	501,669	2,460,000	196,572
2020-2024	17,887,170	815,642	7,530,000	293,938
2025	265,000	3,776	-	-
Totals	<u>\$ 58,503,000</u>	<u>\$ 5,473,659</u>	<u>\$ 21,922,000</u>	<u>\$ 2,015,521</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The city has pledged future service revenues, net of specified operating expenses, to repay revenue bonds issued since 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 23% of net revenues. The total principal and interest remaining to be paid on the bonds is \$32.8 million. Principal and interest paid for the current year and total customer net revenues were \$2.5 million and \$8.3 million, respectively.

Revenue debt payable at December 31, 2014 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 12/31/2014</u>
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 719,100
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	1,258,095
				Total Water Utility	1,977,195
<u>Wastewater Utility</u>					
Clean Water Fund loan	1996	2016	3.08%	518,676	67,185
Clean Water Fund loan	1998	2017	2.64%	1,128,073	217,701
Clean Water Fund loan	2000	2019	2.97%	284,140	91,380
Clean Water Fund loan	2001	2020	2.75%	1,100,828	475,177
Clean Water Fund loan	2004	2023	2.37%	2,032,973	1,086,406
Clean Water Fund loan	2010	2029	2.15%	27,212,000	23,463,320
Clean Water Fund loan	2011	2031	2.40%	983,325	866,686
				Total Wastewater Utility	26,267,855
Total Business-type Activities Revenue Debt					\$ 28,245,050

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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
2015	\$ 1,861,738	\$ 602,977
2016	1,903,948	560,284
2017	1,911,972	517,155
2018	1,878,623	474,592
2019	1,920,665	432,076
2020-2024	9,702,449	1,508,346
2025-2029	8,944,652	505,279
2030-2031	121,003	2,921
Totals	\$ 28,245,050	\$ 4,603,630

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.

On September 3, 2014, the city issued \$3,005,000 in general obligation notes with an average interest rate of 2.10%. This issuance was used to current refund Series 2006 Notes in the amount of \$1,775,000 at 4.0% and Series 2006A Notes in the amount of \$1,250,000 at 3.75%. The net proceeds of \$3,049,039 (after payment in underwriting fees, insurance and other issuance costs) plus funds on hand of \$31,833 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 \$3,179,000 from 2015 through 2016. The cash flow requirements on the refunding bonds are \$3,183,545 from 2015 through 2024. 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 \$72,521.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

G. CLOSURE AND POSTCLOSURE CARE COST

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

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

H. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2014 include the following:

Net investment in capital assets	
Land	\$ 35,213,232
Construction in progress	4,080,262
Other capital assets, net of accumulated depreciation	164,207,866
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(42,704,173)</u>
Total net investment in capital assets	<u>160,797,187</u>
Restricted	
Debt service	931,556
Grants	5,877,429
Library	705,953
TIF districts	3,662,588
Landfill long-term care	<u>2,421,801</u>
Total restricted	<u>13,599,327</u>
Unrestricted (deficit)	<u>(12,967,948)</u>
Total Governmental Activities Net Position	<u>\$ 161,428,566</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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, 2014 include the following:

Nonspendable	
Major Funds	
General fund	
Inventories	\$ 704
Prepaid items	4,620
Noncurrent interfund balances	877,752
Total General Fund	<u>\$ 883,076</u>
Capital projects fund	
Inventories	<u>\$ 265,255</u>
Nonmajor funds	
Prepaid items	<u>\$ 42,000</u>
 Restricted	
Major Funds	
Debt service fund-debt service	\$ 996,012
Capital projects fund - unspent bond proceeds	7,730,977
Total Major Funds	<u>\$ 8,726,989</u>
 Nonmajor Funds	
Special Revenue Funds	
Library	\$ 705,953
Special Accounts	2,492,627
TIF 23	180,367
TIF 27	231,164
TIF 29	122,949
TIF 32	2,005,578
TIF 33	871,432
Other Housing Grants	286,173
Community Development Block Grant	582,709
Industrial Waste Disposal	6,466
Total Nonmajor Funds	<u>\$ 7,485,418</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

H. NET POSITION/FUND BALANCES (cont.)

Committed	
Nonmajor Funds	
Blended Component Unit	
Janesville Innovation Center	\$ 19,163
Special Revenue Funds	
JATV-12	371,865
Oakhill Cemetery	196,520
Special Accounts	316,374
Total Nonmajor Special Revenue Funds	<u>884,759</u>
Total Nonmajor Funds	<u>\$ 903,922</u>
Assigned	
Major Funds	
General fund - applied to 2015 budget	\$ 635,649
Capital Projects	3,115,756
Total Major Funds	<u>\$ 3,751,405</u>
Unassigned (deficit)	
Major Funds	
General fund	\$ 7,839,281
Sanitation Fund	(259,812)
Total Major Funds	<u>\$ 7,579,469</u>
Nonmajor Funds	
Special Revenue Funds	
TIF 17	\$ (87,075)
TIF 21	(354,295)
TIF 22	(487,069)
TIF 25	(182,375)
TIF 26	(206,610)
TIF 28	(96,498)
TIF 35	(324,432)
Golf Courses	(6,900)
Total Nonmajor Special Revenue Funds (Deficit)	<u>\$ (1,745,254)</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014 include the following:

Net Investments in Capital Assets

Plant in service	\$ 212,488,677
Accumulated depreciation	(64,983,363)
Construction work in progress	2,118,301
Sub-Total	<u>149,623,615</u>
Current portion of general obligation debt	(3,250,000)
Current portion of revenue bonds	(1,861,738)
General obligation debt	(18,777,632)
Revenue bonds	(26,383,312)
Construction payables	(441,263)
Sub-Total	<u>(50,713,945)</u>
Construction Funds (unspent debt)	942,016
Sub-Total	<u>942,016</u>
Total Net Investment in Capital Assets	<u>\$ 99,851,686</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, 2014

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:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 111,874	\$ 111,874	Custodial credit

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

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

Custodial Credit Risk

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

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Equipment	\$ 99,058	\$ 1,730	\$ 3,419	\$ 97,369	4-20
Less: accumulated depreciation	<u>(65,255)</u>	<u>(4,220)</u>	<u>(3,419)</u>	<u>(66,056)</u>	
Totals	<u>\$ 33,803</u>	<u>\$ (2,490)</u>	<u>\$ -</u>	<u>\$ 31,313</u>	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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. 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 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.

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 employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same 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 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for city employees covered by the WRS for the year ended December 31, 2014 was \$29,329,332; the employer's total payroll was \$30,938,378. The total required contribution for the year ended December 31, 2014 was \$4,995,695 or 17 percent of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2013 and 2012 were \$5,329,213 and \$4,761,444, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The 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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

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.

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

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

The city's auto liability insurance policy as a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Genesis insurance. In addition, the city's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

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

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

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

The city's share of this corporation is 4.5% for auto liability and 6.8% of physical damage liability. A list of the other members and their share of participating is available in the TMI report, which can be obtained directly from the TMI's offices.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

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

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

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

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

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The city's Mutual Member Participation Calculation for 2014 was calculated at 4.293%. This calculation is based on premiums, claims and self-insured retention of the city as compared to the entire membership. The city's participation portion of available funds would be distributed upon dissolution. The initial investment in WMIC is not refundable upon withdrawal from the commission and has been reported at the original amount of \$1,604,120 in the insurance internal service fund. WMIC is not required to have an audit.

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

The city accounts for its participation in the company in the insurance internal service fund. Payments to CVMIC for current year insurance coverage are reflected in the general operating statements of the various funds. The city has recorded claims payable at year end in the insurance internal service fund of \$354,921. 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.

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.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self-Insurance – Health Claims

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 non-incremental costs to the claims liability.

<i>Claims Liability</i>	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 787,000	\$ 427,000
Current year claims and changes in estimates	8,432,770	8,762,404
Claim payments	<u>(8,792,770)</u>	<u>(8,644,404)</u>
Unpaid Claims – End of Year	<u>\$ 427,000</u>	<u>\$ 545,000</u>

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 non-incremental costs to the claims liability.

<i>Claims Liability</i>	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 793,055	\$ 715,814
Current year claims and changes in estimates	448,776	420,985
Claim payments	<u>(526,017)</u>	<u>(164,666)</u>
Unpaid Claims – End of Year	<u>\$ 715,814</u>	<u>\$ 972,133</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

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

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

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

During 2014, the city borrowed \$16,920,000 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 \$1,178,128 at year end and is included in fund balance in the capital project fund and special revenue funds and in net investment in capital assets in the enterprise funds.

The city owned landfill is a source of potential liability to the city. The U.S. Environmental Protection Agency (EPA) has issued a Record of Decision on a city owned landfill that accepted wastes during the period 1953 through 1985. The EPA determined the landfill had environmental impacts that required clean-up and long-term care. The estimated net present value cost is \$8.4 million. Remediation construction activities are complete and remaining long-term care will occur over the next 12 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 \$0.8 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 12 years. The city has paid \$2.7 million in costs to date. The remaining \$4.9 million of construction clean-up costs were borne by those industries that caused the environmental problem.

At December 31, 2014, there were approximately \$2,295,133 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	\$ 1,176,245
Wastewater	<u>1,118,888</u>
Total	<u>\$ 2,295,133</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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 2014, the city contributed \$7,859,205 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 2014, total member contributions were \$944,447, or approximately 10.7% 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)	\$ 3,018,622
Interest on net OPEB obligation	650,470
Adjustment to annual required contribution	<u>(646,257)</u>
Annual OPEB cost	3,022,835
Contributions made	<u>(1,746,929)</u>
Increase in Net OPEB Obligation	1,275,906
Net OPEB Obligation – Beginning of Year	<u>16,261,755</u>
Net OPEB Obligation – End of Year	<u>\$ 17,537,661</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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 2014 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2014	\$ 3,022,835	57.8%	\$ 17,537,661
12/31/2013	4,008,656	43.8%	16,261,755
12/31/2012	3,893,191	44.2%	14,009,361

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 34,300,425
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 34,300,425</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 29,329,332
UAAL as a percentage of covered payroll	116.9%

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, 2014

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the 2014 actuarial valuation, the entry-age normal actuarial method was used. The actuarial assumptions include a 4.00% investment rate of return and an annual healthcare cost trend rate of actual increases in the first year, then 7.0% decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter. Both rates include a 3% 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 amortization period is 30 years.

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

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

- > *Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*

- > *Statement No. 71, Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*

When they become effective, 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 28,425,377	\$ 28,425,377	\$ 28,356,467	\$ (68,910)
Licenses and permits	1,241,100	1,241,100	1,386,431	145,331
Investment income, rents and fines	682,000	682,000	658,255	(23,745)
State and federal aids	7,578,715	7,578,715	7,627,752	49,037
Service charges and other	2,810,500	2,810,500	2,773,661	(36,839)
Total Revenues	<u>40,737,692</u>	<u>40,737,692</u>	<u>40,802,566</u>	<u>64,874</u>
EXPENDITURES				
General government	4,461,728	4,461,728	3,985,891	475,837
Public safety	22,759,659	22,759,659	22,724,779	34,880
Public works	4,337,832	4,812,152	4,684,087	128,065
Recreation and parks	2,892,907	2,927,491	2,691,988	235,503
Community and economic development	1,490,435	1,490,435	1,431,591	58,844
Total Expenditures	<u>35,942,561</u>	<u>36,451,465</u>	<u>35,518,336</u>	<u>933,129</u>
Excess of revenues over expenditures	<u>4,795,131</u>	<u>4,286,227</u>	<u>5,284,230</u>	<u>998,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,384,000	1,384,000	1,306,822	(77,178)
Transfers out	(6,854,131)	(6,854,131)	(6,786,687)	67,444
Total Other Financing Sources (Uses)	<u>(5,470,131)</u>	<u>(5,470,131)</u>	<u>(5,479,865)</u>	<u>(9,734)</u>
Net change in fund balance	(675,000)	(1,183,904)	(195,635)	988,269
FUND BALANCES - Beginning of Year	<u>9,553,641</u>	<u>9,553,641</u>	<u>9,553,641</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,878,641</u>	<u>\$ 8,369,737</u>	<u>\$ 9,358,006</u>	<u>\$ 988,269</u>

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

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SANITATION

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 227,000	\$ 227,000	\$ 226,645	\$ (355)
Service charges and other	<u>6,667,600</u>	<u>6,667,600</u>	<u>6,046,140</u>	<u>(621,460)</u>
Total Revenues	<u>6,894,600</u>	<u>6,894,600</u>	<u>6,272,785</u>	<u>(621,815)</u>
EXPENDITURES				
Current				
Public works	<u>5,721,292</u>	<u>5,721,292</u>	<u>5,399,092</u>	<u>322,200</u>
Total Expenditures	<u>5,721,292</u>	<u>5,721,292</u>	<u>5,399,092</u>	<u>322,200</u>
Excess of revenues over expenditures	<u>1,173,308</u>	<u>1,173,308</u>	<u>873,693</u>	<u>(299,615)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,643,052)</u>	<u>(1,643,052)</u>	<u>(1,418,547)</u>	<u>224,505</u>
Total Other Financing Uses	<u>(1,643,052)</u>	<u>(1,643,052)</u>	<u>(1,418,547)</u>	<u>224,505</u>
Net change in fund balance	(469,744)	(469,744)	(544,854)	(75,110)
FUND BALANCES - Beginning of Year	<u>285,042</u>	<u>285,042</u>	<u>285,042</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (184,702)</u>	<u>\$ (184,702)</u>	<u>\$ (259,812)</u>	<u>\$ (75,110)</u>

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

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS
 December 31, 2014

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%
12/31/2013		-	46,210,811	46,210,811	0.00%	28,969,248	159.5%
12/31/2014		-	34,300,425	34,300,425	0.00%	29,329,332	116.9%

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

CITY OF JANESVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION

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

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

SUPPLEMENTAL INFORMATION

CITY OF JANESVILLE

**GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES
For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property tax	\$ 27,253,270	\$ 27,253,270	\$ 27,145,610	\$ (107,660)
Penalties and interest on taxes	178,000	178,000	184,438	6,438
Mobile home taxes	75,000	75,000	70,198	(4,802)
Hotel/motel tax	384,107	384,107	419,355	35,248
Wheel tax	535,000	535,000	536,866	1,866
Totals	<u>28,425,377</u>	<u>28,425,377</u>	<u>28,356,467</u>	<u>(68,910)</u>
LICENSES				
Alcoholic beverage licenses	68,000	68,000	68,395	395
Publication fees	3,500	3,500	3,475	(25)
Food and cigarettes	13,500	13,500	15,575	2,075
Weights and measures	23,000	23,000	23,332	332
Dog licenses	45,000	45,000	43,763	(1,237)
Bartender licenses	12,000	12,000	11,900	(100)
Amusement center licenses	20,000	20,000	19,360	(640)
Cable TV	660,000	660,000	745,234	85,234
Other regulatory licenses and permits	21,800	21,800	20,597	(1,203)
Totals	<u>866,800</u>	<u>866,800</u>	<u>951,631</u>	<u>84,831</u>
COMMUNITY DEVELOPMENT PERMITS				
Application fees	38,700	38,700	55,557	16,857
Resident permit fees	120,400	120,400	142,489	22,089
Commercial permit fees	215,200	215,200	236,754	21,554
Totals	<u>374,300</u>	<u>374,300</u>	<u>434,800</u>	<u>60,500</u>
INVESTMENT INCOME, RENTS AND FINES				
Investment income	108,000	108,000	112,949	4,949
Rents - city owned property	124,000	124,000	99,040	(24,960)
Municipal court fines	375,000	375,000	345,238	(29,762)
Sale of city property	25,000	25,000	51,028	26,028
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>682,000</u>	<u>682,000</u>	<u>658,255</u>	<u>(23,745)</u>
STATE AND FEDERAL AIDS				
Shared taxes from state	5,075,525	5,075,525	5,071,939	(3,586)
Local road allotment	1,818,330	1,818,330	1,817,934	(396)
State payment - municipal services	100,000	100,000	131,454	31,454
Connecting street maintenance	329,860	329,860	328,150	(1,710)
Computer value reimbursement	120,000	120,000	123,539	3,539
State aid - fire insurance	135,000	135,000	154,736	19,736
Totals	<u>7,578,715</u>	<u>7,578,715</u>	<u>7,627,752</u>	<u>49,037</u>

CITY OF JANESVILLE

GENERAL FUND
 DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.)
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SERVICE CHARGES AND OTHER				
Parking	\$ 90,000	\$ 90,000	\$ 72,148	\$ (17,852)
Public works	65,700	65,700	108,941	43,241
Police department	45,000	45,000	43,366	(1,634)
Fire department	1,702,000	1,702,000	1,697,616	(4,384)
Leisure services	832,800	832,800	768,371	(64,429)
Miscellaneous	25,000	25,000	31,844	6,844
Wastewater service charge	50,000	50,000	51,375	1,375
Totals	<u>2,810,500</u>	<u>2,810,500</u>	<u>2,773,661</u>	<u>(36,839)</u>
TRANSFERS IN				
Water utility taxes	<u>1,384,000</u>	<u>1,384,000</u>	<u>1,306,822</u>	<u>(77,178)</u>
Totals	<u>1,384,000</u>	<u>1,384,000</u>	<u>1,306,822</u>	<u>(77,178)</u>
 TOTAL REVENUES AND OTHER SOURCES	 <u>\$ 42,121,692</u>	 <u>\$ 42,121,692</u>	 <u>\$ 42,109,388</u>	 <u>\$ (12,304)</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City council	\$ 15,889	\$ 15,889	\$ 14,764	\$ 1,125
City manager	294,199	294,199	242,348	51,851
Community information	64,820	64,820	41,563	23,257
City assessor	549,656	549,656	500,388	49,268
City attorney	431,953	431,953	489,699	(57,746)
Elections	101,764	101,764	92,104	9,660
City clerk - treasurer	582,156	582,156	562,089	20,067
Administrative services - accounting	441,860	441,860	439,806	2,054
Human resources	244,639	244,639	224,687	19,952
Information systems	810,657	810,657	771,657	39,000
Insurance	85,901	85,901	87,979	(2,078)
Economic adjustments	95,050	95,050	112,027	(16,977)
Unclassified and sundry	743,184	743,184	406,780	336,404
Totals	<u>4,461,728</u>	<u>4,461,728</u>	<u>3,985,891</u>	<u>475,837</u>
PUBLIC SAFETY				
Police department	12,730,515	12,730,515	12,680,968	49,547
Fire department	10,029,144	10,029,144	10,043,811	(14,667)
Totals	<u>22,759,659</u>	<u>22,759,659</u>	<u>22,724,779</u>	<u>34,880</u>
PUBLIC WORKS				
Administration				
Engineering	<u>587,380</u>	<u>587,380</u>	<u>533,761</u>	<u>53,619</u>
Sub-Totals	<u>587,380</u>	<u>587,380</u>	<u>533,761</u>	<u>53,619</u>
Street Maintenance and Repair				
Paved streets	932,652	932,652	901,051	31,601
Snow removal	1,197,816	1,672,136	1,616,684	55,452
Weed cutting	<u>38,282</u>	<u>38,282</u>	<u>31,952</u>	<u>6,330</u>
Sub-Totals	<u>2,168,750</u>	<u>2,643,070</u>	<u>2,549,687</u>	<u>93,383</u>
Public Buildings and Parking				
Public buildings	498,106	498,106	445,590	52,516
Parking facilities	<u>106,188</u>	<u>106,188</u>	<u>109,942</u>	<u>(3,754)</u>
Sub-Totals	<u>604,294</u>	<u>604,294</u>	<u>555,532</u>	<u>48,762</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS (cont.)				
Traffic Control				
Traffic signs	\$ 128,877	\$ 128,877	\$ 131,033	\$ (2,156)
Traffic signals	190,936	190,936	192,229	(1,293)
Street painting	95,880	95,880	104,732	(8,852)
Street lighting	561,715	561,715	617,113	(55,398)
Sub-Totals	<u>977,408</u>	<u>977,408</u>	<u>1,045,107</u>	<u>(67,699)</u>
Total Public Works	<u>4,337,832</u>	<u>4,812,152</u>	<u>4,684,087</u>	<u>128,065</u>
RECREATION AND PARKS				
Leisure services administration	39,452	39,452	40,261	(809)
Tallman house	49,400	49,400	49,436	(36)
Senior citizens center	266,984	266,984	252,603	14,381
Park management	1,504,668	1,521,750	1,339,068	182,682
Recreation programs	488,683	488,683	460,710	27,973
Ice skating center	290,910	290,910	310,968	(20,058)
Aquatics	252,810	270,312	238,942	31,370
Totals	<u>2,892,907</u>	<u>2,927,491</u>	<u>2,691,988</u>	<u>235,503</u>
COMMUNITY AND ECONOMIC DEVELOPMENT				
Economic development	158,255	158,255	147,989	10,266
Community development	1,034,673	1,034,673	1,004,781	29,892
Housing services-property maintenance	297,507	297,507	278,821	18,686
Totals	<u>1,490,435</u>	<u>1,490,435</u>	<u>1,431,591</u>	<u>58,844</u>
GENERAL FUND TRANSFERS				
Transit system	867,952	867,952	800,509	67,443
Debt service	5,812,179	5,812,179	5,812,178	1
Capital Projects				
Special assessments	75,000	75,000	75,000	-
Special Revenue				
Cemetery	75,000	75,000	75,000	-
Golf Courses	24,000	24,000	24,000	-
Totals	<u>6,854,131</u>	<u>6,854,131</u>	<u>6,786,687</u>	<u>67,444</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 42,796,692</u>	<u>\$ 43,305,596</u>	<u>\$ 42,305,023</u>	<u>\$ 1,000,573</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. This TIF was terminated in 2015.

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. This TIF was terminated in 2015.

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

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

Tax Incremental Financing (TIF) District #31 - To account for the financing and construction of City improvements related to the redevelopment of the older West Court Street commercial corridor. This TIF was terminated in 2015.

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. This TIF was terminated in 2015.

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) managed by Kemper Sports.

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 funds that provide for the long-term care, remedial system design, construction, and operations of the Janesville Disposal Facilities in accordance with federal and state regulations.

Innovation Center (Blended Component Unit) – To account for funds related to the business incubator whose goal is to increase the survival success rate of entrepreneurial businesses by providing a supportive environment, including infrastructure, education, training, and mentorship that will assist entrepreneurs to achieve success by encouraging technological innovation, job generation, creation of an expanded tax base, and revitalization of the local and regional economy.

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
As of December 31, 2014

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>	<u>TIF No. 17</u>
ASSETS					
Current Assets					
Cash and investments	\$ 864,710	\$ 329,399	\$ 200,765	\$ 2,475,500	\$ -
Taxes receivable	3,229,309	-	-	-	39,822
Accounts receivable	17,581	49,050	4,430	508,785	-
Special assessments receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Loans receivable	-	-	-	-	-
TOTAL ASSETS	\$ 4,111,600	\$ 378,449	\$ 205,195	\$ 2,984,285	\$ 39,822
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Current Liabilities					
Accounts payable	\$ 42,526	\$ -	\$ 1,170	\$ 102,530	\$ -
Accrued liabilities	133,812	6,584	7,505	18,913	-
Due to other funds	-	-	-	-	87,075
Total Liabilities	176,338	6,584	8,675	121,443	87,075
Deferred Inflows of Resources					
Unearned revenues	3,229,309	-	-	7,560	39,822
Unavailable revenues	-	-	-	46,281	-
Total Deferred Inflows of Resources	3,229,309	-	-	53,841	39,822
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	705,953	-	-	2,492,627	-
Committed	-	371,865	196,520	316,374	-
Unassigned (deficit)	-	-	-	-	(87,075)
Total Fund Balances	705,953	371,865	196,520	2,809,001	(87,075)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,111,600	\$ 378,449	\$ 205,195	\$ 2,984,285	\$ 39,822

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<u>TIF No. 21</u>	<u>TIF No. 22</u>	<u>TIF No. 23</u>	<u>TIF No. 25</u>	<u>TIF No. 26</u>	<u>TIF No. 27</u>
\$ -	\$ -	\$ 180,245	\$ -	\$ -	\$ 227,570
63,292	1,265,783	63,497	123,969	189,479	6,488
522,312	1,661	1,112	-	-	4,584
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	48,865	-	-	9,484
<u>\$ 585,604</u>	<u>\$ 1,267,444</u>	<u>\$ 293,719</u>	<u>\$ 123,969</u>	<u>\$ 189,479</u>	<u>\$ 248,126</u>
\$ 5,000	\$ 101,914	\$ 990	\$ -	\$ -	\$ 990
-	-	-	-	-	-
665,627	386,816	-	182,375	206,610	-
<u>670,627</u>	<u>488,730</u>	<u>990</u>	<u>182,375</u>	<u>206,610</u>	<u>990</u>
63,292	1,265,783	63,497	123,969	189,479	6,488
205,980	-	48,865	-	-	9,484
<u>269,272</u>	<u>1,265,783</u>	<u>112,362</u>	<u>123,969</u>	<u>189,479</u>	<u>15,972</u>
-	-	-	-	-	-
-	-	180,367	-	-	231,164
-	-	-	-	-	-
<u>(354,295)</u>	<u>(487,069)</u>	<u>-</u>	<u>(182,375)</u>	<u>(206,610)</u>	<u>-</u>
<u>(354,295)</u>	<u>(487,069)</u>	<u>180,367</u>	<u>(182,375)</u>	<u>(206,610)</u>	<u>231,164</u>
<u>\$ 585,604</u>	<u>\$ 1,267,444</u>	<u>\$ 293,719</u>	<u>\$ 123,969</u>	<u>\$ 189,479</u>	<u>\$ 248,126</u>

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
As of December 31, 2014

	TIF No. 28	TIF No. 29	TIF No. 32	TIF No. 33	TIF No. 35
ASSETS					
Current Assets					
Cash and investments	\$ -	\$ 123,969	\$ 2,006,248	\$ 881,361	\$ -
Taxes receivable	-	29,427	1,028,689	318,816	-
Accounts receivable	-	-	-	-	-
Special assessments receivable	-	-	102,313	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Loans receivable	-	-	172,470	8,278	-
TOTAL ASSETS	\$ -	\$ 153,396	\$ 3,309,720	\$ 1,208,455	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Current Liabilities					
Accounts payable	\$ -	\$ 1,020	\$ 670	\$ 9,917	\$ 870
Accrued liabilities	-	-	-	12	-
Due to other funds	96,498	-	-	-	323,562
Total Liabilities	96,498	1,020	670	9,929	324,432
Deferred Inflows of Resources					
Unearned revenues	-	29,427	1,028,689	318,816	-
Unavailable revenues	-	-	274,783	8,278	-
Total Deferred Inflows of Resources	-	29,427	1,303,472	327,094	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	122,949	2,005,578	871,432	-
Committed	-	-	-	-	-
Unassigned (deficit)	(96,498)	-	-	-	(324,432)
Total Fund Balances	(96,498)	122,949	2,005,578	871,432	(324,432)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 153,396	\$ 3,309,720	\$ 1,208,455	\$ -

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<u>Golf Courses</u>	<u>Other Housing Grants</u>	<u>Community Development Block Grant</u>	<u>Industrial Waste Disposal</u>	<u>Innovation Center</u>	<u>Totals</u>
\$ 578	\$ 221,439	\$ 458,796	\$ 14,476	\$ 26,333	\$ 8,011,389
-	-	-	-	-	6,358,571
325	93,338	157,379	-	3,175	1,363,732
-	-	-	-	-	102,313
-	-	-	-	-	-
42,000	-	-	-	-	42,000
-	2,914,140	1,718,644	-	-	4,871,881
<u>\$ 42,903</u>	<u>\$ 3,228,917</u>	<u>\$ 2,334,819</u>	<u>\$ 14,476</u>	<u>\$ 29,508</u>	<u>\$ 20,749,886</u>
\$ 7,562	\$ 26,063	\$ 24,305	\$ 7,255	\$ 10,341	\$ 343,123
241	2,541	9,161	755	4	179,528
-	-	-	-	-	1,948,563
<u>7,803</u>	<u>28,604</u>	<u>33,466</u>	<u>8,010</u>	<u>10,345</u>	<u>2,471,214</u>
-	-	-	-	-	6,366,131
-	2,914,140	1,718,644	-	-	5,226,455
-	2,914,140	1,718,644	-	-	11,592,586
42,000	-	-	-	-	42,000
-	286,173	582,709	6,466	-	7,485,418
-	-	-	-	19,163	903,922
(6,900)	-	-	-	-	(1,745,254)
<u>35,100</u>	<u>286,173</u>	<u>582,709</u>	<u>6,466</u>	<u>19,163</u>	<u>6,686,086</u>
<u>\$ 42,903</u>	<u>\$ 3,228,917</u>	<u>\$ 2,334,819</u>	<u>\$ 14,476</u>	<u>\$ 29,508</u>	<u>\$ 20,749,886</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, 2014**

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>	<u>TIF No. 9</u>
REVENUES					
Taxes	\$ 3,201,636	\$ -	\$ -	\$ 379,415	\$ 40,938
Investment income	-	-	9	2,136	-
State and federal aids	14,636	-	-	858,394	977
Service charges and other	751,106	187,777	142,290	1,374,122	-
Guaranteed payment	-	-	-	-	-
Total Revenues	<u>3,967,378</u>	<u>187,777</u>	<u>142,299</u>	<u>2,614,067</u>	<u>41,915</u>
EXPENDITURES					
Current					
Public safety	-	-	-	1,272,874	-
Public works	-	-	-	189,027	-
Recreation and parks	-	-	242,893	186,065	-
Community and economic development	-	-	-	783,287	20,467
Library	3,277,689	138,160	-	174,345	-
Capital Outlay	460,489	12,901	-	-	-
Debt Service					
Interest charges	-	-	-	-	-
Total Expenditures	<u>3,738,178</u>	<u>151,061</u>	<u>242,893</u>	<u>2,605,598</u>	<u>20,467</u>
Excess (deficiency) of revenues over expenditures	<u>229,200</u>	<u>36,716</u>	<u>(100,594)</u>	<u>8,469</u>	<u>21,448</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	17,763	-
Transfer in	-	-	75,000	68,495	-
Transfer out	<u>(212,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(212,045)</u>	<u>-</u>	<u>75,000</u>	<u>86,258</u>	<u>-</u>
Net change in fund balance	17,155	36,716	(25,594)	94,727	21,448
FUND BALANCES (DEFICIT) - Beginning of Year	<u>688,798</u>	<u>335,149</u>	<u>222,114</u>	<u>2,714,274</u>	<u>(21,448)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 705,953</u>	<u>\$ 371,865</u>	<u>\$ 196,520</u>	<u>\$ 2,809,001</u>	<u>\$ -</u>

Continued on
Next Page

TIF No. 17	TIF No. 21	TIF No. 22	TIF No. 23	TIF No. 24	TIF No. 25	TIF No. 26
\$ 39,375	\$ 119	\$ 1,265,161	\$ 57,429	\$ 118,559	\$ 130,251	\$ 70,758
-	-	6,385	12,810	63	-	344
38	316,332	4,429	1,294	752	3,423	4,415
-	-	1,034	49,595	-	-	933
-	-	-	33,574	-	-	-
<u>39,413</u>	<u>316,451</u>	<u>1,277,009</u>	<u>154,702</u>	<u>119,374</u>	<u>133,674</u>	<u>76,450</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,262	651,945	2,145,136	5,347	118,035	745,226	2,179
-	-	-	-	-	-	-
-	-	-	-	-	-	-
74	465	-	-	-	334	376
<u>1,336</u>	<u>652,410</u>	<u>2,145,136</u>	<u>5,347</u>	<u>118,035</u>	<u>745,560</u>	<u>2,555</u>
<u>38,077</u>	<u>(335,959)</u>	<u>(868,127)</u>	<u>149,355</u>	<u>1,339</u>	<u>(611,886)</u>	<u>73,895</u>
-	176,000	1,683,000	-	-	635,000	-
-	-	-	-	-	-	-
-	(1,753)	(1,011,632)	(117,125)	(142,800)	(92,200)	(129,953)
-	174,247	671,368	(117,125)	(142,800)	542,800	(129,953)
38,077	(161,712)	(196,759)	32,230	(141,461)	(69,086)	(56,058)
<u>(125,152)</u>	<u>(192,583)</u>	<u>(290,310)</u>	<u>148,137</u>	<u>141,461</u>	<u>(113,289)</u>	<u>(150,552)</u>
<u>\$ (67,075)</u>	<u>\$ (354,295)</u>	<u>\$ (487,069)</u>	<u>\$ 180,367</u>	<u>\$ -</u>	<u>\$ (182,375)</u>	<u>\$ (206,610)</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, 2014

	TIF No. 27	TIF No. 28	TIF No. 29	TIF No. 31	TIF No. 32
REVENUES					
Taxes	\$ 510	\$ -	\$ 21,712	\$ -	\$ 957,976
Investment income	289	-	95	-	14,638
State and federal aids	1,360	-	2,844	3,503	128,100
Service charges and other	339	-	-	-	22,006
Guaranteed payment	-	1,992	-	-	-
Total Revenues	<u>2,498</u>	<u>1,992</u>	<u>24,651</u>	<u>3,503</u>	<u>1,122,720</u>
EXPENDITURES					
Current					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Recreation and parks	-	-	-	-	-
Community and economic development	1,216	150	5,546	6,307	122,043
Library	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest charges	-	83	-	-	-
Total Expenditures	<u>1,216</u>	<u>233</u>	<u>5,546</u>	<u>6,307</u>	<u>122,043</u>
Excess (deficiency) of revenues over expenditures	<u>1,282</u>	<u>1,759</u>	<u>19,105</u>	<u>(2,804)</u>	<u>1,000,677</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	<u>(35,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(35,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(34,568)	1,759	19,105	(2,804)	1,000,677
FUND BALANCES (DEFICIT) -					
Beginning of Year	<u>265,732</u>	<u>(98,257)</u>	<u>103,844</u>	<u>2,804</u>	<u>1,004,901</u>
FUND BALANCES (DEFICIT) -					
END OF YEAR	<u>\$ 231,164</u>	<u>\$ (96,498)</u>	<u>\$ 122,949</u>	<u>\$ -</u>	<u>\$ 2,005,578</u>

TIF No. 33	TIF No. 34	TIF No. 35	Golf Courses	Other Housing Grants	Community Development Block Grant	Industrial Waste Disposal	Innovation Center	Totals
\$ 318,009	\$ 63,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,665,146
1,825	36	10	-	159	273	-	37,583	76,655
1,596	1,167	-	-	370,395	768,859	-	-	2,482,514
11,226	-	-	1,286,227	153,921	160,293	39,816	68,500	4,249,185
-	-	-	-	-	-	-	-	35,566
<u>332,656</u>	<u>64,501</u>	<u>10</u>	<u>1,286,227</u>	<u>524,475</u>	<u>929,425</u>	<u>39,816</u>	<u>106,083</u>	<u>13,509,066</u>
-	-	-	-	-	-	-	-	1,272,874
-	-	-	-	-	-	39,816	-	228,843
-	-	-	1,275,127	-	-	-	-	1,704,085
339,477	80,466	65,742	-	573,147	855,258	-	125,226	6,647,462
-	-	-	-	-	-	-	-	3,590,194
-	-	-	-	-	1,730	-	-	475,120
-	-	243	-	-	-	-	-	1,575
<u>339,477</u>	<u>80,466</u>	<u>65,985</u>	<u>1,275,127</u>	<u>573,147</u>	<u>856,988</u>	<u>39,816</u>	<u>125,226</u>	<u>13,920,153</u>
<u>(6,821)</u>	<u>(15,965)</u>	<u>(65,975)</u>	<u>11,100</u>	<u>(48,672)</u>	<u>72,437</u>	<u>-</u>	<u>(19,143)</u>	<u>(411,087)</u>
-	-	-	-	-	-	-	-	2,511,763
-	-	-	24,000	-	-	-	-	167,495
-	(66,100)	-	-	-	-	-	-	(1,809,458)
-	(66,100)	-	24,000	-	-	-	-	869,800
(6,821)	(82,065)	(65,975)	35,100	(48,672)	72,437	-	(19,143)	458,713
<u>878,253</u>	<u>82,065</u>	<u>(258,457)</u>	<u>-</u>	<u>334,845</u>	<u>510,272</u>	<u>6,466</u>	<u>38,306</u>	<u>6,227,373</u>
<u>\$ 871,432</u>	<u>\$ -</u>	<u>\$ (324,432)</u>	<u>\$ 35,100</u>	<u>\$ 286,173</u>	<u>\$ 582,709</u>	<u>\$ 6,466</u>	<u>\$ 19,163</u>	<u>\$ 6,686,086</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,201,636	\$ 3,201,636	\$ 3,201,636	\$ -
State and federal aids	19,000	19,000	14,636	(4,364)
Service charges and other	<u>741,132</u>	<u>741,132</u>	<u>751,106</u>	<u>9,974</u>
Total Revenues	<u>3,961,768</u>	<u>3,961,768</u>	<u>3,967,378</u>	<u>5,610</u>
EXPENDITURES				
Current				
Library	3,282,123	3,282,123	3,277,689	4,434
Capital Outlay	<u>517,600</u>	<u>517,600</u>	<u>460,489</u>	<u>57,111</u>
Total Expenditures	<u>3,799,723</u>	<u>3,799,723</u>	<u>3,738,178</u>	<u>61,545</u>
Excess of revenues over expenditures	<u>162,045</u>	<u>162,045</u>	<u>229,200</u>	<u>67,155</u>
OTHER FINANCING USES				
Transfer out	<u>(212,045)</u>	<u>(212,045)</u>	<u>(212,045)</u>	<u>-</u>
Total Other Financing Uses	<u>(212,045)</u>	<u>(212,045)</u>	<u>(212,045)</u>	<u>-</u>
Net change in fund balance	(50,000)	(50,000)	17,155	67,155
FUND BALANCES - Beginning of Year	<u>688,798</u>	<u>688,798</u>	<u>688,798</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 638,798</u>	<u>\$ 638,798</u>	<u>\$ 705,953</u>	<u>\$ 67,155</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - JATV-12
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 169,000	\$ 169,000	\$ 187,777	\$ 18,777
EXPENDITURES				
Current				
Library	144,350	144,350	138,160	6,190
Capital Outlay	44,650	44,650	12,901	31,749
Total Expenditures	189,000	189,000	151,061	37,939
Net change in fund balance	(20,000)	(20,000)	36,716	56,716
FUND BALANCES - Beginning of Year	335,149	335,149	335,149	-
FUND BALANCES - END OF YEAR	\$ 315,149	\$ 315,149	\$ 371,865	\$ 56,716

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - OAK HILL CEMETERY
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 9	\$ (4,991)
Service charges and other	<u>153,500</u>	<u>153,500</u>	<u>142,290</u>	<u>(11,210)</u>
Total Revenues	<u>158,500</u>	<u>158,500</u>	<u>142,299</u>	<u>(16,201)</u>
EXPENDITURES				
Current				
Recreation and parks	<u>247,135</u>	<u>247,135</u>	<u>242,893</u>	<u>4,242</u>
Total Expenditures	<u>247,135</u>	<u>247,135</u>	<u>242,893</u>	<u>4,242</u>
Excess (deficiency) of revenues over expenditures	<u>(88,635)</u>	<u>(88,635)</u>	<u>(100,594)</u>	<u>(11,959)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	(13,635)	(13,635)	(25,594)	(11,959)
FUND BALANCES - Beginning of Year	<u>222,114</u>	<u>222,114</u>	<u>222,114</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 208,479</u>	<u>\$ 208,479</u>	<u>\$ 196,520</u>	<u>\$ (11,959)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GOLF COURSES
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 1,241,016	\$ 1,241,016	\$ 1,286,227	\$ 45,211
EXPENDITURES				
Current				
Recreation and parks	1,266,406	1,266,406	1,275,127	(8,721)
Total Expenditures	1,266,406	1,266,406	1,275,127	(8,721)
Excess (deficiency) of revenues over expenditures	(25,390)	(25,390)	11,100	36,490
OTHER FINANCING SOURCES				
Transfers in	24,000	24,000	24,000	-
Net change in fund balance	(1,390)	(1,390)	35,100	36,490
FUND BALANCES - Beginning of Year	-	-	-	-
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (1,390)	\$ (1,390)	\$ 35,100	\$ 36,490

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER HOUSING GRANTS For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 159	\$ 159
State and federal aids	621,537	671,595	370,395	(301,200)
Service charges and other	112,100	112,100	153,921	41,821
Total Revenues	<u>733,637</u>	<u>783,695</u>	<u>524,475</u>	<u>(259,220)</u>
EXPENDITURES				
Current				
Community and economic development	870,245	920,303	573,147	347,156
Total Expenditures	<u>870,245</u>	<u>920,303</u>	<u>573,147</u>	<u>347,156</u>
Net change in fund balance	(136,608)	(136,608)	(48,672)	87,936
FUND BALANCES - Beginning of Year	<u>334,845</u>	<u>334,845</u>	<u>334,845</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 198,237</u>	<u>\$ 198,237</u>	<u>\$ 286,173</u>	<u>\$ 87,936</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and federal aids	\$ 929,549	\$ 1,031,962	\$ 768,859	\$ (263,103)
Service charges and other	100,590	100,590	160,566	59,976
Total Revenues	<u>1,030,139</u>	<u>1,132,552</u>	<u>929,425</u>	<u>(203,127)</u>
EXPENDITURES				
Current				
Community and economic development	1,176,317	1,273,667	855,258	418,409
Capital Outlay	2,140	2,140	1,730	410
Total Expenditures	<u>1,178,457</u>	<u>1,275,807</u>	<u>856,988</u>	<u>418,819</u>
Net change in fund balance	(148,318)	(143,255)	72,437	215,692
FUND BALANCES - Beginning of Year	<u>510,272</u>	<u>510,272</u>	<u>510,272</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 361,954</u>	<u>\$ 367,017</u>	<u>\$ 582,709</u>	<u>\$ 215,692</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 66,698	\$ 66,698	\$ 39,816	\$ (26,882)
EXPENDITURES				
Current				
Public works	66,698	66,698	39,816	26,882
Net change in fund balance	-	-	-	-
FUND BALANCES - Beginning of Year	6,466	6,466	6,466	-
FUND BALANCES - END OF YEAR	\$ 6,466	\$ 6,466	\$ 6,466	\$ -

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 36,097	\$ 36,097	\$ 68,457	\$ 32,360
Special assessments	584,000	584,000	805,772	221,772
Total Revenues	<u>620,097</u>	<u>620,097</u>	<u>874,229</u>	<u>254,132</u>
EXPENDITURES				
Debt Service				
Principal retirement	8,335,000	8,335,000	9,650,000	(1,315,000)
Interest and fiscal charges	1,225,771	1,225,771	1,318,854	(93,083)
Total Expenditures	<u>9,560,771</u>	<u>9,560,771</u>	<u>10,968,854</u>	<u>(1,408,083)</u>
Excess (deficiency) of revenues over expenditures	<u>(8,940,674)</u>	<u>(8,940,674)</u>	<u>(10,094,625)</u>	<u>(1,153,951)</u>
OTHER FINANCING SOURCES				
Refunding debt issued	-	-	1,315,000	1,315,000
Premium on long-term debt	-	-	96,759	96,759
Transfers in	8,940,674	8,940,674	9,050,119	109,445
Total Other Financing Sources	<u>8,940,674</u>	<u>8,940,674</u>	<u>10,461,878</u>	<u>1,521,204</u>
Net change in fund balance	-	-	367,253	367,253
FUND BALANCES - Beginning of Year	<u>628,759</u>	<u>628,759</u>	<u>628,759</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 628,759</u>	<u>\$ 628,759</u>	<u>\$ 996,012</u>	<u>\$ 367,253</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 170,728	\$ 170,728
State and federal aids	-	-	3,595,255	3,595,255
Special assessments	-	-	300,965	300,965
Service charges and other	-	-	96,032	96,032
Total Revenues	<u>-</u>	<u>-</u>	<u>4,162,980</u>	<u>4,162,980</u>
EXPENDITURES				
Capital Outlay	<u>16,636,000</u>	<u>16,636,000</u>	<u>14,380,609</u>	<u>2,255,391</u>
Total Expenditures	<u>16,636,000</u>	<u>16,636,000</u>	<u>14,380,609</u>	<u>2,255,391</u>
Excess (deficiency) of revenues over expenditures	<u>(16,636,000)</u>	<u>(16,636,000)</u>	<u>(10,217,629)</u>	<u>6,418,371</u>
OTHER FINANCING SOURCES				
Long-term debt issued	15,129,000	15,129,000	9,573,237	(5,555,763)
Transfers in	<u>1,507,000</u>	<u>1,507,000</u>	<u>1,555,438</u>	<u>48,438</u>
Total Other Financing Sources	<u>16,636,000</u>	<u>16,636,000</u>	<u>11,128,675</u>	<u>(5,507,325)</u>
Net change in fund balance	-	-	911,046	911,046
FUND BALANCES - Beginning of Year	<u>10,200,942</u>	<u>10,200,942</u>	<u>10,200,942</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,200,942</u>	<u>\$ 10,200,942</u>	<u>\$ 11,111,988</u>	<u>\$ 911,046</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, 2014

	Stormwater Utility	Transit System	Totals
ASSETS			
Current Assets			
Cash	\$ 375,689	\$ -	\$ 375,689
Accounts receivable	255,770	671,846	927,616
Unbilled revenue	369,882	-	369,882
Due from other funds	-	-	-
Inventories	-	260,164	260,164
Total Current Assets	1,001,341	932,010	1,933,351
Noncurrent Assets			
Restricted Assets			
Construction account	198,164	-	198,164
Total Noncurrent Assets	198,164	-	198,164
Utility Plant			
Land	-	710,031	710,031
Utility plant in service (at cost)	7,916,953	15,738,037	23,654,990
Construction work in progress	32,711	-	32,711
Accumulated depreciation	(1,347,361)	(5,468,421)	(6,815,782)
Net Plant	6,602,303	10,979,647	17,581,950
Total Noncurrent Assets	6,800,467	10,979,647	17,780,114
Total Assets	\$ 7,801,808	\$ 11,911,657	\$ 19,713,465

	Stormwater Utility	Transit System	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 49,714	\$ 129,742	\$ 179,456
Accrued salaries and wages	100,487	217,713	318,200
Accrued interest	18,883	-	18,883
Due to other funds	-	499,254	499,254
Current portion of long-term G.O. debt	410,000	-	410,000
Total Current Liabilities	<u>579,084</u>	<u>846,709</u>	<u>1,425,793</u>
Noncurrent Liabilities			
General obligation long-term debt payable	1,494,842	-	1,494,842
Other post employment benefits	-	519,943	519,943
Total Noncurrent Liabilities	<u>1,494,842</u>	<u>519,943</u>	<u>2,014,785</u>
Total Liabilities	<u>\$ 2,073,926</u>	<u>\$ 1,366,652</u>	<u>\$ 3,440,578</u>
NET POSITION			
Net Investment in capital assets	\$ 4,895,625	\$ 10,979,647	\$ 15,875,272
Unrestricted (deficit)	<u>832,257</u>	<u>(434,642)</u>	<u>397,615</u>
TOTAL NET POSITION	<u>\$ 5,727,882</u>	<u>\$ 10,545,005</u>	<u>\$ 16,272,887</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2014

	<u>Stormwater Utility</u>	<u>Transit System</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 2,077,929	\$ 573,394	\$ 2,651,323
Total Operating Revenues	<u>2,077,929</u>	<u>573,394</u>	<u>2,651,323</u>
OPERATING EXPENSES			
Operation and maintenance	1,414,728	3,605,973	5,020,701
Depreciation	181,554	545,068	726,622
Total Operating Expenses	<u>1,596,282</u>	<u>4,151,041</u>	<u>5,747,323</u>
Operating Income (Loss)	<u>481,647</u>	<u>(3,577,647)</u>	<u>(3,096,000)</u>
NONOPERATING REVENUES (EXPENSES)			
Federal operating grants	-	1,173,476	1,173,476
State operating grants	-	918,418	918,418
Local operating subsidy	-	153,958	153,958
Investment income	152	-	152
Interest expense	(38,612)	-	(38,612)
Amortization expense	(1,475)	-	(1,475)
Total Nonoperating Revenues (Expenses)	<u>(39,935)</u>	<u>2,245,852</u>	<u>2,205,917</u>
Income (Loss) Before Contributions and Transfers	441,712	(1,331,795)	(890,083)
CAPITAL CONTRIBUTIONS	99,684	7,930,313	8,029,997
TRANSFERS IN	<u>-</u>	<u>800,509</u>	<u>800,509</u>
Net Change in Net Position	541,396	7,399,027	7,940,423
NET POSITION - Beginning of Year	<u>5,186,486</u>	<u>3,145,978</u>	<u>8,332,464</u>
NET POSITION - END OF YEAR	<u>\$ 5,727,882</u>	<u>\$ 10,545,005</u>	<u>\$ 16,272,887</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2014

	Stormwater Utility	Transit System	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,072,608	\$ 563,906	\$ 2,636,514
Cash paid to suppliers for goods and services	(642,129)	(1,096,782)	(1,738,911)
Cash payments to employees for services	(809,830)	(2,458,719)	(3,268,549)
Net Cash Flows From Operating Activities	<u>620,649</u>	<u>(2,991,595)</u>	<u>(2,370,946)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidies received - federal	-	880,107	880,107
Subsidies received - state	-	1,047,264	1,047,264
Subsidies received - local	-	111,220	111,220
Negative cash balance implicitly financed for other utilities	-	192,164	192,164
Transfers from other funds	-	760,840	760,840
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>2,991,595</u>	<u>2,991,595</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash used to retire debt	(467,000)	-	(467,000)
Interest paid	(45,005)	-	(45,005)
Contributions and assessments for construction	-	39,670	39,670
Acquisition and construction of capital assets	(244,703)	(39,670)	(284,373)
Proceeds from long term debt issued	191,000	-	191,000
Issuance cost of new debt	(748)	-	(748)
Net Cash Flows From Capital and Related Financing Activities	<u>(566,456)</u>	<u>-</u>	<u>(566,456)</u>
Net Change in Cash and Cash Equivalents	54,193	-	54,193
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>519,660</u>	<u>-</u>	<u>519,660</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 573,853</u>	<u>\$ -</u>	<u>\$ 573,853</u>

	Stormwater Utility	Transit System	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 481,647	\$ (3,577,647)	\$ (3,096,000)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income (Loss)			
Depreciation	181,554	545,068	726,622
Change in Noncash Components of Working Capital			
Accounts receivable	(109,049)	(9,488)	(118,537)
Due from other funds	103,728	-	103,728
Inventories	-	(26,450)	(26,450)
Prepaid items	-	-	-
Accounts payable	(53,452)	50,621	(2,831)
Other current liabilities	16,221	414	16,635
Other post employment benefits	-	25,887	25,887
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 620,649</u>	<u>\$ (2,991,595)</u>	<u>\$ (2,370,946)</u>
Cash and investments - statement of net position	\$ 375,689	\$ -	\$ 375,689
Restricted cash and investments - statement of net position	<u>198,164</u>	<u>-</u>	<u>198,164</u>
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	<u>\$ 573,853</u>	<u>\$ -</u>	<u>\$ 573,853</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2014, \$5,495 of capital interest was charged due to construction in the stormwater utility. Also \$99,684 of capital additions were contributed to the Stormwater utility by Tax Incremental Financing (TIF). In addition, \$7,930,313 of capital additions were contributed to the transit system by the municipality.

SUPPLEMENTARY INFORMATION

MAJOR PROPRIETARY FUNDS

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

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

JANESVILLE WATER UTILITY

UTILITY PLANT
December 31, 2014

	Balance 1-1-14	2014 Additions	Retirements	Balance 12-31-14
SOURCE OF SUPPLY				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	2,301,834	-	-	2,301,834
Total Source of Supply	<u>2,505,251</u>	<u>-</u>	<u>-</u>	<u>2,505,251</u>
PUMPING				
Land and land rights	11,565	-	-	11,565
Structures and improvements	4,260,499	-	-	4,260,499
Electric pumping equipment	4,376,215	-	-	4,376,215
Total Pumping	<u>8,648,279</u>	<u>-</u>	<u>-</u>	<u>8,648,279</u>
WATER TREATMENT				
Water treatment equipment	<u>227,004</u>	<u>-</u>	<u>1,512</u>	<u>225,492</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	44,203,608	1,762,574	53,194	45,912,988
Services	6,073,164	734,064	5,713	6,801,515
Meters	3,500,945	357,689	99,456	3,759,178
Hydrants	2,858,827	130,120	5,414	2,983,533
Total Transmission and Distribution	<u>60,150,412</u>	<u>2,984,447</u>	<u>163,777</u>	<u>62,971,082</u>
GENERAL				
Structures and improvements	816,895	-	-	816,895
Office furniture and equipment	37,255	-	948	36,307
Transportation equipment	762,060	-	-	762,060
Stores equipment	15,938	-	-	15,938
Tools, shop and garage equipment	171,526	4,869	15,674	160,721
Power operated equipment	661,997	64,700	72,800	653,897
Communication equipment	1,052,209	-	-	1,052,209
Computer equipment	968,632	84,978	21,754	1,031,856
Total General	<u>4,486,512</u>	<u>154,547</u>	<u>111,176</u>	<u>4,529,883</u>
TOTAL PLANT IN SERVICE	<u>\$ 76,017,458</u>	<u>\$ 3,138,994</u>	<u>\$ 276,465</u>	<u>\$ 78,879,987</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2014 and 2013

OPERATING REVENUES	<u>2014</u>	<u>2013</u>
Sales of Water		
Metered Sales		
Residential	\$ 3,234,222	\$ 3,313,483
Residential Multi-Family	337,476	-
Commercial	731,408	1,163,756
Industrial	1,375,036	1,455,678
Public authorities	239,463	267,885
Private fire protection	54,880	53,830
Public fire protection	<u>1,025,997</u>	<u>1,013,250</u>
Total Sales of Water	<u>6,998,482</u>	<u>7,267,882</u>
Other Operating Revenues		
Forfeited discounts	65,730	48,203
Water department rentals	61,880	62,507
Other water revenues	<u>73,857</u>	<u>76,757</u>
Total Other Operating Revenues	<u>201,467</u>	<u>187,467</u>
Total Operating Revenues	<u>7,199,949</u>	<u>7,455,349</u>
OPERATING EXPENSES		
Operation and Maintenance		
Source of Supply		
Miscellaneous source of supply	47,185	84,965
Maintenance of wells	<u>52,900</u>	<u>49,336</u>
Total Source of Supply	<u>100,085</u>	<u>134,301</u>
Pumping		
Fuel or power purchased for pumping	479,549	471,880
Pumping labor	108,312	107,675
Maintenance of buildings and grounds	63,166	84,445
Maintenance of structures and improvements	11,494	12,973
Maintenance of pumping equipment	<u>91,226</u>	<u>93,263</u>
Total Pumping	<u>753,747</u>	<u>770,236</u>
Water Treatment		
Chemicals	32,701	41,491
Operation labor	<u>39,573</u>	<u>34,271</u>
Total Water Treatment	<u>72,274</u>	<u>75,762</u>
Transmission and Distribution		
Transmission and distribution line expenses	350,237	117,885
Meter expenses	49,544	41,631
Maintenance of distribution reservoirs	804	712
Maintenance of mains	499,609	428,864
Maintenance of services	230,213	160,859
Maintenance of meters	19,943	20,278
Maintenance of hydrants	<u>83,936</u>	<u>61,256</u>
Total Transmission and Distribution	<u>1,234,286</u>	<u>831,485</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 41,452	\$ 40,118
Meter reading expense	31,161	31,374
Customer records and collection	121,146	105,839
Customer service and information	70,258	59,283
Total Customer Accounts	<u>264,017</u>	<u>236,614</u>
Administrative and General		
Administrative and general salaries	372,522	373,899
Office supplies	25,027	27,197
Outside services employed	5,082	43,693
Property insurance	9,836	10,494
Injuries and damages	38,856	39,882
Employees pensions and benefits	561,973	590,851
Regulatory commission	372	125
Rents	20,658	19,153
Maintenance of general plant	17,907	20,484
Total Administrative and General	<u>1,052,233</u>	<u>1,125,778</u>
Total Operation and Maintenance	3,476,642	3,174,176
Depreciation	1,662,376	1,749,151
Taxes	1,397,149	1,481,154
Total Operating Expenses	<u>6,536,167</u>	<u>6,404,481</u>
Taxes reported as transfers out	<u>1,306,822</u>	<u>1,400,970</u>
 OPERATING INCOME	 <u>\$ 1,970,604</u>	 <u>\$ 2,451,838</u>

* Amount includes the payment in lieu of tax (PILOT) of \$1,306,822 which is shown as a transfer out on the statement of revenues, expenses, and changes in net assets.

JANESVILLE WATER UTILITY

RATE OF RETURN - REGULATORY BASIS

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Utility Plant in Service		
Beginning of year	\$ 49,436,609	\$ 48,500,092
End of year	<u>51,813,312</u>	<u>49,436,609</u>
Average	<u>50,624,960</u>	<u>48,968,351</u>
Accumulated Depreciation		
Beginning of year	(16,089,087)	(14,343,908)
End of year	<u>(17,208,045)</u>	<u>(16,089,087)</u>
Average	<u>(16,648,566)</u>	<u>(15,466,498)</u>
Materials and Supplies		
Beginning of year	299,301	328,191
End of year	<u>292,170</u>	<u>299,301</u>
Average	<u>295,736</u>	<u>313,746</u>
Average Balance - Regulatory Liability	<u>1,365,624</u>	<u>1,509,374</u>
 AVERAGE NET RATE BASE	 <u>\$ 32,906,506</u>	 <u>\$ 32,306,225</u>
 OPERATING INCOME	 <u>\$ 1,154,954</u>	 <u>\$ 1,569,776</u>
 RATE OF RETURN (PERCENT)	 <u>3.51</u>	 <u>4.86</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 \$418,931 depreciation expense on contributed capital, Other Post Employment Benefits of \$72,241, and includes tax equivalent payment of \$1,306,822 reported as a transfer out.

JANESVILLE WASTEWATER UTILITY

UTILITY PLANT
December 31, 2014

	Balance 1-1-14	Additions	Retirements	Balance 12-31-14
COLLECTION SYSTEM				
Collecting mains	\$ 52,219,711	\$ 1,376,845	\$ 10,470	\$ 53,586,086
Collection system equipment	1,250,722	15,551	41,345	1,224,928
Total Collection System	<u>53,470,433</u>	<u>1,392,396</u>	<u>51,815</u>	<u>54,811,014</u>
TREATMENT AND DISPOSAL				
Land	18,000	-	-	18,000
Buildings and structures	20,921,523	34,382	-	20,955,905
Preliminary treatment equipment	2,538,688	-	-	2,538,688
Primary treatment equipment	1,661,739	-	-	1,661,739
Secondary treatment equipment	4,635,007	-	-	4,635,007
Disinfection equipment	391,753	-	-	391,753
Sludge treatment and disposal equipment	8,337,815	-	323,524	8,014,291
Plant sitework and piping	7,208,392	-	-	7,208,392
Metering, sampling and testing equipment	129,402	-	8,955	120,447
Other treatment and disposal equipment	1,558,013	-	3,585	1,554,428
Electrical and HVAC	5,323,940	-	-	5,323,940
Total Treatment and Disposal	<u>52,724,272</u>	<u>34,382</u>	<u>336,064</u>	<u>52,422,590</u>
GENERAL				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	141,998	72,487	-	214,485
Office equipment	65,646	-	-	65,646
Miscellaneous equipment	302,707	2,155	-	304,862
Computer equipment	1,287,459	53,696	2,100	1,339,055
Total General	<u>1,883,827</u>	<u>128,338</u>	<u>2,100</u>	<u>2,010,065</u>
TOTAL UTILITY PLANT	<u>\$ 108,078,532</u>	<u>\$ 1,555,116</u>	<u>\$ 389,979</u>	<u>\$ 109,243,669</u>

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. These were called and refunded in 2013 at a 2.1% interest rate.

CITY OF JANESVILLE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2014

	<u>Vehicle Operation & Maintenance</u>	<u>Insurance</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ -	\$ 3,683,766	\$ 3,683,766
Accounts receivable	18,140	116,728	134,868
Due from other funds	-	584,332	584,332
Inventories	351,984	-	351,984
Prepaid items	-	10,000	10,000
Deposits with risk pool	-	<u>1,604,120</u>	<u>1,604,120</u>
 Total Assets	 <u>370,124</u>	 <u>5,998,946</u>	 <u>6,369,070</u>
LIABILITIES			
Current Liabilities			
Accounts payable	40,952	115,785	156,737
Claims payable	-	1,872,054	1,872,054
Accrued salaries and wages	106,858	8,425	115,283
Due to other funds	<u>584,332</u>	<u>-</u>	<u>584,332</u>
Total Liabilities	<u>732,142</u>	<u>1,996,264</u>	<u>2,728,406</u>
NET POSITION			
Unrestricted (deficit)	<u>(362,018)</u>	<u>4,002,682</u>	<u>3,640,664</u>
 TOTAL NET POSITION	 <u>\$ (362,018)</u>	 <u>\$ 4,002,682</u>	 <u>\$ 3,640,664</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
OPERATING REVENUES				
Charges for services	\$ 4,173,877	\$ 10,078,751	\$ 51,869	\$ 14,304,497
OPERATING EXPENSES				
Operation and maintenance	3,134,191	10,270,104	-	13,404,295
Operating Income (Loss)	1,039,686	(191,353)	51,869	900,202
OTHER FINANCING USES				
Transfers out	(1,507,000)	-	(51,869)	(1,558,869)
Total Other Financing Uses	(1,507,000)	-	(51,869)	(1,558,869)
Net Change in Net Position	(467,314)	(191,353)	-	(658,667)
NET POSITION - Beginning of Year	105,296	4,194,035	-	4,299,331
NET POSITION (DEFICIT) - END OF YEAR	\$ (362,018)	\$ 4,002,682	\$ -	\$ 3,640,664

CITY OF JANESVILLE

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2014**

	<u>Vehicle Operation & Maintenance</u>	<u>Insurance</u>	<u>Benefits Funding</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from other funds for services	\$ 4,174,233	\$ 10,096,748	\$ 51,869	\$ 14,322,850
Cash paid to suppliers for goods and services	(2,294,806)	(9,654,475)	-	(11,949,281)
Cash payments to employees for services	(970,068)	(95,051)	-	(1,065,119)
Net Cash Flows From Operating Activities	<u>909,359</u>	<u>347,222</u>	<u>51,869</u>	<u>1,308,450</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	(1,507,000)	-	(51,869)	(1,558,869)
Cash received (paid) to cover deficit	<u>584,332</u>	<u>(584,332)</u>	<u>-</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>(922,668)</u>	<u>(584,332)</u>	<u>(51,869)</u>	<u>(1,558,869)</u>
Net Change in Cash and Cash Equivalents	(13,309)	(237,110)	-	(250,419)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>13,309</u>	<u>3,920,876</u>	<u>-</u>	<u>3,934,185</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 3,683,766</u>	<u>\$ -</u>	<u>\$ 3,683,766</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,039,686	\$ (191,353)	\$ 51,869	\$ 900,202
Change in Assets and Liabilities				
Accounts receivable	356	17,998	-	18,354
Inventories	(45,567)	-	-	(45,567)
Prepaid items	-	3,607	-	3,607
Accounts payable	(94,847)	(7,925)	-	(102,772)
Accrued liabilities	<u>9,731</u>	<u>524,895</u>	<u>-</u>	<u>534,626</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 909,359</u>	<u>\$ 347,222</u>	<u>\$ 51,869</u>	<u>\$ 1,308,450</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None

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, 2014

	Agency		Totals
	Tax Collection Fund	Disposal Site Study Fund	
ASSETS			
Cash and investments	\$ 27,178,329	\$ 178	\$ 27,178,507
Taxes receivable	39,658,398	-	39,658,398
TOTAL ASSETS	\$ 66,836,727	\$ 178	\$ 66,836,905
LIABILITIES			
Due to other taxing units	\$ 66,836,276	\$ -	\$ 66,836,276
Accounts payable	451	-	451
Due to landfill users	-	178	178
TOTAL LIABILITIES	\$ 66,836,727	\$ 178	\$ 66,836,905

CITY OF JANESVILLE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Year Ended December 31, 2014

Agency	Balance 1-1-14	Additions	Deductions	Balance 12-31-14
TAX COLLECTION				
Assets				
Investments and taxes receivable	\$ 69,614,293	\$ 66,836,727	\$ 69,614,293	\$ 66,836,727
Liabilities				
Due to other government units and other units	\$ 69,614,293	\$ 66,836,727	\$ 69,614,293	\$ 66,836,727
DISPOSAL SITE STUDY				
Assets				
Investments	\$ 39,979	\$ 178	\$ 39,979	\$ 178
Liabilities				
Due to landfill users	\$ 39,979	\$ 178	\$ 39,979	\$ 178
TOTAL - ALL AGENCY FUNDS				
TOTAL ASSETS	\$ 69,654,272	\$ 66,836,905	\$ 69,654,272	\$ 66,836,905
TOTAL LIABILITIES	\$ 69,654,272	\$ 66,836,905	\$ 69,654,272	\$ 66,836,905

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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 2,590,494
Cash paid to suppliers for goods and services	(2,298,084)
Cash payments to employees for services	<u>(252,872)</u>
Net Cash Flows From Operating Activities	<u>39,538</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>117</u>
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Net Change in Cash and Cash Equivalents	39,655
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CASH AND CASH EQUIVALENTS - Beginning of Year	<u>72,219</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 111,874</u>
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (179,754)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income	
Depreciation	2,490
Change in Assets and Liabilities	
Accounts receivable	150
Prepaid items	208,805
Accounts payable	2,870
Other current liabilities	<u>4,977</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 39,538</u>
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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.

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 118,979,801	\$ 129,298,563	\$ 138,939,061	\$ 142,853,627	\$ 149,239,985	\$ 154,397,316	\$ 157,671,125	\$ 160,445,022	\$ 162,078,352	\$ 159,846,930
Restricted	12,748,007	14,071,084	14,782,242	14,230,324	12,810,959	9,585,005	11,506,652	12,579,140	12,698,813	13,772,602
Unrestricted	(3,227,072)	2,944,405	7,794,820	6,337,164	3,175,936	1,835,281	(1,735,225)	(6,091,774)	(7,608,103)	(12,963,212)
Total governmental activities net assets	\$ 128,500,736	\$ 146,314,052	\$ 161,516,123	\$ 163,421,115	\$ 165,226,880	\$ 165,817,602	\$ 167,442,552	\$ 166,932,388	\$ 167,169,062	\$ 160,656,320
Business-type activities										
Invested in capital assets, net of related debt	\$ 69,207,688	\$ 73,053,861	\$ 75,805,619	\$ 77,890,685	\$ 81,862,742	\$ 86,317,284	\$ 91,220,876	\$ 92,313,711	\$ 91,214,006	\$ 99,763,844
Restricted	3,025,976	3,624,948	4,213,063	4,670,711	5,155,342	6,549,521	5,684,352	6,560,819	7,076,333	7,709,768
Unrestricted	8,909,816	11,426,629	11,878,119	11,533,253	8,456,014	5,911,610	3,402,388	2,746,934	5,170,461	6,238,772
Total business-type activities net assets	\$ 81,143,480	\$ 88,105,438	\$ 91,896,801	\$ 94,094,649	\$ 95,474,098	\$ 98,778,415	\$ 100,307,616	\$ 101,621,464	\$ 103,460,800	\$ 113,712,384
Primary Government										
Invested in capital assets, net of related debt	\$ 186,960,165	\$ 201,271,382	\$ 213,663,638	\$ 219,794,007	\$ 230,357,041	\$ 240,221,347	\$ 248,580,858	\$ 252,638,733	\$ 253,172,358	\$ 259,490,774
Restricted	15,773,983	17,696,032	18,995,305	18,901,035	17,966,301	16,134,526	17,191,004	19,139,959	19,775,146	21,482,370
Unrestricted	6,910,068	15,452,076	20,753,981	18,820,722	12,377,636	8,240,144	1,978,306	(3,224,840)	(2,317,642)	(6,604,440)
Total primary government net assets	\$ 209,644,216	\$ 234,419,490	\$ 253,412,924	\$ 257,515,764	\$ 260,700,978	\$ 264,596,017	\$ 267,750,168	\$ 268,553,852	\$ 270,629,862	\$ 274,368,704

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General Government	\$ 3,740,895	\$ 3,978,852	\$ 3,961,356	\$ 4,133,635	\$ 3,943,921	\$ 4,049,662	\$ 4,186,293	\$ 4,572,485	\$ 4,092,977	\$ 4,477,733
Public Safety	20,670,659	21,744,301	22,534,342	25,394,411	25,838,312	25,148,762	25,466,279	27,928,051	26,449,707	25,081,688
Public Works	12,757,262	14,211,917	14,033,222	15,072,811	15,482,564	16,192,666	16,781,023	16,038,880	19,368,381	23,938,994
Recreation and Parks	3,006,849	3,197,572	3,212,659	3,377,551	3,574,626	3,774,576	4,759,187	4,978,467	4,787,017	4,935,058
Community/Economic Development	3,698,452	3,165,599	5,301,452	4,912,861	5,312,773	3,535,983	5,595,106	5,047,406	4,553,738	8,130,524
Library	4,215,506	4,129,950	4,157,837	4,312,637	4,207,445	4,353,927	4,405,358	3,962,324	3,651,388	3,927,977
Interest and Fiscal Charges	1,760,713	1,926,315	2,051,793	2,069,942	1,916,839	1,764,420	1,566,299	1,450,484	1,469,979	1,315,738
Total governmental activities expenses	49,850,336	52,354,506	55,252,661	59,273,848	60,276,480	58,819,996	62,759,545	63,978,097	64,373,187	71,807,712
Business-type activities:										
Water Utility	4,106,255	4,462,799	4,806,252	4,984,168	5,101,040	5,343,100	5,360,990	5,287,441	5,484,483	5,516,981
Wastewater Utility	6,056,310	6,369,932	6,685,200	6,773,400	6,663,525	6,928,411	7,773,308	8,719,761	8,487,523	8,580,826
Stormwater Utility	717,692	928,324	958,206	1,968,957	1,545,207	1,326,800	1,580,309	1,546,949	1,662,098	1,536,882
Transit	2,519,532	2,765,715	2,979,388	3,297,266	3,345,395	3,368,980	3,482,774	3,617,960	3,771,678	4,142,045
Total business-type activities	13,399,789	14,526,770	15,429,046	17,023,791	16,655,167	16,967,291	18,197,381	19,172,111	19,405,782	19,776,734
Total primary government expenses	\$ 63,250,125	\$ 66,881,276	\$ 70,681,707	\$ 76,297,639	\$ 76,931,647	\$ 75,787,287	\$ 80,956,926	\$ 83,150,208	\$ 83,778,969	\$ 91,584,446
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	362,499	333,106	432,247	242,573	279,735	280,076	392,965	408,798	457,224	363,891
Public Safety	2,354,496	2,422,108	2,616,080	2,583,521	2,624,580	2,700,923	2,904,044	2,878,891	2,960,269	3,181,322
Public Works	4,794,575	5,970,778	6,552,540	6,556,524	5,871,663	7,006,361	8,428,099	6,727,157	6,110,879	6,369,542
Recreation and Parks	867,445	862,011	795,222	747,599	910,454	1,040,506	2,119,722	2,179,915	2,183,098	2,221,913
Community/Economic Development	1,133,023	971,950	1,623,684	729,978	477,580	604,735	1,299,796	2,565,475	960,053	815,156
Library	979,130	1,034,641	1,065,715	1,083,977	1,039,302	1,006,020	995,230	957,961	876,648	938,732
Operating grants and contributions	3,757,672	3,522,875	3,839,593	4,628,312	5,992,828	5,656,639	5,175,981	4,650,278	4,227,501	4,761,005
Capital grants and contributions	6,611,702	18,177,983	6,181,917	4,917,043	4,717,044	1,587,045	2,002,304	2,619,764	5,957,771	5,750,467
Total governmental activities program revenues	20,860,542	33,295,452	23,106,998	21,489,527	21,913,186	19,882,305	23,318,141	22,988,239	23,733,443	24,402,028
Business-type activities:										
Charges for services:										
Water Utility	4,906,617	5,370,442	5,915,168	6,048,253	5,817,708	5,890,963	5,924,663	6,490,726	7,455,349	7,199,949
Wastewater Utility	5,869,743	6,453,636	6,496,484	6,979,210	7,483,921	9,549,391	9,450,506	9,474,307	9,184,305	9,187,862
Stormwater Utility	977,288	1,194,973	1,336,873	1,782,649	1,899,777	2,058,510	2,172,210	2,065,056	2,050,407	2,077,929
Transit	322,404	350,662	410,184	398,439	367,294	408,176	439,180	465,647	547,846	573,394
Operating grants and contributions	1,357,796	1,476,571	1,540,541	2,053,182	1,729,215	1,687,653	1,764,936	1,860,366	2,183,845	2,245,852
Capital grants and contributions	2,334,127	5,586,403	2,694,934	1,573,924	836,969	975,820	395,169	584,516	446,217	7,918,959
Total business-type activities program revenues	15,767,975	20,432,687	18,394,184	18,835,657	18,134,884	20,570,513	20,146,664	20,940,618	21,867,969	29,203,945
Total primary government program revenues	\$ 36,628,517	\$ 53,728,139	\$ 41,501,182	\$ 40,325,184	\$ 40,048,070	\$ 40,452,818	\$ 43,464,805	\$ 43,928,857	\$ 45,601,412	\$ 53,605,973

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$(28,989,794)	\$(19,059,054)	\$(32,145,663)	\$(37,784,321)	\$(38,363,294)	\$(38,937,691)	\$(39,441,404)	\$(40,989,858)	\$(40,639,744)	\$(47,405,684)
Business-type activities	2,368,186	5,905,917	2,965,138	1,811,866	1,479,717	3,603,222	1,949,283	1,768,507	2,462,187	9,427,211
Total primary government net expenses	\$(26,621,608)	\$(13,153,137)	\$(29,180,525)	\$(35,972,455)	\$(36,883,577)	\$(35,334,469)	\$(37,492,121)	\$(39,221,351)	\$(38,177,557)	\$(37,978,473)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 25,810,979	\$ 26,974,983	\$ 28,068,202	\$ 29,301,229	\$ 30,714,943	\$ 30,606,896	\$ 31,527,740	\$ 32,754,235	\$ 32,285,025	\$ 33,431,343
Other taxes	977,531	1,048,915	1,028,488	1,147,714	883,300	947,001	914,183	1,370,092	1,524,835	1,817,507
Intergovernmental revenues	6,596,592	6,602,405	6,558,634	6,565,038	6,588,241	6,195,752	6,116,411	5,413,874	5,518,957	5,495,465
Investment income	1,198,887	1,890,844	2,382,204	1,625,934	920,423	692,506	538,926	340,085	273,606	202,932
Miscellaneous	521,988	634,122	506,719	881,154	757,869	678,983	1,490,349	77,830	565,401	745,445
Transfers	169,078	(278,899)	179,598	168,244	304,273	407,275	478,745	523,578	708,594	(799,750)
Total governmental activities	35,275,055	36,872,370	38,723,845	39,689,313	40,169,049	39,528,413	41,066,354	40,479,694	40,876,418	40,892,942
Business-type activities:										
Investment earnings	412,225	728,931	994,671	542,738	201,160	92,331	58,663	48,028	80,554	15,630
Miscellaneous	11,519	48,211	11,152	11,488	2,845	16,039	-	20,891	5,189	8,993
Transfers	(169,078)	278,899	(179,598)	(168,244)	(304,273)	(407,275)	(478,745)	(523,578)	(708,594)	799,750
Total business-type activities	254,666	1,056,041	826,225	385,982	(100,268)	(298,905)	(420,082)	(454,659)	(622,851)	824,373
Total primary government	\$ 35,529,721	\$ 37,928,411	\$ 39,550,070	\$ 40,075,295	\$ 40,068,781	\$ 39,229,508	\$ 40,646,272	\$ 40,025,035	\$ 40,253,567	\$ 41,717,315
Change in Net Assets										
Governmental activities	\$ 6,285,261	\$ 17,813,316	\$ 6,578,182	\$ 1,904,992	\$ 1,805,755	\$ 590,722	\$ 1,624,950	\$ (510,164)	\$ 236,674	\$ (6,512,742)
Business-type activities	2,622,852	6,961,958	3,791,363	2,197,848	1,379,449	3,304,317	1,529,201	1,313,848	1,839,336	10,251,584
Total primary government	\$ 8,908,113	\$ 24,775,274	\$ 10,369,545	\$ 4,102,840	\$ 3,185,204	\$ 3,895,039	\$ 3,154,151	\$ 803,684	\$ 2,076,010	\$ 3,738,842

CITY OF JANESVILLE, WISCONSIN

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Nonspendable:										
Long-term receivables/ advances	\$ 1,087,119	\$ 990,859	\$ 947,874	\$ 858,212	\$ 686,067	\$ 472,502	\$ 477,324	\$ 484,749	\$ 897,474	\$ 665,851
Inventories and prepaid items	4,146	5,483	4,527	6,271	4,500	41,267	22,539	3,998	3,924	5,324
Assigned	2,495,771	2,529,837	2,578,820	1,231,000	850,000	890,000	825,000	926,435	675,000	635,649
Unassigned	5,027,335	5,465,498	5,283,514	5,678,760	5,689,704	6,091,178	7,747,001	7,622,953	7,977,243	8,051,182
Total General Fund	\$ 8,614,371	\$ 8,991,677	\$ 8,814,735	\$ 7,774,243	\$ 7,230,271	\$ 7,494,947	\$ 9,071,864	\$ 9,038,135	\$ 9,553,641	\$ 9,358,006
All Other Governmental Funds (Reflecting GASB 54 Classification)										
Nonspendable:										
Inventories and prepaid items							\$ 280,810	\$ 292,275	\$ 279,116	\$ 307,255
Restricted reported in:										
Debt service fund							1,277,855	594,456	628,760	996,012
Capital projects fund							9,575,388	7,138,340	5,593,500	7,730,977
Special revenue funds							4,426,799	5,027,057	6,609,164	7,485,418
Committed reported in:										
Sanitation Fund							2,103,725	1,199,147	285,043	(259,812)
Special revenue funds							832,191	956,123	868,257	903,922
Assigned reported in:										
Capital projects fund							1,938,042	3,626,875	4,370,324	3,115,756
Unassigned reported in:										
Special revenue funds							(1,383,868)	(3,731,165)	(1,292,048)	(1,745,254)
Total All Other Governmental Funds							\$ 19,050,942	\$ 15,103,108	\$ 17,342,116	\$ 18,534,274
All Other Governmental Funds (Before GASB 54 Reclassification)										
Reserved:										
Debt service	\$ 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	26,353	376,173	487,540	446,834	346,088	266,891				
Long-term receivables										
Unreserved reported in:										
Capital projects fund	1,369,261	2,998,949	3,783,110	4,859,680	4,828,004	5,389,278				
Special revenue funds	785,704	3,995,522	4,479,880	7,906,814	11,429,728	10,311,458				
Total All Other Governmental Funds	\$ 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) The General Fund balances reflect fund balance classification in accordance with GASB 54.
- (2) 2006 General Fund Assigned Fund balance no longer includes accrued vacation balances.

CITY OF JANESVILLE, WISCONSIN

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue										
Taxes	\$ 26,788,510	\$ 28,023,898	\$ 29,096,691	\$ 30,341,144	\$ 31,583,980	\$ 31,486,289	\$ 32,472,722	\$ 34,122,674	\$ 33,801,567	\$ 35,021,613
Licenses and permits	1,333,531	1,270,877	1,514,044	1,087,422	1,085,092	1,260,490	1,209,307	1,132,445	1,391,212	1,386,431
Investment income, rents and fines	1,730,746	2,639,245	3,030,427	2,242,210	1,479,479	1,253,668	1,156,004	1,078,636	1,204,362	974,095
State and federal aid	10,478,343	10,680,197	10,497,817	11,251,371	13,362,388	12,377,267	12,335,185	10,501,029	13,816,294	13,932,166
Special assessments	3,336,621	8,772,521	6,286,880	4,801,611	1,717,558	917,104	1,141,772	975,738	911,669	1,106,737
Service charges and other	9,311,566	10,968,922	11,148,770	12,069,815	11,817,521	12,165,836	15,411,002	13,231,319	12,790,362	13,165,018
Miscellaneous	144,233	153,883	159,821	104,407	99,507	102,190	74,047	36,029	22,842	35,566
Total revenues	53,123,550	62,509,543	61,734,450	61,897,980	61,145,525	59,562,844	63,800,039	61,077,870	63,938,308	65,621,626
Expenditures										
General government	3,368,825	3,529,577	3,729,418	3,994,415	3,879,345	3,881,072	4,067,662	3,872,629	3,760,368	4,369,122
Public safety	19,743,416	20,574,389	21,559,137	22,566,701	22,957,291	22,888,083	23,612,281	24,793,414	24,222,579	25,204,382
Public works	10,158,845	11,739,975	11,621,929	12,058,457	12,559,211	12,934,530	13,337,435	13,495,489	16,016,740	21,573,865
Recreation and parks	2,716,373	2,901,387	2,935,603	2,830,357	3,109,510	3,215,383	4,292,982	4,258,796	4,279,823	4,396,073
Community and economic devel.	3,315,281	3,121,290	4,093,073	5,712,703	6,108,707	4,934,294	6,038,294	4,605,947	4,410,631	8,079,053
Library	3,557,534	3,584,804	3,237,582	3,370,564	3,301,084	3,403,762	3,485,239	3,237,462	3,477,582	3,590,194
Capital Outlay	8,403,811	11,132,789	14,449,888	8,027,425	9,626,232	8,285,157	7,037,844	12,260,920	8,583,430	2,003,926
Debt Service										
Principal	6,849,210	7,271,807	7,298,749	7,795,055	8,679,586	8,993,416	10,120,021	10,394,441	11,890,000	9,650,000
Interest	1,540,443	1,805,983	2,004,046	2,002,895	2,064,838	1,794,361	1,669,146	1,518,157	1,451,190	1,320,429
Total expenditures	59,653,738	65,662,001	70,929,425	68,358,572	72,285,804	70,330,058	73,660,904	78,437,255	78,092,343	80,187,044
Excess of revenues over (under) expenditures	(6,530,188)	(3,152,458)	(9,194,975)	(6,460,592)	(11,140,279)	(10,767,214)	(9,860,865)	(17,359,385)	(14,154,035)	(14,565,418)
Other financing sources (uses)										
Long-term debt issued	11,196,325	11,515,000	7,920,000	10,285,000	11,450,000	5,200,000	8,880,000	11,500,000	14,333,000	13,400,000
Refunding Debt Issued	-	1,567,024	-	-	6,915,000	-	-	-	-	-
Payment on refunded debt	-	(1,567,024)	-	-	(3,118,770)	(3,930,000)	-	-	-	-
Premium on long-term debt	-	-	-	34,619	-	-	-	93,149	166,399	96,759
Sale of City property	-	-	-	-	-	-	638,477	-	-	-
Transfers in	10,261,894	8,540,484	10,044,808	9,816,701	10,950,498	11,520,300	11,047,314	11,633,579	12,101,368	12,079,874
Transfers out	(10,092,816)	(8,767,707)	(8,645,172)	(8,665,581)	(9,426,802)	(9,750,122)	(9,062,090)	(9,848,906)	(9,692,218)	(10,014,692)
Total other financing sources (uses)	11,365,403	11,287,777	9,319,636	11,470,739	16,769,926	3,040,178	11,503,701	13,377,822	16,908,549	15,561,941
Special Item										
Retirement of prior service	(4,285,000)									
Net change in fund balances	\$ 550,215	\$ 8,135,319	\$ 124,661	\$ 5,010,147	\$ 5,629,647	\$ (7,727,036)	\$ 1,642,836	\$ (3,981,563)	\$ 2,754,514	\$ 996,523
Debt Service as a percentage of noncapital expenditures	16.6%	17.0%	17.8%	16.2%	17.1%	17.4%	17.7%	18.0%	19.2%	16.2%

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>
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%
2013	2014	2,545,961,300	1,056,681,400	147,126,500	1,711,900	152,420,880	3,903,901,980	8.0425	3,793,359,600	102.83%
2014	2015	2,557,899,700	1,059,040,000	144,554,800	1,664,400	151,726,450	3,914,885,350	8.3401	4,005,876,500	97.81%

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>
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
2013	2014	7.1970	0.8455	8.0425	9.7841	1.8703	6.6809	0.1649	26.5427	1.5041	25.0386
2014	2015	7.4889	0.8512	8.3401	9.5788	1.1375	6.8271	0.1737	26.0572	1.5052	24.5520

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>
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
2013	2014	7.1970	0.8455	8.0425	8.8149	1.8703	6.6809	0.1649	25.5735	1.5041	24.0694
2014	2015	7.4889	0.8512	8.3401	8.7458	1.1375	6.8271	0.1737	25.2242	1.5052	23.7190

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
2014 and Nine Years Prior

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Mercy Health System Corp	\$ 60,609,310	1	1.55%	-		--
Wal-Mart and Sam's Club	35,157,070	2	0.90%	-		--
Dean/St Marys	35,054,370	3	0.90%	-		--
Blain Supply Inc.	32,185,790	4	0.82%	25,358,340	3	0.78%
Janesville Mall	30,779,910	5	0.79%	32,486,360	2	1.00%
GHIC Specialty Brands (Lab Safety)	26,923,200	6	0.69%	22,727,400	4	0.70%
Hendricks Commercial Properties	20,045,830	7	0.51%	-		--
Woodmans Food Market	19,974,760	8	0.51%	14,597,540	9	0.45%
Seneca Foods Corporation	18,844,460	9	0.48%	-		--
Menard Inc.	17,914,410	10	0.46%	-		--
Dean/Riverview	-		--	19,388,960	5	0.60%
General Motors	-		--	36,909,310	1	1.13%
Inland Pine Tree LLC	-		--	17,025,900	7	0.52%
James G. Campbell	-		--	13,305,290	10	0.41%
Lemans	-		--	17,959,590	6	0.55%
Norman Weitzel	-		--	15,847,540	8	0.49%
Total	\$ 297,489,110		7.60%	\$ 215,606,230		6.62%

Source: City of Janesville Clerk Treasurer Office

CITY OF JANESVILLE, WISCONSIN

Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Total City Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Total Collections to Date</u>		<u>Outstanding Delinquent PP Taxes 12/31/2013</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
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%	
2008	2009	30,727,505	30,654,028	99.76%	30,706,586	99.93%	20,252
2009	2010	30,679,585	30,552,174	99.58%	30,651,153	99.91%	28,107
2010	2011	31,493,963	31,416,545	99.75%	31,468,249	99.92%	25,067
2011	2012	32,799,590	32,729,830	99.79%	32,729,830	99.79%	48,865
2012	2013	32,388,284	32,326,387	99.81%	32,326,387	99.81%	61,897
2013	2014	33,539,003	33,479,841	99.82%	33,477,106	99.82%	61,897

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

CITY OF JANESVILLE, WISCONSIN

Schedule 9
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 183,505,585	\$ 196,391,710	\$ 208,039,015	\$ 218,503,150	\$ 212,581,825	\$ 199,557,670	\$ 197,038,180	\$ 194,785,310	\$ 189,667,980	\$ 200,293,825
Total net debt applicable to limit	<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>	<u>75,155,000</u>	<u>80,425,000</u>
Legal Debt Margin	<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>	<u>\$ 114,512,980</u>	<u>\$ 119,868,825</u>
Total net debt applicable to limit as a percentage of debt limit	37.74%	40.04%	38.56%	37.77%	41.15%	38.54%	37.97%	38.09%	39.62%	40.15%

Legal Debt Margin Calculation for Fiscal Year 2013	
Equalized Value of Taxable Property	\$ 4,005,876,500
Legal Debt limit (5% of total equalized value)	200,293,825
Less : General Obligation Debt	<u>80,425,000</u>
Legal debt margin	<u>\$ 119,868,825</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			
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	-	24,481,627	24,314,249	101,266,302	5.04%	1,593
2011	51,226,943	-	23,619,967	32,058,342	106,905,252	5.05%	1,683
2012	52,417,532	-	21,915,644	30,442,245	104,775,421	4.60%	1,651
2013	55,005,834	-	20,474,511	30,065,522	105,545,867	N/A	1,660
2014	58,818,338	-	22,027,632	28,245,050	109,091,020	N/A	1,715

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 (1)</u>	<u>Proprietary General Obligation Debt (1)</u>	<u>Total General Obligation Debt (1)</u>	<u>Less: Amounts Reserved For Debt Service</u>	<u>Net General Obligation Debt</u>	<u>Percentage Debt to Equalized Valuation⁽²⁾</u>	<u>Net General Obligation Debt Per Capita⁽³⁾</u>
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	53,590,831	28,986,040	82,576,871	(6,576,009)	76,000,862	1.74%	1,197
2009	60,180,295	27,343,829	87,524,124	(9,003,777)	78,520,347	1.85%	1,237
2010	52,470,426	24,481,627	76,952,053	(2,976,816)	73,975,237	1.85%	1,164
2011	51,226,943	23,619,967	74,846,910	(1,277,855)	73,569,055	1.87%	1,158
2012	52,417,532	21,915,644	74,333,176	(594,456)	73,738,720	1.89%	1,162
2013	55,005,834	20,474,511	75,480,345	(628,759)	74,851,586	1.97%	1,177
2014	58,818,338	22,027,632	80,845,970	(996,012)	79,849,958	2.10%	1,256

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

(1) General Obligation Debt includes premium.

(2) See Schedule 5 for property value data.

(3) See Schedule 14 for population data.

CITY OF JANESVILLE, WISCONSIN

Schedule 12
Direct and Overlapping General Obligation Debt
As of December 31, 2014

<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	\$ 58,818,338 (1)	100.00%	\$ 58,818,338
Rock County	42,395,000	41.75%	17,699,912
School Districts			
Janesville	78,260,000	90.18%	70,574,868
Milton	2,470,000	32.79%	809,913
Blackhawk Technical College	39,885,000	34.70%	13,840,095
	<u>163,010,000</u>		<u>102,924,788</u>
	Total Direct and Overlapping Debt		\$ <u>161,743,126</u>

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

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

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

CITY OF JANESVILLE, WISCONSIN

Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Water Revenue Bonds						Wastewater Revenue Bonds					
	Water Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage	Wastewater Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
			Principal	Interest					Principal	Interest		
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
2013	7,475,202	3,254,360	4,220,842	243,326	77,835	13.1	9,249,792	4,336,475	4,913,317	1,561,759	607,633	2.3
2014	7,213,226	3,566,969	3,646,257	249,571	76,788	11.2	9,199,059	4,567,634	4,631,425	1,640,495	586,800	2.1

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⁾
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	2,276,075,400	35,855	10,308	9.0%
2013	63,600	2,420,234,400	38,054	10,360	8.5%
2014	63,525	N/A	N/A	10,395	0.0%

⁽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
2014 and Nine Years Prior

Employer	2014			2005		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Mercy Health System	3,846	1	12.25%	2,370	2	7.65%
Janesville School District	1,306	2	4.16%	1,400	3	4.52%
Rock County	1,193	3	3.80%	1,300	4	4.20%
Data Dimensions	824	4	2.62%	-	--	--
Granger Brands	625	5	1.99%	-	--	--
SSI Technologies / Bornes	600	6	1.91%	620	7	2.00%
Blain's Supply (Farm & Fleet)	519	7	1.65%	-	--	--
City of Janesville	499	8	1.59%	459	8	1.48%
Wal-Mart Supercenter / Sam's Club	480	9	1.53%	-	--	--
Prent Corporation	460	10	1.46%	-	--	--
J.P. Cullen & Sons, Inc.	460	10	1.46%	-	--	--
St Mary's Janesville Hospital	460	10	1.46%	-	--	--
General Motors	-	--	--	3,900	1	12.59%
Lear Corporation	-	--	--	934	5	3.02%
GHC Specialty Brands (Lab Safety Supply Inc)	-	--	--	750	6	2.42%
Lemans Corp	-	--	--	450	9	1.45%
Dean Health System (Dean Clinic-Janesville East)	-	--	--	415	10	1.34%
Total	11,272		35.89%	12,598		40.68%
Total City Employment	31,406			30,969		

Source: Official Statement for the City of Janesville

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

<http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>

Local Area Unemployment Statistics (LAUS) Query Results

Area	Year	Period	Seasonally Adjusted	Benchmark	Emp	Benchmark	
Janesville City		2005 Annual	No	33588	31406		2014
Janesville City		2014 Annual	No	33038	30969		2014

Wisconsin Department of Workforce Development
Bureau of Workforce Training - Labor Market Information
Query Results - Created on May 12, 2015
<http://WORKnet.Wisconsin.gov>

CITY OF JANESVILLE, WISCONSIN

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (1)</u>	<u>2014</u>
General Government										
City Manager	2.26	2.26	2.56	2.15	2.34	2.34	2.34	2.34	2.84	2.97
Assessor	7.25	7.34	7.34	8.34	7.34	6.94	6.50	6.00	6.00	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	7.77	8.10	7.77	10.56	7.67	9.36	7.00	10.00	7.90	8.20
Administrative Services & Accounting	7.85	6.85	6.54	6.72	6.49	6.34	6.22	5.37	5.63	5.82
Human Resources	2.10	2.10	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.55
Information Technology	<u>3.00</u>	<u>3.00</u>	<u>2.70</u>	<u>2.75</u>	<u>2.75</u>	<u>2.25</u>	<u>2.25</u>	<u>2.25</u>	<u>2.25</u>	<u>2.47</u>
Total General Government	<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>	<u>30.67</u>	<u>32.01</u>
Public Safety										
Police	119.50	119.50	119.50	118.50	118.50	119.50	118.50	117.50	120.42	120.36
Fire	<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>	<u>93.00</u>	<u>93.89</u>
Total Public Safety	<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>	<u>213.42</u>	<u>214.25</u>
Public Works										
Engineering	21.24	20.91	20.33	20.47	18.75	18.40	18.35	18.34	18.53	14.71
DPW/Technical Services	28.32	28.52	28.16	26.77	25.53	26.68	27.18	26.49	27.03	26.61
Sanitation/Landfill	<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>	<u>23.99</u>	<u>21.10</u>
Total Public Works	<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>	<u>69.55</u>	<u>62.42</u>
Recreation & Parks										
Leisure Services	18.69	24.36	24.15	23.31	25.08	21.55	21.37	20.26	22.33	21.51
Parks	<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>	<u>18.25</u>	<u>18.02</u>
Total Recreation & Parks	<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>	<u>40.58</u>	<u>39.53</u>
Community & Economic Development										
Community Development	16.00	16.44	16.20	17.25	17.23	15.14	15.32	14.73	15.12	16.29
Neighborhood Services	<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>	<u>6.97</u>	<u>6.77</u>
Total Community & Economic Development	<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>	<u>22.09</u>	<u>23.06</u>
Library	53.70	53.70	51.90	50.75	51.20	51.45	49.53	49.01	51.33	50.65
Water Utility	18.75	19.09	19.00	20.47	20.49	20.40	19.67	19.59	25.98	25.96
Wastewater Utility	25.64	26.33	24.74	26.43	25.88	25.99	26.22	26.17	28.99	28.57
Stormwater Utility	5.72	6.44	7.45	10.49	10.92	11.22	11.27	11.19	10.65	10.59
Transit	<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>	<u>34.29</u>	<u>34.29</u>
Total Employment	<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>	<u>527.55</u>	<u>521.33</u>

Source: City of Janesville Annual Budget

Note: (1) - With a change in the payroll and budgeting software; full time equivalents now include seasonal employees.

CITY OF JANESVILLE, WISCONSIN

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Assessor										
Real Estate and Mobile Home Assessments	23,679	24,140	24,445	24,050	24,100	24,120	24,535	24,407	24,488	24,513
New Construction, Permits, Sale Reviews	2,958	2,772	3,200	2,590	4,000	2,160	2,005	2,514	2,548	2,604
Attorney										
Case Litigated	13,590	9,764	9,874	9,987	8,447	10,509	8,540	8,450	10,272	10,120
Public Safety										
Police										
Traffic Citations (#)	5,964	5,893	6,094	5,235	5,237	9,320	10,848	10,147	8,550	9,310
Violent Crime Incidents (#)	170	134	158	172	153	170	169	182	168	169
Property Crime Incidents (#)	2,980	2,987	2,740	2,813	2,254	2,423	2,412	2,474	1,962	2,088
Parking Tickets Processed (#)	4,432	4,104	4,104	3,644	2,745	3,313	2,823	2,555	2,484	1,949
Fire										
Fire and EMS Emergency Responses (#)	6,943	6,078	6,298	6,734	6,404	6,708	7,306	7,426	8,194	9,213
Inspections (#)	5,923	6,143	6,201	6,265	6,325	6,460	5,728	5,297	4,030	4,422
Public Works										
Street Maintenance										
Crack Sealing (feet)	20,000	20,000	50,000	20,000	21,000	18,000	65,472	29,251	18,480	-
Street Resurfacing (miles)	10.3	11.5	11.9	10.9	13.5	8.0	6.4	5.2	5.3	6.6
Street Cleaning - Leaf Collection (miles)	213	218	209	222	228	226	218	209	227	224
Traffic Management										
Traffic Signs Installed/Repaired (#)	2,219	1,946	1,155	1,122	1,200	1,739	1,150	1,546	943	1,120
Line Striping (feet)	366,600	363,300	338,000	314,484	248,633	144,899	283,462	269,216	302,685	271,389
Sanitation										
Sanitary Landfill (tons)	180,000	195,700	274,200	274,213	220,849	228,758	185,065	156,804	128,192	90,178
Trash Collection(stops/week)	22,902	23,143	23,393	24,347	23,700	23,700	23,449	23,473	23,732	23,878
VOM - Vehicles Repaired (#)	2,694	2,681	3,244	3,268	2,902	2,879	2,699	2,561	2,806	2,606
Recreation and Parks										
Recreation Program Participants (#)	271,632	276,398	237,022	246,967	230,142	278,198	271,739	267,490	252,906	249,728
Special Events	85	89	90	80	104	105	109	114	100	146
Parks (acres)	2,300	2,400	2,580	2,580	2,590	2,590	2,595	2,595	2,595	2,595
Parks Mowing (acres)	605	655	658	664	666	666	666	666	666	666
Golf Course Rounds Played (#)	61,768	56,627	55,376	58,142	59,734	56,270	53,606	56,368	53,400	53,186
Community/Economic Development										
Permits Issued (#)	4,609	4,481	4,490	3,543	2,866	3,201	2,872	3,068	3,454	3,393
Inspections (#)	10,541	9,149	9,188	7,694	6,687	6,791	6,374	6,000	6,592	6,347
City Development Activity										
New Construction (square feet)	50,000	108,000	315,915	20,000	28,125	532,445	21,000	22,000	17,000	42,925
Value of Projects (dollars)	2,155,100	3,012,000	9,477,450	800,000	1,600,000	33,923,068	775,000	1,796,500	5,560,000	1,303,900
Neighborhood Services										
Complaints Received (#)	1,295	1,450	1,177	1,419	1,778	1,648	1,992	1,586	2,045	1,767
Housing/Nuisance Inspections (#)	3,860	4,056	2,819	3,951	4,632	6,061	7,159	5,356	4,812	4,696
Housing Rehab./Homeownership Loans (#)	34	46	37	64	101	82	70	87	49	53
Library										
Circulation (#)	1,175,430	1,198,251	1,183,981	1,176,691	1,199,606	1,144,919	1,153,991	1,131,907	1,098,377	1,059,057
Registered Patrons (#)	56,872	56,663	59,485	61,812	64,245	66,544	69,542	72,394	64,841	67,556
Water Utility										
Water Pumped (billions of gallons)	4.78	4.51	4.48	4.28	3.88	3.54	3.55	3.52	3.41	3.48
Water Tests (#)	4,545	4,785	4,976	4,797	4,844	4,922	4,611	4,525	4,650	4,525
Water Main Repairs (#)	71	84	128	92	88	87	108	82	114	143
Wastewater Utility										
Sewage Treatment (millions of gallons)	4,632	4,814	5,351	6,728	5,882	5,637	5,083	4,375	4,849	4,723
Laboratory Tests (#)	24,335	24,714	21,845	25,461	24,996	24,635	23,749	22,542	19,944	19,235
Stormwater Utility										
Street Sweeping (miles)	7,041	7,176	7,141	6,688	7,003	7,767	5,887	5,846	5,248	6,256
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	689	906	575	614	600	600	600	600	600	1,208
Catch Basin Cleaning (#)	201	390	193	173	181	212	200	589	319	122
Transit										
Total Route Miles	476,787	475,893	478,329	477,266	471,711	471,711	471,682	501,025	553,104	531,643
Ridership (#)	424,430	431,924	392,306	396,773	352,144	338,739	364,696	393,347	432,739	447,632

Sources: Various City Departments

CITY OF JANESVILLE, WISCONSIN

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	31	31	30	36	37	39	37	37	18	19
Police Squads									23	23
Fire Stations	5	5	5	5	5	5	5	5	5	5
Training Center	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	10	10	10	10	10	10	10	11	11	11
EMS Vehicles (Ambulances)	5	5	5	6	6	6	6	6	6	6
Support Vehicles	11	11	11	11	11	11	11	12	12	12
Public Works:										
Streets (miles)	331	338	345	350	350	350	350	350	350	350
Street Lights (city owned)	1945	2049	2103	2185	2215	2278	2267	2286	2265	2,264
Traffic Signals (intersections)	78	79	79	76	71	71	71	71	72	73
Parks and Recreation:										
Number of Parks	63	63	63	64	64	64	64	66	66	66
Acreage of Parkland	2350	2350	2580	2580	2590	2590	2595	2595	2595	2595
Number of Swimming Pools	3	3	3	3	3	3	3	3	3	3
Water Utility:										
Number of Wells	7	8	8	8	8	8	8	8	8	8
Number of Reservoirs	5	6	6	7	7	7	7	7	7	7
Miles of Water Main	350	354	362	366	367	367	368	368	369	370
Number of Hydrants	2445	2485	2528	2552	2553	2561	2561	2561	2581	2,606
Storage Capacity (million gallons)	14.94	15.34	15.34	15.84	15.84	15.84	15.84	15.84	15.84	16
Production Capacity (million gallons/day)	32	32	32	32	32	35	35	35	35	35
Wastewater Utility:										
Miles of Sanitary Sewer	304	307	313	320	320	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	170	173	177	179	179	180	180	180	180	180
Transit										
Number of Buses	24	23	21	21	21	20	20	17	17	17

Sources: Various City Departments