



**CITY OF JANESVILLE**

*Wisconsin's Park Place*



**Comprehensive Annual  
Financial Report**

**For the Fiscal Year Ended**

**December 31, 2015**



# CITY OF JANESVILLE

*Wisconsin's Park Place:*

*Discover the community of choice  
to realize life's opportunities*

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Prepared By:

Finance Division

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

CITY OF JANESVILLE, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2015

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# CITY OF JANESVILLE

*Wisconsin's Park Place*

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June 23, 2016

## **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, 2015.

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, 2015 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 adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **Budgetary Control**

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

## **Background Information**

The City of Janesville, Wisconsin's tenth largest municipality is located in south central Wisconsin astride the Rock River. Wisconsin's State Capital, the City of Madison, is 40 miles northwest via Interstate 39/90. Other major population/industrial centers in the area include Beloit, Wisconsin and Rockford, Illinois, which are 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 531 full-time and part-time employees.

## **Major Initiatives**

In 2015, the City of Janesville executed the first full year of the City's strategic plan, which included 219 new tasks to improve services provided to Janesville's residents or create new efficiencies in the organization. The additional strategic tasks all support the City's nine strategic goals.

Economic Development worked hard in 2015 to develop the local economy, and facilitated seven tax incremental financing (TIF) agreements that created 1.48 million square feet in new or rehabilitated space; \$90 million in new property value; and 831 new jobs within three years.

The City incorporated the ARISE (Area Redevelopment and Implementation Strategy) Plan into the Comprehensive Plan and began executing the action-based strategy focused on 240 acres in the city's central area riverfront. The City removed four blighted properties from the downtown; rehabilitated Main Street with the WisDOT; began Jackson Street improvements; and began planning for removal of the parking plaza.

2015 was a busy year for infrastructure projects in the Department of Public Works. Construction of the new Central Fire Station began, replacement of the Jackson Street Bridge was completed, the City's first skate park was built in Bond Park and the Riverside Park Splash Pad was constructed. Additionally, approximately 2,000 street lights were converted to LED lighting, creating energy and money savings. A business management plan was developed for the Sanitation Fund, resulting in six new contracts with waste haulers and financial security for the fund.

The Janesville Fire Department replaced and became trained on new self-contained breathing apparatus (SCBA). A replacement fire engine and ambulance were put into service at Fire Station #4.

The Janesville Police Department implemented the DROP (death, rehab or prison) program in response to the community's increased heroin usage. The relationship between the police department and the City's Fourth Ward neighborhood was strengthened through new Small Neighborhood Groups and block parties. In 2015, the department reached the milestone of having 100% of patrol officers wear body-worn video cameras at all times.

The City of Janesville dedicated its first City flag in 2015 following a design contest administered with the School District of Janesville. The Clerk-Treasurer's office reassigned five polling places. Human Resources coordinated 15 employee training programs including City-wide NIMS training. Information Technology upgraded the phone and voicemail systems.

Hedberg Public Library developed a conceptual design for renovation of the main floor of the library, and hosted several successful events, such as the Night at the Library: Murder Mystery.

In 2015, Janesville Transit was recognized as a Dementia Friendly organization, and launched the Google Transit service. The Recreation Division offered three new recreation events (Glow Scramble, Hayrides in the Park and Sundae Fun Day), attracting 675 participants. Neighborhood & Community Services rehabilitated 16 owner-occupied homes and 12 rental units; offered grants to make 19 housing units lead safe; and assisted 33 first-time homebuyers with down-payment and closing cost assistance.

The number of miles of streets rehabilitated in 2015 increased to 8.5 in the first year of a two year initiative to return to 12 miles annually.

### **Economic Condition and Outlook**

Janesville is the county seat of Rock County, Wisconsin, the largest community, and the center of retail activity in the Janesville-Beloit MSA. Statistics from the last two comparable Business Census documents the solid growth of Janesville's commercial base. Since 1990, over 2.0 million square feet of retail space has been constructed in Janesville. Janesville's portion of the \$2.4 billion in retail sales reported for Rock County has grown extensively from 43% in 2007 to 63% in 2015 as reported by ESRI and Infogroup. Rock County in 2015 set a record in overall sales and use tax collections, which demonstrates the continued growth in retail sales activities.

2015 was another successful year with the development of additional retail and commercial projects within the City. These included a teardown of a former Kmart and the site has been redeveloped with a 77,000 square foot Festival Foods Store. The Festival project also included the development of a Potbelly Restaurant and Five Guys Burgers and Fries Restaurant that will be completed in July, 2016. A second two-tenant building which includes a Firehouse Subs was approved and completed in April of 2016. The Janesville Mall completed a rehabilitation of the former JC Penney for conversion of 40,000 square feet (just over half of the space) to Dick's Sporting Goods and a 10,000 square foot ULTA Beauty. A significant commercial redevelopment downtown included the Grey Goose, an existing historic warehouse of over 23,000 square feet which is being converted into office space for a rapidly growing tech business and a local real estate firm.

2015 was one of the largest years of industrial development in the City of Janesville as ever seen. The largest TIF project ever, the Dollar General Distribution Center was approved in September and is currently under construction with an estimated completion of December, 2016. The project includes 124 acres of land with a distribution facility of just over one-million square feet, a semi-truck repair facility and an office building with a project building value of over 40 million dollars. The facility will employ at least 552 by the end of the third year of operation. AM Castle Metals consolidated two out of state facilities in Janesville with a 208,000 square foot manufacturing facility within the east side industrial park. That facility is projected to have a value of over 10 million dollars and will employ at least 90 people by the end of the second year of operation. Capital Circle I Corp constructed a 150,000 square foot speculative building that is now the home of IPM Foods, a soup manufacturer which will employ at least 90 people at full operation. Other projects included a 40,000 square foot addition for Gallina USA, a 20,000 square foot rehabilitation and new production line at Green Tek/CPT and a new aircraft maintenance facility for SC Aviation. In all, the City entered into TIF development agreements for new and rehabilitated space of 1,480,000 square feet with a value of over 90 million

dollars and a guarantee of at least 831 new jobs over the next three years.

One significant project of note that occurred without city participation was the relocation and expansion of Impact Confections which previously had a production facility in Janesville but the headquarters was located in Colorado. In 2015, all operations were consolidated in Janesville and subsequently continue expansion of their growing business.

Regional medical facilities continue their expansion as Dean Heath System started construction of a new Oncology Treatment Center addition to their east side clinic. This represents an investment of \$10 million for the 8,750 square foot space.

Janesville and Rock County have continued in their recovery from the Great Recession with a record setting year. Janesville's continued progressiveness with preparation of industrial sites with necessary infrastructure and its' "speed to market" approach to development review and approvals has positioned the community for continued strong industrial growth which is anticipated to continue.

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, 2014. This was the twenty-second 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.

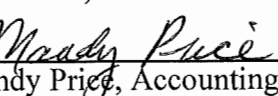
A *Certificate of Achievement* is valid for a period of one year only. We believe that our current *Comprehensive Annual Financial Report* continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **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, Accounting Manager

# DIRECTORY OF OFFICIALS

## CITY OF JANESVILLE, WISCONSIN General Information

### **ELECTED OFFICIALS**

#### CITY COUNCIL

#### TERM EXPIRES

Sam Liebert, Council President	April 2017
Jens Jorgensen, Council Vice President	April 2018
Kay Deupree	April 2017
Richard Gruber	April 2018
Doug Marklein	April 2017
Carol Tidwell	April 2017
Paul Williams	April 2018

#### **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

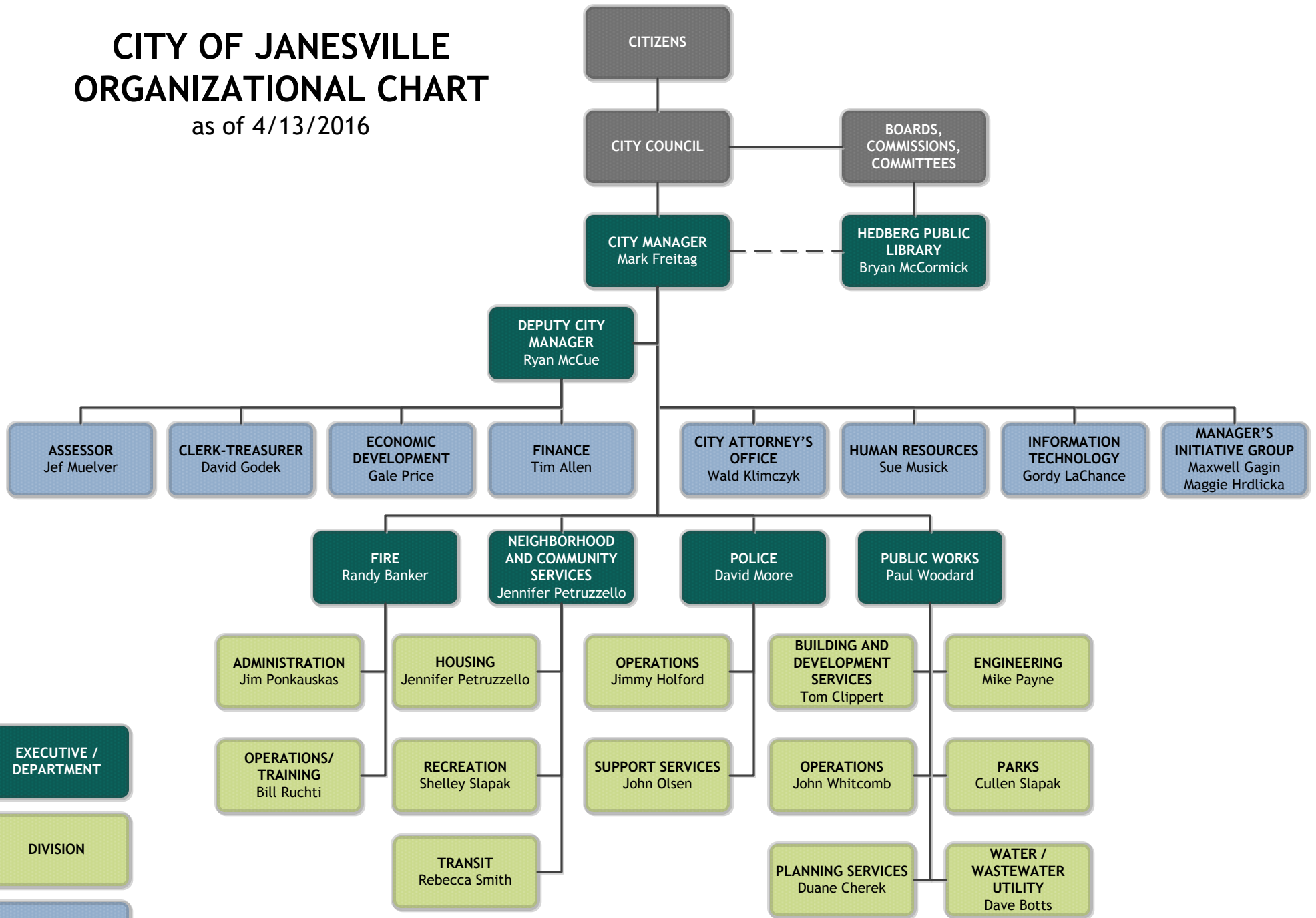
Randy Banker, Fire Chief  
Bryan McCormick, Library Director  
David Moore, Chief of Police  
Jennifer Petruzzello, Director of Neighborhood Services  
Paul Woodard, Director of Public Works

Division Heads

Tim Allen, Finance Director  
Dave Botts, Utility Director  
Duane Cherek, Planning Services Manager  
Tom Clippert, Building & Development Services Manager  
David Godek, City Clerk–Treasurer  
Jef Muelver, City Assessor  
Wald Klimczyk, City Attorney  
Gordy LaChance, Information Technology Manager  
Sue Musick, Human Resources Director  
Mike Payne, City Engineer  
Gale Price, Economic Development Director  
Cullen Slapak, Parks Director  
Shelley Slapak, Recreation Director  
Rebecca Smith, Transit Director  
John Whitcomb, Operations Director

# CITY OF JANESVILLE ORGANIZATIONAL CHART

as of 4/13/2016



EXECUTIVE /  
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, 2014**



Executive Director/CEO



**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, 2015, 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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the City of Janesville adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Janesville's basic financial statements. The supplementary information for the year ended December 31, 2015 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2015, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2015.

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, 2014 (not presented herein), and have issued our report thereon dated June 11, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended December 31, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2014.

*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.



Madison, Wisconsin  
June 23, 2016

## 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, 2015, with comparative data for fiscal year ended December 31, 2014. 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, 2015 by \$294,259,533 (net position). Of this amount, \$265,371,260 represented the City's net investment in capital assets, \$28,860,508 was restricted, and \$27,765 was unrestricted.
- > During the year, the City's total net position increased by \$5,087,978, or 1.8%. This increase indicated that the City's overall financial position improved during 2015. Of this increase, \$501,341 was attributable to business-type activities and \$4,586,637 related to governmental functions.
- > As of December 31, 2015, the City of Janesville's Governmental Funds reported combined ending fund balances of \$22,703,935, a decrease of \$5,188,345, or 18.6%, in comparison with the prior year. Approximately 36% of the fund balance, \$8,148,824 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, 2015, the Assigned and Unassigned Fund Balance for the General Fund was \$7,936,263, or 18.9%, of the 2015 budgeted General Fund operating expenditures.
- > During 2015, actual General Fund revenues and other financing sources were \$309,515 more than the amount budgeted. Expenditures and other financing uses were \$893,555 less than budgeted. The City's original General Fund budget included usage of \$635,649 of Unassigned Fund Balance. The fund balance increased by \$561,339 because of the favorable budget variances totaling \$1,203,070. Primary factors in the expenditure savings are due to budget savings related to holding vacant positions open, lower vehicle fuel and maintenance costs, and delayed timing of IT purchases.
- > The City of Janesville's total notes and revenue bonds outstanding decreased by \$0.1 million to \$108.6 million. General Obligation debt increased \$1.8 million from 2014 and revenue bonds decreased \$1.9 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 - 80 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 81 and 82 of this report.

The additional required supplementary information schedules show the required Wisconsin Retirement System (WRS) net pension asset information as well as the other postemployment benefits (OPEB) information. While WRS is fully funded, the City has not funded the actuarial value of the OPEB. The *Schedule of Funded Status - Other Postemployment Benefits* is found on pages 83-84 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 86 - 122 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, 2015 and 2014 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 \$294 million at the close of 2015. This is an increase of \$19.1 million, or 6.9% over 2014.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 *	2015	2014 *	2015	2014 *
Current and other assets	\$79,236,544	\$77,302,230	\$19,973,467	\$17,900,722	\$99,210,011	\$95,202,952
Capital assets (net)	216,117,892	203,501,360	147,459,907	149,623,615	363,577,799	353,124,975
Total Assets	<u>\$295,354,436</u>	<u>\$280,803,590</u>	<u>\$167,433,374</u>	<u>\$167,524,337</u>	<u>\$462,787,810</u>	<u>\$448,327,927</u>
Deferred outflow s of resources	\$6,623,183	\$0	\$728,576	\$0	\$7,351,759	\$0
Current liabilities	\$7,551,849	\$6,786,715	\$1,411,818	\$2,092,816	\$8,963,667	\$8,879,531
Long-term liabilities	80,348,843	77,803,025	51,117,594	51,719,139	131,466,437	129,522,164
Total Liabilities	<u>\$87,900,692</u>	<u>\$84,589,740</u>	<u>\$52,529,412</u>	<u>\$53,811,955</u>	<u>\$140,430,104</u>	<u>\$138,401,695</u>
Deferred inflow s of revenues	\$35,449,933	\$34,785,284	\$0	\$0	\$35,449,933	\$34,785,284
<u>Net Position:</u>						
Net investment in capital assets	\$166,599,500	\$160,797,187	\$99,568,760	\$99,851,686	\$265,371,260	\$259,755,873
Restricted	20,037,322	13,599,327	8,823,186	7,605,754	28,860,508	21,205,081
Unrestricted (deficit)	<u>(8,009,828)</u>	<u>(12,967,948)</u>	<u>7,240,593</u>	<u>6,254,942</u>	<u>27,765</u>	<u>(5,820,006)</u>
Total Net Position	<u>\$178,626,994</u>	<u>\$161,428,566</u>	<u>\$115,632,539</u>	<u>\$113,712,382</u>	<u>\$294,259,533</u>	<u>\$275,140,948</u>

\* 2014 amounts have not been restated for the implementation of GASB 68.

The largest portion of the City of Janesville's net position (approximately 90.2%) 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 9.8%) represents resources that are subject to external restrictions, such as grants, on how they may be used. The remaining balance is an Unrestricted Net Position of \$27,765.

Net position increased by \$17,198,425 (10.7%) for governmental activities and increased \$1,920,157 (1.7%) for business-type activities during the current year. Most of this increase was due to the restatement for GASB 68 – \$12,611,791 and \$1,418,816, respectively. The operational increase of \$4,586,637 and \$501,341, respectively, indicates that the City's overall financial position improved during 2015.

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	
	2015	2014 *	2015	2014 *	2015	2014 *
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 15,986,148	\$ 13,890,556	\$ 18,708,121	\$ 19,039,134	\$ 34,694,269	\$ 32,929,690
Operating Grants & Contributions	4,424,256	4,761,005	2,124,992	2,245,852	6,549,248	7,006,857
Capital Grants & Contributions	6,890,533	5,750,467	7,934	1,294,708	6,898,467	7,045,175
<b>General Revenues:</b>						
Property Taxes	34,544,522	33,431,343	-	-	34,544,522	33,431,343
Other Taxes	1,477,297	1,817,507	-	-	1,477,297	1,817,507
<b>Inter-Governmental Revenues Not</b>						
Restricted to Specific Programs	5,475,925	5,495,465	-	-	5,475,925	5,495,465
Investment Income	319,377	202,932	16,937	15,630	336,314	218,562
Miscellaneous	980,888	745,445	118,306	8,992	1,099,194	754,437
Total Revenues	<u>70,098,946</u>	<u>66,094,720</u>	<u>20,976,290</u>	<u>22,604,316</u>	<u>91,075,236</u>	<u>88,699,036</u>
<b>EXPENSES</b>						
General Government	\$ 4,151,408	\$ 4,477,733	\$ -	\$ -	\$ 4,151,408	\$ 4,477,733
Public Safety	25,738,815	25,081,688	-	-	25,738,815	25,081,688
Public Works	17,457,921	16,542,498	-	-	17,457,921	16,542,498
Recreation & Parks	4,897,505	4,935,058	-	-	4,897,505	4,935,058
Community/Economic Dev.	8,332,330	8,130,524	-	-	8,332,330	8,130,524
Library	4,115,305	3,927,977	-	-	4,115,305	3,927,977
Interest and Fiscal Charges	1,436,450	1,315,738	-	-	1,436,450	1,315,738
Water Utility	-	-	5,374,045	5,516,981	5,374,045	5,516,981
Wastewater Utility	-	-	8,618,650	8,580,826	8,618,650	8,580,826
Stormwater Utility	-	-	1,788,628	1,536,882	1,788,628	1,536,882
Transit	-	-	4,076,201	4,142,045	4,076,201	4,142,045
Total Expenses	<u>66,129,734</u>	<u>64,411,216</u>	<u>19,857,524</u>	<u>19,776,734</u>	<u>85,987,258</u>	<u>84,187,950</u>
Increase in Net Position Before Transfers	3,969,212	1,683,504	1,118,766	2,827,582	5,087,978	4,511,086
Transfers	617,425	(7,424,000)	(617,425)	7,424,000	-	-
Increase in Net Position	4,586,637	(5,740,496)	501,341	10,251,582	5,087,978	4,511,086
Net Position, beginning of year (as restated)	<u>174,040,357</u>	<u>167,169,062</u>	<u>115,131,198</u>	<u>103,460,800</u>	<u>289,171,555</u>	<u>270,629,862</u>
Net Position, end of year	<u>\$ 178,626,994</u>	<u>\$ 161,428,566</u>	<u>\$ 115,632,539</u>	<u>\$ 113,712,382</u>	<u>\$ 294,259,533</u>	<u>\$ 275,140,948</u>

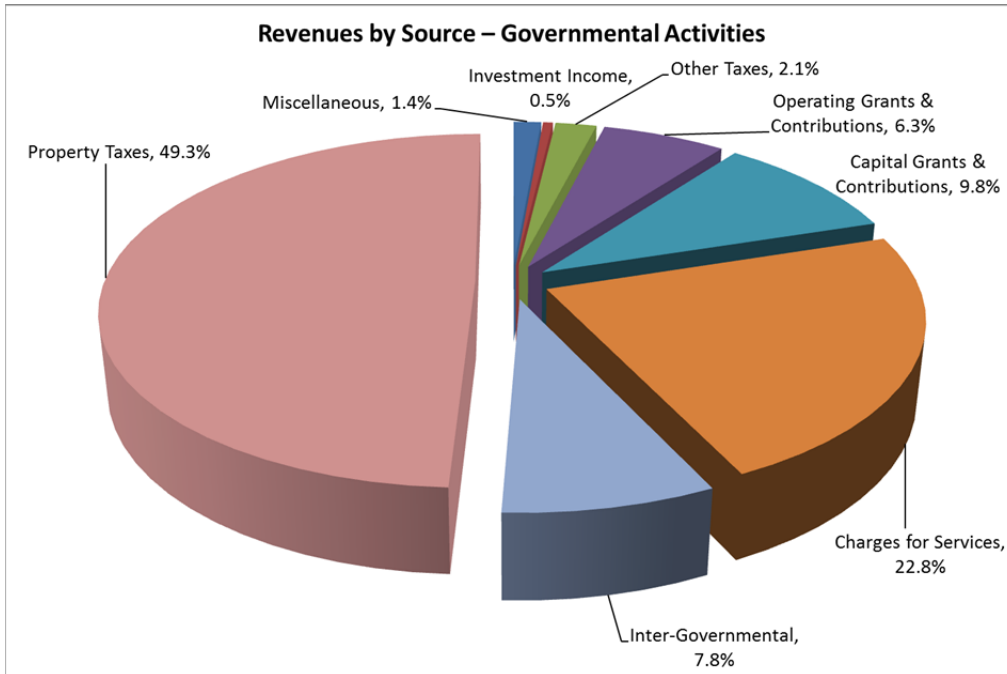
\* 2014 amounts have not been restated for the implementation of GASB 68.

The total revenues have increased by \$2,376,200, or 2.7%. This is primarily due to increases in Sanitation Service Charges (\$1,097,076) and Property Tax revenue (\$1,113,179).

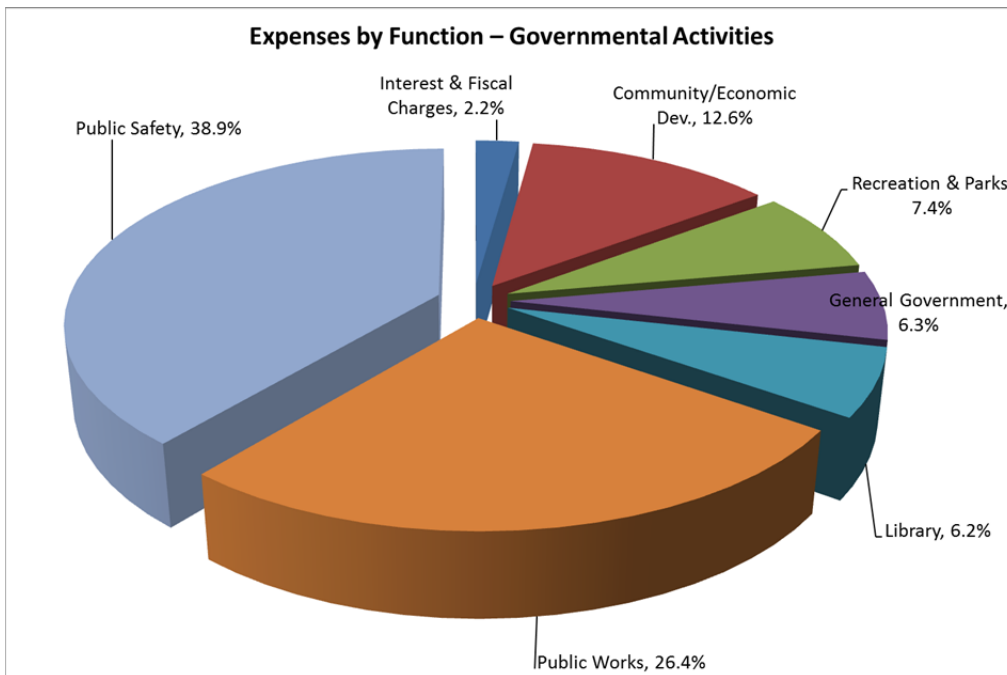
The total expenses on the statement of activities increased by \$1,799,308, or 2.1%, in 2015 driven by the capital project spending increase of \$1,515,823. Spending on the new Fire Station was \$4,219,705 higher than in 2014 which was offset by the \$3,810,736 spent on the Transit Center in 2014 while Street Maintenance and Curb and Gutter Replacement were \$1,861,800 higher with the ramp up of the enhanced streets program.

Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2015. Property taxes are the primary source of funding for governmental services providing about half (49.3%) of the City's total governmental revenues. Charges for Services increased to 22.8%. State Aids (Inter-Governmental Revenues) decreased slightly to 7.8%. Operating Grants contributed 6.3%, and Capital Grants and Contributions 9.8%. Capital grants and contributions vary depending upon the specific capital projects and remained at an elevated level in 2015 due to Housing and CDBG grants.

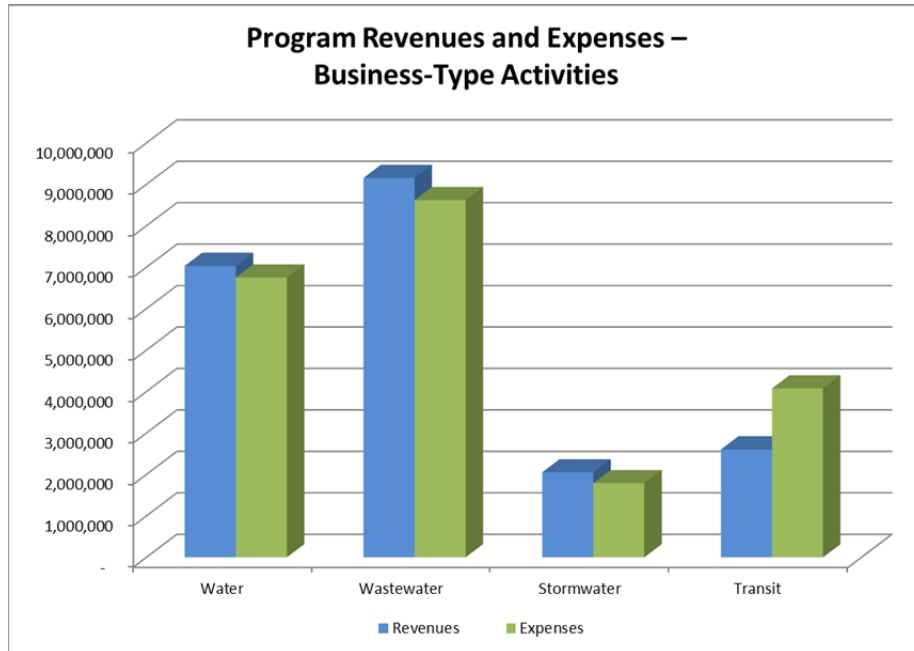




The pie chart below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 38.9% of the total. Public Works was the next largest expense category with 26.4% of the total governmental activities.



Business-Type Activities. Business-type activities are shown in the graph below comparing program revenues to costs of the City of Janesville’s business-type activities. This chart shows the Water, Wastewater and Stormwater Utilities were fully self-supporting in 2015. 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 2015 was 2.93%. 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 (\$1,377,477), which is included in transfers on the statement of activities.

The Water Utility generated operating revenue of \$6,995,301, which is \$815,099 (10.4%) less than budgeted in 2015 due to declining residential and commercial water sales. Water operating expenses and payment in lieu of property tax transfer of \$6,409,309 were \$466,057 (6.8%) less than budgeted.

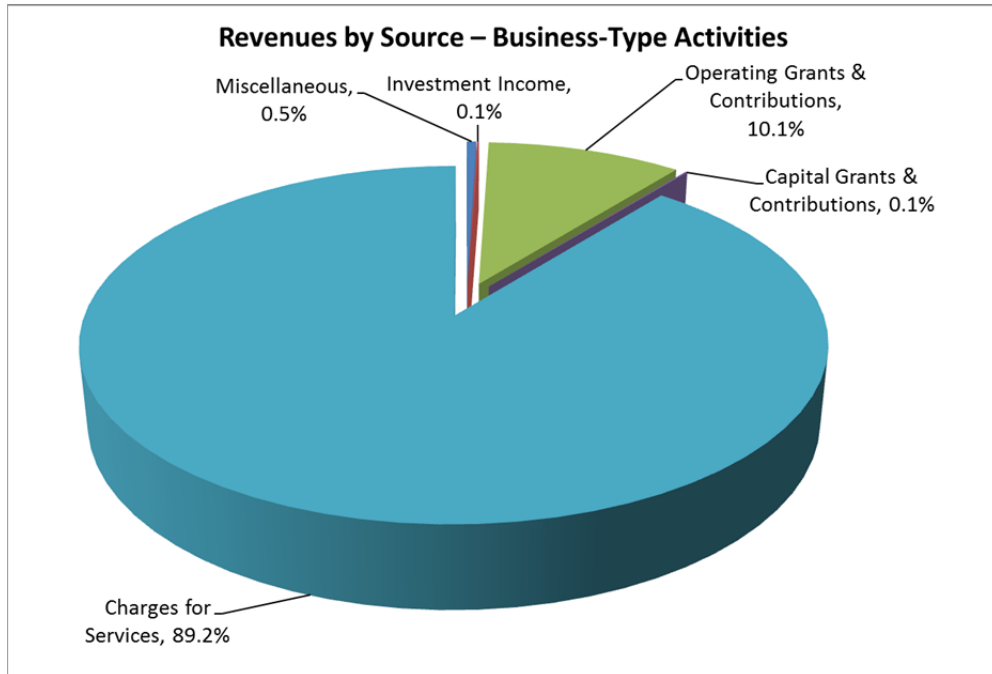
The Wastewater Utility produced a net operating income of \$1,198,335 in 2015 compared to \$1,366,001 in 2014.

The Wastewater Utility generated operating revenue of \$9,126,999, which is \$574,425 (6.3%) less than budgeted in 2015. Operating expenses of \$7,928,664 were \$305,640 (3.8%) less than budgeted for 2015. This was primarily due to depreciation (\$174,859) attributed to the timing of placing assets in service and lower utility costs (\$57,059).

The Stormwater Utility is primarily funded by user charge rates per Equivalent Runoff Unit (ERU). The rate per ERU is designed to fund the budgeted expenditures. The utility generated net operating income of \$176,503. This revenue is used to pay its debt service requirements, which were \$452,781 in 2015.

Transit received 59% of its operating budget from combined Federal and State operating grants. Historically, this funding has remained relatively constant near the maximum. Transit Fare revenue decreased \$37,134 from the previous year and provided 18% of the revenue. Transit operations are funded in part by General Fund transfers, 20% in 2015. These ratios are historically 60%, 20%, and 20%, respectively. The 2015 General Fund Subsidy for operation of the Transit system was \$704,085, which was \$203,177 less than budgeted primarily due to lower fuel costs (\$171,456).

As shown in the pie chart below, revenues from the business-type activities were generated primarily from Charges for Services (89.2%), Operating Grants (10.1%), and Capital Grants and Contributions (which dropped back to 0.1%). Capital Contributions are the usual special assessments in Water and Wastewater Utilities for subdivision and new commercial growth. 2014 was significantly higher due to Federal grants for the construction of the new Transit Center. 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, 2015, the City of Janesville’s Governmental Funds reported combined ending balances of \$22,703,935, a decrease of \$5,188,345, or 18.6%, in comparison with the prior year. A portion of the Fund balance is nonspendable for long-term receivables (\$1,983,082) which are unavailable for spending; and prepaid items and inventories (\$336,257) that has already been spent. The Restricted fund balance of \$12.2 million is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$2,682,108); (2) capital projects activities (\$3,057,045); and (3) special revenue activities (\$6,496,619). Approximately \$8.1 million, or 36% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$1,000,817 that has been committed to special revenue purposes by resolutions and ordinances, \$708,912 committed for Sanitation, \$564,250 assigned to fund the 2016 budget, \$1,755,855 assigned to future capital projects, and unassigned funds of \$4,118,990.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2015, the total fund balance of the General Fund was \$9,919,345, of which \$7,936,263 was unrestricted (Assigned and Unassigned). This Unrestricted Fund Balance represents approximately 18.9% of total 2015 General Fund expenditures and transfers out, while the total fund balance represents approximately 23.6% of that same amount.

The City of Janesville’s General Fund balance increased \$561,339 in 2015 vs a budget to decrease \$635,649 in 2015. Revenues exceeded budget by \$332,038 while expenditures were under budget by \$714,108 and other financing uses were \$156,924 under budget. Budget savings were the result of salary and benefit savings from vacant positions \$573,310 and lower Transit subsidy due to lower labor costs and fuel savings \$195,785.

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, 2015 was \$709,645, an increase of \$969,457 from 2014. Operating revenue was over realized by \$464,977 due to an increase in user fees and disposal fees as a result of higher tonnage received (31.8% higher than budgeted). Operating expenses were over budget by \$12,031 primarily a result of \$173,005 higher DNR fees corresponding to the increased tonnage offset by lower personnel and utility costs.

The *Debt Service Fund* has a total fund balance of \$2,682,108, all of which is restricted for the payment of debt service. The fund balance increased by \$1,686,096. This increase was primarily due to the timing of the Dollar General project. Land division assessments of \$1,065,148 were received in 2015 for work that will be completed in future years.

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, 2015 was \$5,099,075, a decrease of \$6,012,913 from the previous year. The decrease is due to spending down proceeds for work on the new fire station \$2,999,964 and various other projects.

The aggregated *Other Governmental Funds* column includes various special revenue funds, such as Tax Incremental Financing (TIF) accounts, that are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The accumulated fund balances for these accounts decreased by \$2,392,324 in 2015 primarily due to development spending in TIF22 and 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 \$1.8 million to \$113.7 million as of December 31, 2015. Approximately \$1.4 million of this increase is due to a cumulative effect of a change in accounting principle related to the fully funded pension plan.

The net position of the City's Vehicle Operations and Maintenance and Insurance Internal Service Funds increased by \$210,372 to \$3,851,036.

### **General Fund Budgetary Highlights**

The Budgetary Comparison Schedule – General Fund indicates that the original 2015 budget for expenditures and transfers out was \$44,295,325, funded by anticipated revenues and property sales (\$42,259,676), with no transfers in from VOM or Insurance, and Water Utility-payment in lieu of taxes (\$1,400,000), and the application of available reserves (\$635,649).

Actual revenues and transfers resulted in a favorable revenue variance of \$309,515 or 0.7% more than the amount budgeted for 2015. The average favorable revenue variance since 2009 has been 1.0%.

The major revenue budget to actual variances are as follows:

- General Fund Tax Levy – (\$187,353) due primarily to refunds paid to taxpayers
- Municipal Court Fines – (\$69,272) lower than budget and (\$39,510) less than 2014
- Cable TV Franchise Fees – \$66,849 better than budget and \$21,615 higher than 2014
- Building and Planning Permits – \$201,630, there were 31 new commercial permits with a value of \$27.1 million, in addition, residential new single family permits continued the upward trend over the past several years
- Fire Department Service Charges – \$299,359 due primarily due to transfers of patients between locations within the city

The expenditure and transfer budget results after the supplemental appropriation yielded a favorable variance of \$893,555, or 2.0% less than the original budget. The average amount returned from unexpended budget allocations has been 2.2% since 2009.

- Budget savings of \$573,310 were gained in salary and benefits related to the vacant positions primarily in Parks \$144,720, Fire \$86,698, Building and Planning Services \$82,974, Operations \$76,744, Economic Development \$76,646, and Engineering \$58,657
- Lower Transit personnel and fuel costs resulted in \$195,785 less General Fund subsidy
- Fire Department was \$76,903 under budget in vehicle fuel and maintenance
- Information Technology was \$68,337 lower than budget due to delayed timing of purchases
- A one-time transfer of (\$109,000) was made to the Insurance Fund in advance of increasing medical costs

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 86 – 89.

### **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, 2015 of \$363 million.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$35,445,386	\$35,213,232	\$1,033,509	\$1,033,509	\$36,478,895	\$36,246,741
Construction in Progress	9,278,620	4,080,262	241,168	2,118,301	9,519,788	6,198,563
Land Improvements	9,345,466	8,524,344	997,512	997,512	10,342,978	9,521,856
Buildings	35,936,586	35,165,488	44,171,447	43,030,423	80,108,033	78,195,911
Furniture and Fixtures	9,815,538	10,122,180	4,679,377	4,968,312	14,494,915	15,090,492
Vehicles and Equipment	24,374,138	22,843,799	36,214,247	35,624,991	60,588,385	58,468,790
Plant in Service	-	-	130,388,680	126,833,930	130,388,680	126,833,930
Infrastructure	189,151,443	180,308,559	-	-	189,151,443	180,308,559
Total Capital Assets	\$313,347,177	\$296,257,864	\$217,725,940	\$214,606,978	\$531,073,117	\$510,864,842
Less Accumulated						
Depreciation	(97,229,285)	(92,756,504)	(70,266,033)	(64,983,363)	(167,495,318)	(157,739,867)
Capital Assets Net of						
Depreciation	<u>\$216,117,892</u>	<u>\$203,501,360</u>	<u>\$147,459,907</u>	<u>\$149,623,615</u>	<u>\$363,577,799</u>	<u>\$353,124,975</u>

In 2015, capital asset additions were \$25,052,678, and retirements were \$4,844,403. Significant capital asset additions include the following:

Wastewater Utility	Collection System Construction/Additions	\$429,971
	Conde Street Pretreatment Facility	\$1,550,097
Water Utility	Distribution System Construction/Additions	\$2,764,156
Stormwater Utility	Collection/Retention Infrastructure	\$484,012
Library	Collection	\$431,512
Infrastructure	Traffic Signals	\$182,284
	Annual sidewalk program	\$1,436,457
	Street Construction/ Reconstruction	\$3,290,010
	Bridges	\$3,941,000
Land and Building	Conde Street Pretreatment Facility (General Fund Portion)	\$1,610,000
	Splash Pad- Riverside Park	\$323,363
	Skateboard Park	\$291,481
Capital Equipment	Public Work Vehicle/Equipment	
	Fire Department Ambulance	\$231,750
	Technology Related	\$146,517

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					
	Governmental Activities		Business Type-Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds and Notes	\$59,320,000	\$58,503,000	\$22,890,000	\$21,922,000	\$82,210,000	\$80,425,000
Revenue Bonds	-	-	26,383,311	28,245,050	26,383,311	28,245,050
Total	<u>\$59,320,000</u>	<u>\$58,503,000</u>	<u>\$49,273,311</u>	<u>\$50,167,050</u>	<u>\$108,593,311</u>	<u>\$108,670,050</u>

The 2015 rating for the City of Janesville from Standard and Poor's Investors Service for General Obligation Debt remained at "AA".

State Statutes limit the amount of General Obligation Debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the City of Janesville is \$199,363,670, which significantly exceeds the City of Janesville's current outstanding General Obligation Debt of \$82,210,000. As of December 31, 2015, the City of Janesville's outstanding general obligation debt equaled 41% of the State authorized debt.

The City of Janesville issued two General Obligation Promissory Notes in 2015. During 2015, the City issued \$1,825,000 to refund 2007 notes for interest savings and debt restructuring. The annual capital project note \$13,685,000 was issued July 8, 2015. It includes funding street improvements and infrastructure (\$6,147,000); public buildings, parks, and public grounds (\$3,366,000); Water, Wastewater, and Stormwater Utility improvements (\$2,876,000); acquire capital equipment (\$1,077,000); and TIF 22 for infrastructure improvements (\$219,000).

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 2015 annual average unemployment rate for the City of Janesville was 5.2%, a decrease from 6.2% in 2014. This compares to the 2015 unemployment rate of 4.6% for the State of Wisconsin and a national unemployment rate of 5.3%.
- > The City's total equalized property value at January 1, 2015 was \$3,987,273,400, This compares to the previous year's total of \$4,005,876,500, a 0.5% decrease.
- > The Janesville City Council adopted the 2016 general city budget (General Fund and Library) that included a 0.46% increase in non-property tax revenue and applied fund balance and a 2.03% increase in total expenditures funded by a 2.24% increase in the property tax levy. When combined with a 0.88% increase in assessed property valuation, the property tax rate increased by 1.36%.
- > 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  
Finance 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, 2015

	Governmental Activities	Business- type Activities	Totals	Component Unit
<b>ASSETS</b>				
Cash and investments	\$ 25,959,238	\$ 2,058,175	\$ 28,017,413	\$ 172,748
Receivables (net)				
Taxes receivable	36,143,438	-	36,143,438	-
Accounts	3,357,454	5,942,166	9,299,620	-
Special assessments receivable	628,589	59,820	688,409	-
Other receivables	138,137	27,437	165,574	-
Prepaid items and inventories	818,764	596,159	1,414,923	707
Internal balances	(522,252)	522,252	-	-
Restricted assets				
Cash and investments	-	10,067,472	10,067,472	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Net pension asset	6,222,145	699,986	6,922,131	-
Loans receivable (net)	4,886,911	-	4,886,911	-
Capital Assets				
Land	35,445,386	1,033,509	36,478,895	-
Construction in progress	9,278,620	241,168	9,519,788	-
Other capital assets, net of depreciation	<u>171,393,886</u>	<u>146,185,230</u>	<u>317,579,116</u>	<u>27,422</u>
Total Assets	<u>295,354,436</u>	<u>167,433,374</u>	<u>462,787,810</u>	<u>200,877</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	<u>6,623,183</u>	<u>728,576</u>	<u>7,351,759</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	7,551,849	1,130,571	8,682,420	25,310
Payable from restricted assets	-	281,247	281,247	-
Noncurrent liabilities				
Due within one year	11,866,577	5,400,948	17,267,525	-
Due in more than one year	<u>68,482,266</u>	<u>45,716,645</u>	<u>114,198,911</u>	<u>-</u>
Total Liabilities	<u>87,900,692</u>	<u>52,529,411</u>	<u>140,430,103</u>	<u>25,310</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	<u>35,449,933</u>	<u>-</u>	<u>35,449,933</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	166,599,500	99,568,760	266,168,260	27,422
Restricted for				
Equipment replacement	-	5,748,235	5,748,235	-
Debt service	2,366,748	2,374,965	4,741,713	-
Grants	5,838,937	-	5,838,937	148,145
Library	757,137	-	757,137	-
TIF districts	2,204,554	-	2,204,554	-
Landfill long-term care	2,647,801	-	2,647,801	-
Pension	6,222,145	699,986	6,922,131	-
Unrestricted (deficit)	<u>(8,009,828)</u>	<u>7,240,593</u>	<u>27,765</u>	<u>-</u>
<b>TOTAL NET POSITION</b>	<u>\$ 178,626,994</u>	<u>\$ 115,632,539</u>	<u>\$ 294,259,533</u>	<u>\$ 175,567</u>

See accompanying notes to financial statements.

**CITY OF JANESVILLE**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

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	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 4,151,408	\$ 528,918	\$ -	\$ -	\$ (3,622,490)	\$ -	\$ (3,622,490)	
Public safety	25,738,815	3,401,160	391,785	273,021	(21,672,849)	-	(21,672,849)	
Public works	17,457,921	7,542,621	2,300,445	6,542,041	(1,072,814)	-	(1,072,814)	
Recreation and parks	4,897,505	2,262,083	13,730	-	(2,621,692)	-	(2,621,692)	
Community and economic development	8,332,330	1,345,080	1,464,965	75,471	(5,446,814)	-	(5,446,814)	
Library	4,115,305	906,286	253,331	-	(2,955,688)	-	(2,955,688)	
Interest and fiscal charges	1,436,450	-	-	-	(1,436,450)	-	(1,436,450)	
<b>Total Governmental Activities</b>	<b>66,129,734</b>	<b>15,986,148</b>	<b>4,424,256</b>	<b>6,890,533</b>	<b>(38,828,797)</b>	<b>-</b>	<b>(38,828,797)</b>	
<b>Business-type Activities</b>								
Water Utility	5,374,045	6,995,301	-	36,657	-	1,657,913	1,657,913	
Wastewater Utility	8,618,650	9,126,999	-	27,244	-	535,593	535,593	
Stormwater Utility	1,788,628	2,038,788	12,724	-	-	262,884	262,884	
Transit	4,076,201	547,033	2,112,268	(55,967)	-	(1,472,867)	(1,472,867)	
<b>Total Business-type Activities</b>	<b>19,857,524</b>	<b>18,708,121</b>	<b>2,124,992</b>	<b>7,934</b>	<b>-</b>	<b>983,523</b>	<b>983,523</b>	
<b>Total Primary Government</b>	<b>\$ 85,987,258</b>	<b>\$ 34,694,269</b>	<b>\$ 6,549,248</b>	<b>\$ 6,898,467</b>	<b>(38,828,797)</b>	<b>983,523</b>	<b>(37,845,274)</b>	
<b>Component Unit- Community Development Authority</b>	<b>\$ 2,746,205</b>	<b>\$ 16,113</b>	<b>\$ 2,797,137</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 67,045</b>
<b>General Revenues</b>								
<b>Taxes</b>								
Property taxes, levied for general purposes					28,224,342	-	28,224,342	-
Property taxes, levied for the library					3,229,309	-	3,229,309	-
Property taxes, levied for TIF Districts					3,090,871	-	3,090,871	-
Other taxes					1,477,297	-	1,477,297	-
Intergovernmental revenues not restricted to specific programs					5,475,925	-	5,475,925	-
Investment income					319,377	16,937	336,314	137
Miscellaneous					980,888	118,306	1,099,194	-
<b>Total General Revenues</b>					<b>42,798,009</b>	<b>135,243</b>	<b>42,933,252</b>	<b>137</b>
<b>Transfers</b>					<b>617,425</b>	<b>(617,425)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>					<b>4,586,637</b>	<b>501,341</b>	<b>5,087,978</b>	<b>67,182</b>
<b>NET POSITION - Beginning of Year (as restated)</b>					<b>174,040,357</b>	<b>115,131,198</b>	<b>289,171,555</b>	<b>108,385</b>
<b>NET POSITION - END OF YEAR</b>					<b>\$ 178,626,994</b>	<b>\$ 115,632,539</b>	<b>\$ 294,259,533</b>	<b>\$ 175,567</b>

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, 2015

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 5,725,719	\$ -	\$ 2,689,755	\$ 6,436,571	\$ 6,780,482	\$ 21,632,527
Receivables						
Taxes	29,614,049	273,199	254,604	-	6,001,586	36,143,438
Accounts	1,107,780	1,116,346	-	32,984	1,100,344	3,357,454
Special assessments	-	-	313,505	-	99,977	413,482
Delinquent special assessments	-	-	215,107	-	-	215,107
Accrued investment income	38,194	-	-	-	-	38,194
Due from other funds	4,817,448	-	-	439,016	-	5,256,464
Inventories	-	-	-	285,744	-	285,744
Prepaid items	73,671	733	-	431	49,349	124,184
Loans receivable (net)	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,874,911</u>	<u>4,886,911</u>
<b>TOTAL ASSETS</b>	<u>\$ 41,388,861</u>	<u>\$ 1,390,278</u>	<u>\$ 3,472,971</u>	<u>\$ 7,194,746</u>	<u>\$ 18,906,649</u>	<u>\$ 72,353,505</u>

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 1,597,924	\$ 259,225	\$ 7,647	\$ 1,653,897	\$ 475,669	\$ 3,994,362
Accrued liabilities	237,658	20,329	-	2,758	48,608	309,353
Due to other funds	-	401,079	439,016	-	3,038,892	3,878,987
Total Liabilities	<u>1,835,582</u>	<u>680,633</u>	<u>446,663</u>	<u>1,656,655</u>	<u>3,563,169</u>	<u>8,182,702</u>
Deferred Inflows of Resources						
Unearned revenues	29,439,209	-	-	-	6,010,724	35,449,933
Unavailable revenues	194,725	-	344,200	439,016	5,038,994	6,016,935
Total Deferred Inflows of Resources	<u>29,633,934</u>	<u>-</u>	<u>344,200</u>	<u>439,016</u>	<u>11,049,718</u>	<u>41,466,868</u>
Fund Balances						
Nonspendable	1,983,082	733	-	286,175	49,349	2,319,339
Restricted	-	-	2,682,108	3,057,045	6,496,619	12,235,772
Committed	-	708,912	-	-	1,000,817	1,709,729
Assigned	564,250	-	-	1,755,855	-	2,320,105
Unassigned (deficit)	7,372,013	-	-	-	(3,253,023)	4,118,990
Total Fund Balances	<u>9,919,345</u>	<u>709,645</u>	<u>2,682,108</u>	<u>5,099,075</u>	<u>4,293,762</u>	<u>22,703,935</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
	<u>\$ 41,388,861</u>	<u>\$ 1,390,278</u>	<u>\$ 3,472,971</u>	<u>\$ 7,194,746</u>	<u>\$ 18,906,649</u>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note IV.D.	216,117,892
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	6,016,935
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.	(81,008,403)
The net pension asset does not relate to current financial resources and is not reported in the governmental funds	6,222,145
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	6,623,183
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>1,951,307</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 178,626,994</u>

See accompanying notes to financial statements.

# CITY OF JANESVILLE

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 29,448,791	\$ -	\$ -	\$ -	\$ 6,786,356	\$ 36,235,147
Licenses and permits	1,676,409	-	-	-	-	1,676,409
Investment income, rents and fines	714,832	-	77,000	63,793	292,607	1,148,232
State and federal aids	7,544,505	226,614	-	138,479	2,494,668	10,404,266
Special assessments	-	-	1,512,907	167,839	-	1,680,746
Service charges and other	3,207,177	7,143,425	-	17,701	4,307,642	14,675,945
Miscellaneous	-	-	-	-	15,062	15,062
<b>Total Revenues</b>	<b>42,591,714</b>	<b>7,370,039</b>	<b>1,589,907</b>	<b>387,812</b>	<b>13,896,335</b>	<b>65,835,807</b>
<b>EXPENDITURES</b>						
Current						
General government	3,995,694	-	-	-	-	3,995,694
Public safety	23,261,793	-	-	-	1,375,463	24,637,256
Public works	4,257,047	5,286,639	-	-	261,701	9,805,387
Recreation and parks	2,734,838	-	-	-	1,594,600	4,329,438
Community and economic development	1,492,201	-	-	-	7,344,945	8,837,146
Library	-	-	-	-	3,760,640	3,760,640
Capital Outlay	-	-	-	15,896,432	486,155	16,382,587
Debt Service						
Principal retirement	-	-	9,725,000	-	-	9,725,000
Interest and fiscal charges	-	-	1,424,285	-	2,408	1,426,693
<b>Total Expenditures</b>	<b>35,741,573</b>	<b>5,286,639</b>	<b>11,149,285</b>	<b>15,896,432</b>	<b>14,825,912</b>	<b>82,899,841</b>
Excess (deficiency) of revenues over expenditures	6,850,141	2,083,400	(9,559,378)	(15,508,620)	(929,577)	(17,064,034)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	-	9,258,000	239,000	9,497,000
Refunding debt issued	-	-	1,045,000	-	-	1,045,000
Premium on long-term debt	-	-	482,490	-	-	482,490
Transfers in	1,377,477	250,000	9,717,984	286,282	314,000	11,945,743
Transfers out	(7,666,279)	(1,363,943)	-	(48,575)	(2,015,747)	(11,094,544)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,288,802)</b>	<b>(1,113,943)</b>	<b>11,245,474</b>	<b>9,495,707</b>	<b>(1,462,747)</b>	<b>11,875,689</b>
<b>Net Change in Fund Balance</b>	<b>561,339</b>	<b>969,457</b>	<b>1,686,096</b>	<b>(6,012,913)</b>	<b>(2,392,324)</b>	<b>(5,188,345)</b>
FUND BALANCES (DEFICIT) - Beginning of Year	9,358,006	(259,812)	996,012	11,111,988	6,686,086	27,892,280
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 9,919,345</b>	<b>\$ 709,645</b>	<b>\$ 2,682,108</b>	<b>\$ 5,099,075</b>	<b>\$ 4,293,762</b>	<b>\$ 22,703,935</b>

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, 2015

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Net change in fund balances - total governmental funds	\$ (5,188,345)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives. Depreciation is reported as expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	16,382,587
Certain capital outlay expenditures were not capitalized and are reported as functional expenditures in the government-wide statements	(2,126,812)
Some items are capitalized that are reported as functional expenses in the fund financial statements	184,387
Some assets were contributed by donors or developers	4,934,389
Depreciation expense is reported in the government-wide statements	(6,339,038)
Net book value of remaining assets retired	(418,982)

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	3,030
Special assessments receivable	(146,392)
Grants and other receivables	(401,481)

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	(10,542,000)
Principal paid	9,725,000

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	(1,351,613)
Landfill liability	54,000
Compensated absences	(11,932)
Accrued interest on debt	(61,630)
Net pension asset	(3,903,424)
Deferred outflows of resources related to pensions	4,136,961

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	(482,490)
Amortization of premium	63,217

The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	77,205
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<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,586,637</u></b>
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## 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, 2015

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
<b>ASSETS</b>					
Current Assets					
Cash and working funds	\$ -	\$ 1,766,506	\$ 291,669	\$ 2,058,175	\$ 4,326,711
Accounts receivable	1,181,468	1,797,079	891,950	3,870,497	99,943
Unbilled revenue	776,449	927,988	367,232	2,071,669	-
Other accounts receivable	12,220	15,217	-	27,437	-
Due from other funds	-	1,534,685	-	1,534,685	-
Inventories	290,846	-	290,856	581,702	397,567
Prepaid items	5,688	6,056	2,713	14,457	11,269
Restricted Assets					
Revenue bond redemption account	235,397	2,236,547	-	2,471,944	-
Total Current Assets	<u>2,502,068</u>	<u>8,284,078</u>	<u>1,844,420</u>	<u>12,630,566</u>	<u>4,835,490</u>
Noncurrent Assets					
Restricted Assets					
Net pension asset	234,411	162,602	302,973	699,986	-
Construction account	984,777	783,609	78,907	1,847,293	-
Replacement account	-	5,748,235	-	5,748,235	-
Total Restricted Assets	<u>1,219,188</u>	<u>6,694,446</u>	<u>381,880</u>	<u>8,295,514</u>	<u>-</u>
Special assessments receivable	<u>14,208</u>	<u>45,612</u>	<u>-</u>	<u>59,820</u>	<u>-</u>
Deposit with risk pool	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,604,120</u>
Utility Plant					
Land	305,478	18,000	710,031	1,033,509	-
Utility plant in service (at cost)	81,139,225	111,202,255	24,109,783	216,451,263	-
Construction work in progress	140,167	23,644	77,357	241,168	-
Accumulated depreciation	<u>(25,847,620)</u>	<u>(36,781,063)</u>	<u>(7,637,350)</u>	<u>(70,266,033)</u>	<u>-</u>
Net Plant	<u>55,737,250</u>	<u>74,462,836</u>	<u>17,259,821</u>	<u>147,459,907</u>	<u>-</u>
Total Noncurrent Assets	<u>56,970,646</u>	<u>81,202,894</u>	<u>17,641,701</u>	<u>155,815,241</u>	<u>1,604,120</u>
Total Assets	<u>59,472,714</u>	<u>89,486,972</u>	<u>19,486,121</u>	<u>168,445,807</u>	<u>6,439,610</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	<u>240,380</u>	<u>172,312</u>	<u>315,884</u>	<u>728,576</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>240,380</u>	<u>172,312</u>	<u>315,884</u>	<u>728,576</u>	<u>-</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 79,704	\$ 149,132	\$ 101,478	\$ 330,314	\$ 232,553
Claims payable	-	-	-	-	2,276,097
Accrued salaries and wages	154,243	173,522	223,449	551,214	79,924
Accrued interest	143,051	83,964	22,028	249,043	-
Due to other funds	2,284,390	-	627,772	2,912,162	-
Current portion of long-term debt	1,650,000	1,524,000	323,000	3,497,000	-
Current Liabilities Payable from Restricted Assets					
Construction payables	136,753	47,515	-	184,268	-
Current maturities of revenue bonds	189,140	1,714,808	-	1,903,948	-
Interest accrued on revenue bonds	7,482	89,497	-	96,979	-
<b>Total Current Liabilities</b>	<u>4,644,763</u>	<u>3,782,438</u>	<u>1,297,727</u>	<u>9,724,928</u>	<u>2,588,574</u>
Noncurrent Liabilities					
General obligation long-term debt payable	11,550,633	6,517,284	1,605,944	19,673,861	-
Revenue bonds	1,603,553	22,875,810	-	24,479,363	-
Other post employment benefits	920,012	86,096	557,313	1,563,421	-
<b>Total Noncurrent Liabilities</b>	<u>14,074,198</u>	<u>29,479,190</u>	<u>2,163,257</u>	<u>45,716,645</u>	<u>-</u>
<b>Total Liabilities</b>	<u>18,718,961</u>	<u>33,261,628</u>	<u>3,460,984</u>	<u>55,441,573</u>	<u>2,588,574</u>
<b>NET POSITION</b>					
Net investment in capital assets	41,591,948	42,567,028	15,409,784	99,568,760	-
Restricted per bond ordinance for:					
Debt service	227,915	2,147,050	-	2,374,965	-
Equipment replacement	-	5,748,235	-	5,748,235	-
Pension	234,411	162,602	302,973	699,986	-
Unrestricted (deficit)	(1,060,141)	5,772,741	628,264	5,340,864	3,851,036
<b>TOTAL NET POSITION</b>	<u>\$ 40,994,133</u>	<u>\$ 56,397,656</u>	<u>\$ 16,341,021</u>	113,732,810	<u>\$ 3,851,036</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>1,899,729</u>	
Net Position of Business-type Activities				<u>\$ 115,632,539</u>	

See accompanying notes to financial statements.

**CITY OF JANESVILLE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - PROPRIETARY FUNDS  
For the Year Ended December 31, 2015

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,995,301	\$ 9,126,999	\$ 2,585,821	\$ 18,708,121	\$ 14,120,349
Total Operating Revenues	<u>6,995,301</u>	<u>9,126,999</u>	<u>2,585,821</u>	<u>18,708,121</u>	<u>14,120,349</u>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	3,324,545	4,641,523	5,069,955	13,036,023	13,676,203
Depreciation	<u>1,707,287</u>	<u>3,287,141</u>	<u>851,173</u>	<u>5,845,601</u>	<u>-</u>
Total Operating Expenses	<u>5,031,832</u>	<u>7,928,664</u>	<u>5,921,128</u>	<u>18,881,624</u>	<u>13,676,203</u>
Operating Income (Loss)	<u>1,963,469</u>	<u>1,198,335</u>	<u>(3,335,307)</u>	<u>(173,503)</u>	<u>444,146</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Federal operating grants	-	-	1,110,703	1,110,703	-
State operating grants	-	-	902,366	902,366	-
Local operating subsidy	-	-	111,923	111,923	-
Investment income	966	15,967	4	16,937	-
Debt issuance costs	(16,535)	2,001	(314)	(14,848)	-
Amortization premium	20,756	12,903	-	33,659	-
Interest expense	(286,602)	(708,972)	(39,429)	(1,035,003)	-
Miscellaneous revenues (expenses)	<u>25,649</u>	<u>(219)</u>	<u>-</u>	<u>25,430</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(255,766)</u>	<u>(678,320)</u>	<u>2,085,253</u>	<u>1,151,167</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	1,707,703	520,015	(1,250,054)	977,664	444,146
<b>CAPITAL CONTRIBUTIONS</b>	36,657	27,244	(55,967)	7,934	-
<b>TRANSFERS IN</b>	-	-	760,052	760,052	109,000
<b>TRANSFERS OUT</b>	<u>(1,377,477)</u>	<u>-</u>	<u>-</u>	<u>(1,377,477)</u>	<u>(342,774)</u>
<b>Net Change in Net Position</b>	366,883	547,259	(545,969)	368,173	210,372
NET POSITION - Beginning of Year (As Restated)	<u>40,627,250</u>	<u>55,850,397</u>	<u>16,886,990</u>		<u>3,640,664</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 40,994,133</u>	<u>\$ 56,397,656</u>	<u>\$ 16,341,021</u>		<u>\$ 3,851,036</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.

133,168

Change in net position of business-type activities

\$ 501,341

See accompanying notes to financial statements.

**CITY OF JANESVILLE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 7,897,165	\$ 9,703,301	\$ 2,568,170	\$ 20,168,636	\$ 14,155,273
Cash paid to suppliers for goods and services	(1,929,106)	(2,375,948)	(1,936,306)	(6,241,360)	(12,170,573)
Cash payments to employees for services	(2,062,193)	(2,256,141)	(3,307,167)	(7,625,501)	(1,107,981)
Net Cash Flows From Operating Activities	<u>3,905,866</u>	<u>5,071,212</u>	<u>(2,675,303)</u>	<u>6,301,775</u>	<u>876,719</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Subsidies received - federal	-	-	1,110,703	1,110,703	-
Subsidies received - state	-	-	902,366	902,366	-
Subsidies received - local	-	-	111,923	111,923	-
Paid to municipality for tax equivalent	(1,306,822)	-	-	(1,306,822)	-
Negative cash balance implicitly financed for other utilities	-	-	128,518	128,518	-
Due to other funds	(491,846)	-	-	(491,846)	-
Transfers from (to) other funds	-	-	760,052	760,052	109,000
Transfer to debt service	-	-	-	-	(60,394)
Transfer to capital projects	-	-	-	-	(282,380)
Net Cash Flows From Noncapital Financing Activities	<u>(1,798,668)</u>	<u>-</u>	<u>3,013,562</u>	<u>1,214,894</u>	<u>(233,774)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash used to retire debt	(1,639,501)	(3,812,236)	(410,000)	(5,861,737)	-
Interest paid	(254,603)	(719,732)	(36,594)	(1,010,929)	-
Contributions and assessments for construction	42,756	47,110	-	89,866	-
Acquisition and construction of capital assets	(2,861,658)	(682,188)	(529,044)	(4,072,890)	-
Proceeds from long term debt issued	3,151,000	1,389,000	428,000	4,968,000	-
Issuance costs and premium on new debt	124,208	64,043	6,102	194,353	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,437,798)</u>	<u>(3,714,003)</u>	<u>(541,536)</u>	<u>(5,693,337)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	966	15,967	-	16,933	-
<b>Net Change in Cash Cash Equivalents</b>	670,366	1,373,176	(203,277)	1,840,265	642,945
<b>CASH AND CASH EQUIVALENTS -</b>					
Beginning of Year	549,808	9,161,721	573,853	10,285,382	3,683,766
<b>CASH AND CASH EQUIVALENTS -</b>					
<b>END OF YEAR</b>	<u>\$ 1,220,174</u>	<u>\$ 10,534,897</u>	<u>\$ 370,576</u>	<u>\$ 12,125,647</u>	<u>\$ 4,326,711</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,963,469	\$ 1,198,335	\$ (3,335,307)	\$ (173,503)	\$ 444,146
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income (expense)	25,649	(219)	-	25,430	-
Depreciation	1,707,287	3,287,141	851,173	5,845,601	-
Depreciation charged to other accounts	105,990	-	-	105,990	-
Change in Noncash Components of Working Capital					
Accounts receivable	246,687	178,634	(17,651)	407,670	34,924
Other accounts receivable	16,236	29,637	-	45,873	-
Due from other funds	15,456	368,250	-	383,706	-
Inventories	1,324	-	(30,692)	(29,368)	(45,582)
Prepaid items	(5,688)	(6,056)	(2,713)	(14,457)	(1,269)
Accounts payable	(135,734)	87,903	(77,978)	(125,809)	75,816
Other current liabilities	(107,173)	(74,652)	(94,751)	(276,576)	368,684
Pension related deferrals and liabilities	340	(5,332)	(4,754)	(9,746)	-
Other post employment benefits	72,023	7,571	37,370	116,964	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 3,905,866</u>	<u>\$ 5,071,212</u>	<u>\$ (2,675,303)</u>	<u>\$ 6,301,775</u>	<u>\$ 876,719</u>
Cash and investments - statement of net position	\$ -	\$ 1,766,506	\$ 291,669	\$ 2,058,175	\$ 4,326,711
Revenue bond redemption account - statement of net position	235,397	2,236,547	-	2,471,944	-
Restricted cash and investments - statement of net position	984,777	6,531,844	78,907	7,595,528	-
<b>CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS</b>	<u>\$ 1,220,174</u>	<u>\$ 10,534,897</u>	<u>\$ 370,576</u>	<u>\$ 12,125,647</u>	<u>\$ 4,326,711</u>

#### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2015, \$36,657 and \$27,244 of capital additions were contributed to the water and wastewater utilities, respectively, by customers and Tax Incremental Financing (TIF). In addition, \$49,188, \$36,058, and \$6,526 of capital interest was charged due to construction in the water, wastewater, and stormwater utilities, respectively.

See accompanying notes to financial statements.

## 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 FUND As of December 31, 2015

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	<u>Tax Collection</u>
<b>ASSETS</b>	
Cash and investments	\$ 28,506,204
Taxes receivable	<u>39,188,797</u>
<b>TOTAL ASSETS</b>	<u>\$ 67,695,001</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 67,695,001</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 67,695,001</u>

See accompanying notes to financial statements.

# CITY OF JANESVILLE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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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, 2015. The CDA does not issue separate financial statements.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **A. REPORTING ENTITY (cont.)**

##### ***Blended Component Unit***

*Janesville Innovation, Inc.*

The financial statements include Janesville Innovation, Inc. ("JII") as a component unit. JII is a legally separate organization. The board of JII is appointed by the city council. The city can impose its will on JII and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by JII. JII's activities benefit almost exclusively the city's economic development department. As a blended component unit, JII's financial statements have been presented as a nonmajor fund called Innovation Center in the financial statements. The information presented is for the fiscal year ended December 31, 2015. JII does not issue separate financial statements.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements were implemented January 1, 2015.

##### ***Government-Wide Financial Statements***

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

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

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### ***Fund Financial Statements***

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

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

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

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

The city reports the following major governmental funds:

- General Fund – accounts for the city’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Sanitation Fund – accounts for landfill grants and service charges committed to supporting expenditures for the recycling programs, solid waste collection, composting facility, solid waste disposal and landfill operations.
- Debt Service Fund – accounts for resources that are restricted, committed, or assigned for the payment of principal and interest on long-term debt other than enterprise fund debt.
- 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, 2015

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

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

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, 2015

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

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#### **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, 2015

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

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#### **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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

##### **1. Deposits and Investments**

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company 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, 2015

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

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

##### **1. Deposits and Investments (cont.)**

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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, 2015, 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 fund.

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the 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 \$169,715.

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, 2015

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

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

##### ***4. Restricted Assets***

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

##### ***5. Capital Assets***

###### ***Government–Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets 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. \$91,772 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, 2015

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

---

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

##### **6. Other Assets**

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

##### **7. Deferred Outflows of Resources**

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

##### **8. 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, 2016 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2016 and for most employee groups this vacation balance must be used by December 31, 2016. The balance is \$2,141,415 as of December 31, 2015.

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, 2015 are determined on the basis of current salary rates and include salary related payments.

##### **9. Long-Term Obligations/Conduit Debt**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### **9. Long-Term Obligations/Conduit Debt (cont.)**

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$7,710,000, made up of one issue.

##### **10. 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.

##### **11. Equity Classifications**

###### **Government-Wide Statements**

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

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

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

**11. Equity Classifications (cont.)**

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 166,599,500	\$ 99,568,760	\$ (797,000)	\$ 265,371,260
Unrestricted (deficit)	(8,009,828)	7,240,593	797,000	27,765

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

**Fund Statements**

Governmental fund balances are displayed as follows:

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

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### **11. 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.

##### **12. Basis for Existing Rates**

###### **Water Utility**

Current water rates authorized by the Public Service Commission of Wisconsin became effective January 19, 2015. New water rates were authorized by the Public Service Commission of Wisconsin and are effective January 19, 2016.

###### **Wastewater Utility**

Current wastewater rates were approved by the City Council on January 1, 2015. New wastewater rates were approved by the City Council to become effective January 1, 2016.

###### **Stormwater Utility**

The current stormwater utility rates were approved by the City Council on January 1, 2015. New stormwater rates were approved by the City Council to become effective January 1, 2016.

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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	\$	59,320,000
Premium on debt		734,611
Post retirement benefits		17,442,817
Landfill super fund care		710,000
Accrued vacation		2,141,415
Accrued interest		<u>659,560</u>
 Combined Adjustment for Long-Term Liabilities	 \$	 <u>81,008,403</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 2007 debt for interest savings.

Fund	Budgeted Expenditures	Actual Expenditures	Excess
Oakhill cemetery	\$ 232,581	\$ 236,459	\$ 3,878
Golf course	1,253,633	1,288,098	34,465
Industrial waste disposal	40,425	54,556	14,131
Debt service	10,034,177	11,149,285	1,115,108
Capital projects	14,318,058	15,945,007	1,626,949

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, 2015

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

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#### **C. DEFICIT BALANCES**

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

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 17	\$ 50,533	Unfunded costs
TIF No. 21	159,087	Unfunded costs
TIF No. 22	1,816,329	Unfunded costs
TIF No. 25	215,287	Unfunded costs
TIF No. 26	105,318	Unfunded costs
TIF No. 28	97,593	Unfunded costs
TIF No. 35	756,576	Unfunded costs
Innovation Center	42,888	Unfunded costs

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

#### **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, 2015

### 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	\$ 53,943,481	\$ 54,228,956	Custodial credit
LGIP	8,388,932	8,388,932	Credit
U.S. agencies explicitly guaranteed	4,250,833	4,250,833	Custodial credit, interest rate
Petty cash	7,843	N/A	N/A
 Total Cash and Investments	 \$ 66,591,089	 \$ 66,868,721	

#### Reconciliation to financial statements-primary government

Per statement of net position

Unrestricted cash and investments	\$ 28,017,413
Restricted cash and investments	10,067,472

Per combining statement of assets

and liabilities - agency fund	28,506,204
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Total Cash and Investments	\$ 66,591,089
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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, 2015

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

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#### **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, 2015, 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, 2015

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

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#### 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, 2015, 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, 2015, the city's investments were as follows:

Investment Type	Fair Value	Maturity		
		Less than 60 Days	60 Days - 2 years	2 years - 28 years
GNMA	\$ 2,858,403	\$ -	\$ -	\$ 2,858,403
FNMA	724,544	-	90,462	634,082
FHLMC	645,215	-	-	645,215
SBA	<u>22,671</u>	<u>-</u>	<u>-</u>	<u>22,671</u>
Totals	<u>\$ 4,250,833</u>	<u>-</u>	<u>90,462</u>	<u>\$ 4,160,371</u>

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

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**B. RECEIVABLES**

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

	General	Sanitation	Debt Service	Capital Projects	Water Utility	Wastewater Utility	Nonmajor and Other	Total
Net Total Receivables	\$ 30,772,023	\$ 1,389,545	\$ 783,216	\$ 32,984	\$ 1,984,345	\$ 2,785,896	\$ 13,435,943	\$ 51,183,952
Amounts not expected to be collected within one year	\$ 182,725	\$ -	\$ 528,612	\$ -	\$ 14,208	\$ 45,612	\$ 4,974,888	\$ 5,746,045

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$5,589,040. 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	\$ -	\$ 35,436,088	\$ 35,436,088
Delinquent personal property taxes	182,725	-	182,725
Long-term loans receivable	4,886,911	-	4,886,911
Special assessments not yet due	883,192	-	883,192
Grants not available at year end	64,107	-	64,107
Miscellaneous	-	13,845	13,845
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u>\$ 6,016,935</u>	 <u>\$ 35,449,933</u>	 <u>\$ 41,466,868</u>

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **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.

##### **Net Pension Asset**

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

Following is a list of restricted assets at December 31, 2015:

	<u>Restricted Assets</u>
Business-type Activities	
Net pension asset	\$ 699,986
Construction account	1,847,293
Replacement account	5,748,235
Revenue bond redemption account	2,471,944
Total Business-type Activities	<u>10,767,458</u>
Governmental Activities	
Net pension asset	<u>6,222,145</u>
Total Governmental Activities	<u>6,222,145</u>
 Total Restricted Assets	 <u><u>\$ 16,989,603</u></u>

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>1/1/2015</u> Ending Balance	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2015</u> Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 23,411,029	\$ 254,144	\$ (39,440)	\$ 23,625,733
Right of way	11,802,203	20,150	(2,700)	11,819,653
Construction in progress	4,080,262	9,486,592	(4,288,234)	9,278,620
Total Capital Assets Not Being Depreciated	39,293,494	9,760,886	(4,330,374)	44,724,006
Capital assets being depreciated				
Land improvements	8,524,344	821,122	-	9,345,466
Buildings	35,165,488	1,082,936	(311,838)	35,936,586
Furniture and fixtures	10,122,180	578,029	(884,671)	9,815,538
Vehicles and equipment	22,843,800	2,282,974	(752,636)	24,374,138
Landfill improvements	5,696,327	-	-	5,696,327
Storm sewer	31,756,097	102,347	-	31,858,444
Roads	98,872,474	3,290,010	(145,032)	102,017,452
Sidewalks	17,837,557	1,436,456	(107,577)	19,166,436
Street lights	3,839,619	143,741	(10,874)	3,972,486
Traffic signals	4,206,283	182,284	(30,471)	4,358,096
Bridges	10,060,349	3,941,000	-	14,001,349
Boat launches	286,199	-	-	286,199
Bike trails	6,081,721	41,000	-	6,122,721
Riverwall/retaining wall	1,340,003	-	-	1,340,003
Dams	331,930	-	-	331,930
Total Capital Assets Being Depreciated	256,964,370	13,901,899	(2,243,099)	268,623,171

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

	Ending Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (2,615,576)	\$ (340,164)	\$ -	\$ (2,955,740)
Buildings	(11,041,531)	(777,191)	5,335	(11,813,387)
Furniture and fixtures	(7,567,502)	(466,810)	876,614	(7,157,698)
Vehicles and equipment	(14,251,428)	(1,641,116)	690,353	(15,202,191)
Landfill improvements	(2,233,639)	(284,817)	-	(2,518,456)
Storm sewer	(9,709,153)	(425,119)	-	(10,134,272)
Roads	(31,473,864)	(1,621,712)	145,032	(32,950,544)
Sidewalks	(6,087,625)	(308,983)	107,577	(6,289,031)
Street lights	(1,283,436)	(78,121)	10,875	(1,350,682)
Traffic signals	(911,214)	(85,644)	30,471	(966,387)
Bridges	(3,802,169)	(160,010)	-	(3,962,179)
Boat launches	(252,253)	(14,310)	-	(266,563)
Bike trails	(1,225,878)	(101,602)	-	(1,327,480)
Riverwall/retaining wall	(278,000)	(26,800)	-	(304,800)
Dams	(23,236)	(6,639)	-	(29,875)
Total Accumulated Depreciation	(92,756,504)	(6,339,038)	1,866,257	(97,229,285)
Net Capital Assets Being Depreciated	164,207,866	7,562,861	(376,842)	171,393,886
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 203,501,360	\$ 17,323,747	\$ (4,707,216)	\$ 216,117,892

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 241,594
Public safety	775,013
Public works, which includes the depreciation of infrastructure	4,259,166
Recreation and parks	630,004
Community and economic development	94,734
Library	338,527
Total Governmental Activities Depreciation Expense	\$ 6,339,038

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
<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, 2015

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
<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	134,508	1,886,231	(61,474)	1,959,265
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	108,060,532	1,555,116	(389,979)	109,225,669
Total Capital Assets	108,195,040	3,441,347	(451,453)	111,184,934
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	(30,918,712)	(3,254,227)	375,953	(33,796,986)
Wastewater Capital Assets, Net of Depreciation	\$ 77,276,328	\$ 187,120	\$ (75,500)	\$ 77,387,948



**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 32,711	\$ 78,191	\$ (33,545)	\$ 77,357
Total Capital Assets Not Being Depreciated	32,711	78,191	(33,545)	77,357
Capital assets being depreciated				
Detention ponds	2,604,463	-	-	2,604,463
Greenbelt crossings	2,248,035	4,152	-	2,252,187
Stormwater mains	2,644,958	478,870	-	3,123,828
Dam Improvements	143,255	990	-	144,245
General assets	276,242	386	(23,081)	253,547
Total Capital Assets Being Depreciated	7,916,953	484,398	(23,081)	8,378,270
Total Capital Assets	7,949,664	562,589	(56,626)	8,455,627
Less: Accumulated depreciation for				
Detention ponds	(551,277)	(52,089)	-	(603,366)
Greenbelt crossings	(432,074)	(30,001)	-	(462,075)
Stormwater mains	(152,989)	(42,715)	-	(195,704)
Dam Improvements	(18,502)	(2,875)	-	(21,377)
General assets	(192,519)	(60,651)	23,081	(230,089)
Total Accumulated Depreciation	(1,347,361)	(188,331)	23,081	(1,512,611)
Stormwater Capital Assets, Net of Depreciation	\$ 6,602,303	\$ 374,258	\$ (33,545)	\$ 6,943,016

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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>
<b>Business-type Activities</b>				
<u>Transit</u>				
Capital assets not being depreciated				
Land and land rights	\$ 710,031	\$ -	\$ -	\$ 710,031
Total Capital Assets Not Being Depreciated	<u>710,031</u>	<u>-</u>	<u>-</u>	<u>710,031</u>
Capital assets being depreciated				
Building	8,597,711	-	-	8,597,711
Equipment	<u>7,140,326</u>	<u>-</u>	<u>(6,524)</u>	<u>7,133,802</u>
Total Capital Assets Being Depreciated	<u>15,738,037</u>	<u>-</u>	<u>(6,524)</u>	<u>15,731,513</u>
Total Capital Assets	<u>16,448,068</u>	<u>-</u>	<u>(6,524)</u>	<u>16,441,544</u>
Less: Accumulated depreciation for				
Building	(1,553,771)	(221,771)	-	(1,775,542)
Equipment	<u>(3,914,650)</u>	<u>(441,071)</u>	<u>6,524</u>	<u>(4,349,197)</u>
Total Accumulated Depreciation	<u>(5,468,421)</u>	<u>(662,842)</u>	<u>6,524</u>	<u>(6,124,739)</u>
Transit Capital Assets, Net of Depreciation	<u>\$ 10,979,647</u>	<u>\$ (662,842)</u>	<u>\$ -</u>	<u>\$ 10,316,805</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Capital Assets, Net of Depreciation	<u>\$ 149,623,615</u>	<u>\$ (112,047)</u>	<u>\$ (2,051,661)</u>	<u>\$ 147,459,907</u>

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Transit	\$ 662,842
Stormwater	188,331
Water	1,707,287
Wastewater	<u>3,287,141</u>
Total Business-type Activities	<u>\$ 5,845,601</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, 2015

**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	\$ 1,377,477	\$ -
General Fund	Sanitation	401,079	-
General Fund	TIF 17	50,275	10,082
General Fund	TIF 21	158,829	-
General Fund	TIF 22	1,625,950	1,029,487
General Fund	TIF 25	215,046	16,292
General Fund	TIF 26	104,996	-
General Fund	TIF 28	97,352	97,352
General Fund	TIF 35	756,198	756,198
General Fund	Innovation Center	30,246	-
Capital Projects Fund	Debt Service Fund	570,821	-
Wastewater Utility	Transit System	627,772	-
Wastewater Utility	Water Utility	906,913	-
Subtotal- Fund Financial Statements		6,922,954	1,909,411
Less: Fund eliminations		(5,545,477)	(1,909,411)
Less: Internal service fund elimination adjustment		(1,899,729)	-
Total Government-wide Statement of Net Position		\$ (522,252)	\$ -

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,377,477
Business-type Activities	Governmental Activities	(1,899,729)
Total Government-wide Statement of Net Position		\$ (522,252)

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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	\$ 1,377,477	Tax equivalent	General Fund	\$ 6,202,802	Debt payments
Total General Fund	<u>1,377,477</u>		General Fund	230,000	Subsidy
Sanitation Fund	250,000	Subsidy	General Fund	250,000	Subsidy
Total Sanitation Fund	<u>250,000</u>		General Fund	760,052	Subsidy
Insurance Fund	109,000	Subsidy	General Fund	71,098	Subsidy
Total Insurance Fund	<u>109,000</u>		General Fund	3,902	Subsidy
Debt Service Fund	6,432,802	Debt payments	General Fund	74,000	Subsidy
Debt Service Fund	1,137,943	Debt payments	General Fund	14,000	Subsidy
Debt Service Fund	138,242	Debt payments	General Fund	<u>109,000</u>	Subsidy
Debt Service Fund	71,116	Debt payments	Total General Fund	<u>7,714,854</u>	
Debt Service Fund	1,310,574	Debt payments	Sanitation Fund	1,137,943	Debt payments
Debt Service Fund	115,500	Debt payments	Sanitation Fund	<u>226,000</u>	Long-term care
Debt Service Fund	158,234	Debt payments	Total Sanitation Fund	<u>1,363,943</u>	
Debt Service Fund	87,019	Debt payments	Capital Projects Fund	<u>48,575</u>	Subsidy
Debt Service Fund	35,025	Debt payments	Total Capital Projects Fund	<u>48,575</u>	
Debt Service Fund	100,037	Debt payments	Water Utility	<u>1,377,477</u>	Tax equivalent
Debt Service Fund	60,394	Debt payments	Total Water Utility	<u>1,377,477</u>	
Debt Service Fund	<u>71,098</u>	Subsidy	Library	138,242	Debt payments
Total Debt Service Fund	<u>9,717,984</u>		TIF 17	71,116	Debt payments
Capital Projects Fund	3,902	Subsidy	TIF 22	1,310,574	Debt payments
Capital Projects Fund	<u>282,380</u>	Capital equipment	TIF 23	115,500	Debt payments
Total Capital Projects Fund	<u>286,282</u>		TIF 25	158,234	Debt payments
Cemetery Fund	74,000	Subsidy	TIF 26	87,019	Debt payments
Golf Courses	14,000	Subsidy	TIF 27	35,025	Debt payments
Special Accounts	226,000	Long-term care	TIF 35	100,037	Debt payments
Transit	704,085	Subsidy	Benefits Funding	60,394	Debt payments
Transit	<u>55,967</u>	Subsidy	VOM	<u>282,380</u>	Capital equipment
Total Nonmajor Funds	<u>1,074,052</u>		Total Nonmajor Funds	<u>2,358,521</u>	
Sub-Total Fund Financial Statements	<u>\$ 12,814,795</u>			12,814,795	
Less: Fund Eliminations				(11,963,596)	
Less: Government-wide Eliminations				<u>(233,774)</u>	
Total Government Wide Statement of Activities				<u>\$ 617,425</u>	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 1,377,477
Business-type Activities	Governmental Activities	<u>(760,052)</u>
Total		<u>\$ 617,425</u>

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 58,503,000	\$ 10,542,000	\$ 9,725,000	\$ 59,320,000	\$ 9,685,777
Premium on debt	315,338	482,490	63,217	734,611	-
Total Notes Payable	<u>58,818,338</u>	<u>11,024,490</u>	<u>9,788,217</u>	<u>60,054,611</u>	<u>9,685,777</u>
Other Liabilities					
Other post retirement benefits	16,091,204	2,869,224	1,517,611	17,442,817	-
Landfill superfund care	764,000	-	54,000	710,000	39,385
Accrued vacation	2,129,483	2,141,415	2,129,483	2,141,415	2,141,415
Total Other Liabilities	<u>18,984,687</u>	<u>5,010,639</u>	<u>3,701,094</u>	<u>20,294,232</u>	<u>2,180,800</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 77,803,025</u>	<u>\$ 16,035,129</u>	<u>\$ 13,489,311</u>	<u>\$ 80,348,843</u>	<u>\$ 11,866,577</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 21,922,000	\$ 4,968,000	\$ 4,000,000	\$ 22,890,000	\$ 3,497,000
Other post employment benefits	1,446,457	258,365	141,401	1,563,421	-
Premium on debt	105,632	210,291	35,062	280,861	-
Revenue bonds	28,245,050	-	1,861,739	26,383,311	1,903,948
Total Business-Type Activities Long-Term Liabilities	<u>\$ 51,719,139</u>	<u>\$ 5,436,656</u>	<u>\$ 6,038,202</u>	<u>\$ 51,117,593</u>	<u>\$ 5,400,948</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, 2015

### 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, 2015 was \$199,363,670. Total general obligation debt outstanding at year end was \$82,210,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2015
<b>Governmental Activities</b>					
General Obligation Debt					
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	\$ 10,285,000	\$ 2,795,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	11,450,000	3,960,000
General obligation notes	11/23/2009	2/1/2018	2.00 - 3.50%	6,915,000	1,875,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	6,145,000	1,880,000
General obligation notes	11/4/2010	2/1/2020	1.05 - 3.60%	1,055,000	650,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	7,595,000	5,070,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	1,285,000	230,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	9,740,000	6,957,000
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	2,740,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	8,035,000	7,420,000
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	11,084,000
General obligation notes	9/3/2014	2/1/2016	3.00%	1,315,000	637,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	9,477,000	9,477,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	1,065,000	1,065,000
Total Governmental Activities – General Obligation Debt					<u>\$ 59,320,000</u>

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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 12/31/2015</u>
<b>Business-type Activities</b>					
General Obligation Debt					
General obligation notes	7/1/2008	2/1/2018	3.50 - 4.25%	\$ 4,960,000	\$ 920,000
General obligation notes	11/23/2009	2/1/2019	2.00 - 3.75%	3,955,000	1,440,000
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	2,620,000	1,375,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	4,420,000	3,285,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	620,000	240,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	2,960,000	2,318,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	790,000	405,000
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	547,000	85,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	2,415,000	2,110,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	4,835,000	4,371,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	1,690,000	1,373,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	4,208,000	4,208,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	760,000	760,000
Total Business-type Activities General Obligation Debt					<u>\$ 22,890,000</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>
2016	\$ 9,685,777	\$ 1,415,213	\$ 3,497,000	\$ 537,175
2017	9,324,928	1,145,825	3,402,000	438,809
2018	9,054,812	902,782	3,111,000	356,566
2019	7,790,030	688,893	2,875,000	283,072
2020	6,671,479	522,033	2,708,000	217,431
2021-2025	16,792,974	782,421	7,297,000	326,356
Totals	<u>\$ 59,320,000</u>	<u>\$ 5,457,167</u>	<u>\$ 22,890,000</u>	<u>\$ 2,159,409</u>

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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 1996. 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 26% of net revenues. The total principal and interest remaining to be paid on the bonds is \$30.4 million. Principal and interest paid for the current year and total customer net revenues were \$2.5 million and \$8.2 million, respectively.

Revenue debt payable at December 31, 2015 consists of the following:

**Business-type Activities Revenue Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2015
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 647,592
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	1,145,101
				Total Water Utility	1,792,693
<u>Wastewater Utility</u>					
Clean Water Fund loan	1996	2016	3.08%	518,676	34,102
Clean Water Fund loan	1998	2017	2.64%	1,128,073	147,016
Clean Water Fund loan	2000	2019	2.97%	284,140	74,158
Clean Water Fund loan	2001	2020	2.75%	1,100,828	412,693
Clean Water Fund loan	2004	2023	2.37%	2,032,973	976,669
Clean Water Fund loan	2010	2029	2.15%	27,212,000	22,121,183
Clean Water Fund loan	2011	2031	2.40%	983,325	824,797
				Total Wastewater Utility	24,590,618
Total Business-type Activities Revenue Debt					\$ 26,383,311



**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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
	2016	\$ 1,903,948
2017	1,911,971	517,155
2018	1,878,623	474,592
2019	1,920,665	432,076
2020	1,943,719	388,897
2021-2025	9,472,106	1,296,874
2026-2030	7,291,060	330,040
2031	61,219	735
Totals	\$ 26,383,311	\$ 4,000,653

***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.

***Current Refunding***

On July 8, 2015, the city issued \$15,510,000 in general obligation notes with an average interest rate of 2.12%. Part of this issuance was used to current refund Series 2007 Notes in the amount of \$1,825,000 at 4.5%. The net proceeds of \$1,854,034 (after payment in underwriting fees, insurance and other issuance costs) was used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$1,906,563 from 2016 through 2017. The cash flow requirements on the refunding bonds are \$1,868,798 from 2016 through 2017. 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 \$59,367.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **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, 2015 include the following:

Net investment in capital assets	
Land	\$ 35,445,386
Construction in progress	9,278,620
Other capital assets, net of accumulated depreciation	171,393,886
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(49,518,392)</u>
Total net investment in capital assets	<u>166,599,500</u>
Restricted	
Debt service	2,366,748
Grants	5,838,937
Library	757,137
TIF districts	2,204,554
Landfill long-term care	2,647,801
WRS pension	<u>6,222,145</u>
Total restricted	<u>20,037,322</u>
Unrestricted (deficit)	<u>(8,009,828)</u>
Total Governmental Activities Net Position	<u>\$ 178,626,994</u>

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **H. NET POSITION/FUND BALANCES (cont.)**

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

<b>Nonspendable</b>	
Major Funds	
General fund	
Prepaid items	\$ 73,671
Noncurrent interfund balances	<u>1,909,411</u>
Total General Fund	<u>\$ 1,983,082</u>
Sanitation fund	
Prepaid items	<u>\$ 733</u>
Total Capital Projects Fund	<u>\$ 733</u>
Capital projects fund	
Inventories	\$ 285,744
Prepaid items	<u>431</u>
Total Capital Projects Fund	<u>\$ 286,175</u>
Nonmajor funds	
Prepaid items	<u>\$ 49,349</u>
<b>Restricted</b>	
Major Funds	
Debt service fund-debt service	\$ 2,682,108
Capital projects fund - unspent bond proceeds	<u>3,057,045</u>
Total Major Funds	<u>\$ 5,739,153</u>
Nonmajor Funds	
Special Revenue Funds	
Library	\$ 757,137
Special Accounts	2,693,157
TIF 23	237,132
TIF 27	186,366
TIF 29	150,398
TIF 32	438,037
TIF 33	1,017,400
Other Housing Grants	331,669
Community Development Block Grant	676,791
Industrial Waste Disposal	<u>8,532</u>
Total Nonmajor Funds	<u>\$ 6,496,619</u>

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### H. NET POSITION/FUND BALANCES (cont.)

##### Committed

###### Major Funds

Sanitation Fund	\$ 708,912
Total Major Funds	<u>\$ 708,912</u>

###### Nonmajor Funds

###### Special Revenue Funds

JATV-12	\$ 398,899
Oakhill Cemetery	167,861
Golf Courses	16,133
Special Accounts	<u>417,924</u>
Total Nonmajor Special Revenue Funds	<u>1,000,817</u>

Total Nonmajor Funds	<u>\$ 1,000,817</u>
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##### Assigned

###### Major Funds

General fund - applied to 2016 budget	\$ 564,250
Capital Projects	<u>1,755,855</u>
Total Major Funds	<u>\$ 2,320,105</u>

##### Unassigned (deficit)

###### Major Funds

General fund	\$ 7,372,013
Total Major Funds	<u>\$ 7,372,013</u>

###### Nonmajor Funds

###### Special Revenue Funds

Special Accounts	\$ (9,330)
TIF 17	(50,533)
TIF 21	(159,087)
TIF 22	(1,816,370)
TIF 25	(215,287)
TIF 26	(105,318)
TIF 28	(97,593)
TIF 35	(756,617)
Innovation Center	<u>(42,888)</u>

Total Nonmajor Special Revenue Funds (Deficit)	<u>\$ (3,253,023)</u>
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**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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, 2015 include the following:

Net Investments in Capital Assets

Plant in service	\$ 217,484,772
Accumulated depreciation	(70,266,033)
Construction work in progress	<u>241,168</u>
Sub-Total	<u>147,459,907</u>
Current portion of general obligation debt	(3,510,000)
Current portion of revenue bonds	(1,903,948)
General obligation debt	(19,660,861)
Revenue bonds	(24,479,363)
Construction payables	<u>(184,268)</u>
Sub-Total	<u>(49,738,440)</u>
Construction Funds (unspent debt)	<u>1,847,293</u>
Sub-Total	<u>1,847,293</u>
Total Net Investment in Capital Assets	<u>\$ 99,568,760</u>

**I. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of the restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Wastewater Utility	Transit System
Net Position – December 31, 2014 (as reported)	\$ 161,428,566	\$ 113,712,382	\$ 40,152,119	\$ 55,520,815	\$ 10,545,005
Add: Net pension asset	10,125,569	1,139,118	381,466	264,610	493,042
Add: Deferred outflows related to pensions	<u>2,486,222</u>	<u>279,698</u>	<u>93,665</u>	<u>64,972</u>	<u>121,061</u>
Net Position – December 31, 2014 (as restated)	<u>\$ 174,040,357</u>	<u>\$ 115,131,198</u>	<u>\$ 40,627,250</u>	<u>\$ 55,850,397</u>	<u>\$ 11,159,108</u>

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **J. COMPONENT UNIT**

This report contains the Community Development Authority (CDA) which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 172,748	\$ 172,748	Custodial credit

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

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

#### ***Custodial Credit Risk***

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

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

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

**J. COMPONENT UNIT** (cont.)

c. Cash and Cash Equivalents

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

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Equipment	\$ 97,369	\$ -	\$ -	\$ 97,369	4-20
Less: accumulated depreciation	(66,056)	(3,891)	-	(69,947)	
Totals	\$ 31,313	\$ (3,891)	\$ -	\$ 27,422	

### NOTE V – OTHER INFORMATION

**A. EMPLOYEES' RETIREMENT SYSTEM**

**Summary of Significant Accounting Policies**

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

**General Information About the Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

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

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25



# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$2,767,238 in contributions from the city.

Contribution rates as of January 1, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

#### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015 the city reported an asset of \$6,922,131 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.28181434%, which was a decrease of 0.00391026% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015 the city recognized pension expense of \$2,522,637.

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)**

At December 31, 2015, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,003,494
Net differences between projected and actual earnings on pension plan investments	3,352,030
Changes in proportion and differences between employer contributions and proportionate share of contributions	136,702
Employer contributions subsequent to the measurement date	2,859,533
Totals	\$ 7,351,759

\$2,859,533 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 1,097,958
2017	1,097,958
2018	1,097,958
2019	1,097,956
2020	100,396

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)**

**Sensitivity of the city’s proportionate share of the net pension asset to changes in the discount rate.** The following presents the city’s proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City’s proportionate share of the net pension asset/(liability)	\$(19,528,524)	\$6,922,131	\$27,811,789

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan of \$623,169, which represents contractually required contributions outstanding as of the end of the year.

**B. RISK MANAGEMENT**

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

**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.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### ***Public Entity Risk Pool – Transit Mutual Insurance Corporation of Wisconsin (TMI)*** (cont.)

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 4.47% for auto liability and 7.3% of physical damage liability. A list of the other members and their share of participating is available in the TMI report, which can be obtained directly from the TMI's offices.

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

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

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

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 2015 was calculated at 3.999%. 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.

**CITY OF JANESVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

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

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 \$114,621. For liability claims, the city's uninsured risk of loss is \$100,000 per incident with a \$5,000,000 limit per occurrence. \$425,000 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 \$175,000 per incident with a \$2,000,000 lifetime maximum per individual. Stop loss insurance is purchased for claims in excess of \$175,000. Actual claims have exceeded the stop loss limit in each of the last three years.

All funds of the city participate in the risk management program. Amounts payable to the internal service fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$325,000 was designated for that reserve at year end, and is included in unrestricted net position of the internal service fund.

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

<b>Claims Liability</b>	<b>Prior Year</b>	<b>Current Year</b>
Unpaid claims – Beginning of Year	\$ 427,000	\$ 545,000
Current year claims and changes in estimates	8,762,404	9,299,229
Claim payments	(8,644,404)	(9,115,229)
Unpaid Claims – End of Year	\$ 545,000	\$ 729,000

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### ***Self-Insurance – Worker's Compensation***

The city is also self-insured for workers compensation, which are accounted for and financed by the insurance internal service fund. For these claims, the uninsured risk of loss is \$350,000 per incident for protective employees (fire and police) and \$300,000 per incident for all other employees. The city has purchased commercial insurance for claims in excess of \$1,000,000. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the city participate in the risk management program. Amounts payable to the internal fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$485,000 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.

<b><i>Claims Liability</i></b>	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 715,814	\$ 972,133
Current year claims and changes in estimates	420,985	742,295
Claim payments	<u>(164,666)</u>	<u>(281,952)</u>
Unpaid Claims – End of Year	<u>\$ 972,133</u>	<u>\$ 1,432,476</u>

#### **C. COMMITMENTS AND CONTINGENCIES**

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

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

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

In 2015, the city entered into an incentive agreement with a developer in TIF No. 35. If the developer adheres to the terms of the agreement, the city has committed a total of \$5,296,000 in incentive payments that are payable through 2027. The first incentive payment is planned for 2017 or within 60 days of occupancy of the constructed facility, whichever is later.



# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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

During 2015, the city borrowed \$13,865,000 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 \$1,635,939 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 11 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 \$0.7 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 11 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, 2015, there were \$2,212,048 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	\$ 1,115,677
Wastewater	<u>1,096,371</u>
Total	<u>\$ 2,212,048</u>

#### **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 2015, the city contributed \$7,753,164 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 2015, total member contributions were \$906,913, or approximately 10.5% of the total premiums, through their required contributions.

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

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

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		701,506
Adjustment to annual required contribution		<u>(696,963)</u>
Annual OPEB cost		3,023,165
Contributions made		<u>(1,554,588)</u>
Increase in Net OPEB Obligation		1,468,577
Net OPEB Obligation – Beginning of Year		<u>17,537,661</u>
Net OPEB Obligation – End of Year	\$	<u><u>19,006,238</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2015	\$ 3,023,165	51.4%	\$ 19,006,238
12/31/2014	3,022,835	57.8%	17,537,661
12/31/2013	4,008,656	43.8%	16,261,755

The funded status of the plan as of January 1, 2015, 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><u>34,300,425</u></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%

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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

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.

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. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*

# CITY OF JANESVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE V – OTHER INFORMATION (cont.)**

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#### **E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS (cont.)**

- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>REVENUES</b>				
Taxes	\$ 29,584,695	\$ 29,584,695	\$ 29,448,791	\$ (135,904)
Licenses and permits	1,379,956	1,379,956	1,676,409	296,453
Investment income, rents and fines	699,000	699,000	714,832	15,832
State and federal aids	7,532,125	7,532,125	7,544,505	12,380
Service charges and other	<u>3,063,900</u>	<u>3,063,900</u>	<u>3,207,177</u>	<u>143,277</u>
<b>Total Revenues</b>	<u>42,259,676</u>	<u>42,259,676</u>	<u>42,591,714</u>	<u>332,038</u>
<b>EXPENDITURES</b>				
General government	4,062,668	4,062,668	3,995,694	66,974
Public safety	23,507,344	23,507,344	23,261,793	245,551
Public works	4,433,588	4,439,670	4,257,047	182,623
Recreation and parks	2,860,152	2,860,152	2,734,838	125,314
Community and economic development	<u>1,585,847</u>	<u>1,585,847</u>	<u>1,492,201</u>	<u>93,646</u>
<b>Total Expenditures</b>	<u>36,449,599</u>	<u>36,455,681</u>	<u>35,741,573</u>	<u>714,108</u>
Excess of revenues over expenditures	<u>5,810,077</u>	<u>5,803,995</u>	<u>6,850,141</u>	<u>1,046,146</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,400,000	1,400,000	1,377,477	(22,523)
Transfers out	<u>(7,845,726)</u>	<u>(7,845,726)</u>	<u>(7,666,279)</u>	<u>179,447</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(6,445,726)</u>	<u>(6,445,726)</u>	<u>(6,288,802)</u>	<u>156,924</u>
Net change in fund balance	(635,649)	(641,731)	561,339	1,203,070
FUND BALANCES - Beginning of Year	<u>9,358,006</u>	<u>9,358,006</u>	<u>9,358,006</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,722,357</u>	<u>\$ 8,716,275</u>	<u>\$ 9,919,345</u>	<u>\$ 1,203,070</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
State and federal aids	\$ 227,000	\$ 227,000	\$ 226,614	\$ (386)
Service charges and other	6,677,884	6,677,884	7,143,425	465,541
Total Revenues	<u>6,904,884</u>	<u>6,904,884</u>	<u>7,370,039</u>	<u>465,155</u>
<b>EXPENDITURES</b>				
Current				
Public works	<u>5,274,608</u>	<u>5,274,608</u>	<u>5,286,639</u>	<u>(12,031)</u>
Total Expenditures	<u>5,274,608</u>	<u>5,274,608</u>	<u>5,286,639</u>	<u>(12,031)</u>
Excess of revenues over expenditures	<u>1,630,276</u>	<u>1,630,276</u>	<u>2,083,400</u>	<u>453,124</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	250,000	250,000
Transfers out	<u>(1,404,368)</u>	<u>(1,404,368)</u>	<u>(1,363,943)</u>	<u>40,425</u>
Total Other Financing Sources (Uses)	<u>(1,404,368)</u>	<u>(1,404,368)</u>	<u>(1,113,943)</u>	<u>290,425</u>
Net change in fund balance	225,908	225,908	969,457	743,549
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(259,812)</u>	<u>(259,812)</u>	<u>(259,812)</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ (33,904)</u>	<u>\$ (33,904)</u>	<u>\$ 709,645</u>	<u>\$ 743,549</u>

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

**CITY OF JANESVILLE**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.28181434%	\$ 6,922,131	\$ 29,934,378	23.12%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 2,859,533	\$ 2,859,533	\$ -	\$ 32,131,966	8.90%

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



**CITY OF JANESVILLE**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS  
 December 31, 2015

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%
12/31/2015			34,300,425	34,300,425	0.00%	32,131,966	106.7%

see Table F - Schedule of Funding Progress in KBC Valuation for valuation years, and no longer estimated in interim years

# CITY OF JANESVILLE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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### ***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.

### ***WISCONSIN RETIREMENT SYSTEM***

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

The city is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

*Changes in Assumptions.* There were no changes in assumptions.



**SUPPLEMENTAL INFORMATION**

# CITY OF JANESVILLE

## GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>TAXES</b>				
General property tax	\$ 28,411,695	\$ 28,411,695	\$ 28,224,342	\$ (187,353)
Penalties and interest on taxes	183,000	183,000	178,804	(4,196)
Mobile home taxes	75,000	75,000	71,561	(3,439)
Hotel/motel tax	380,000	380,000	421,778	41,778
Wheel tax	535,000	535,000	552,306	17,306
Totals	<u>29,584,695</u>	<u>29,584,695</u>	<u>29,448,791</u>	<u>(135,904)</u>
<b>LICENSES</b>				
Alcoholic beverage licenses	68,000	68,000	94,930	26,930
Publication fees	3,500	3,500	3,825	325
Food and cigarettes	13,500	13,500	15,950	2,450
Weights and measures	22,000	22,000	22,013	13
Dog licenses	46,000	46,000	43,759	(2,241)
Bartender licenses	50,400	50,400	52,890	2,490
Amusement center licenses	22,000	22,000	18,970	(3,030)
Cable TV	700,000	700,000	766,849	66,849
Other regulatory licenses and permits	20,800	20,800	21,837	1,037
Totals	<u>946,200</u>	<u>946,200</u>	<u>1,041,023</u>	<u>94,823</u>
<b>COMMUNITY DEVELOPMENT PERMITS</b>				
Application fees	48,882	48,882	88,342	39,460
Resident permit fees	138,875	138,875	177,039	38,164
Commercial permit fees	245,999	245,999	370,005	124,006
Totals	<u>433,756</u>	<u>433,756</u>	<u>635,386</u>	<u>201,630</u>
<b>INVESTMENT INCOME, RENTS AND FINES</b>				
Investment income	125,000	125,000	213,963	88,963
Rents - city owned property	124,000	124,000	145,141	21,141
Municipal court fines	375,000	375,000	305,728	(69,272)
Sale of city property	25,000	25,000	-	(25,000)
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>699,000</u>	<u>699,000</u>	<u>714,832</u>	<u>15,832</u>
<b>STATE AND FEDERAL AIDS</b>				
Shared taxes from state	5,131,407	5,131,407	5,135,426	4,019
Local road allotment	1,710,354	1,710,354	1,707,044	(3,310)
State payment - municipal services	100,000	100,000	79,326	(20,674)
Connecting street maintenance	330,364	330,364	330,364	-
Computer value reimbursement	120,000	120,000	140,392	20,392
State aid - fire insurance	140,000	140,000	151,953	11,953
Totals	<u>7,532,125</u>	<u>7,532,125</u>	<u>7,544,505</u>	<u>12,380</u>

# CITY OF JANESVILLE

## GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.) For the Year Ended December 31, 2015

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>SERVICE CHARGES AND OTHER</b>				
Parking	\$ 71,000	\$ 71,000	\$ 49,564	\$ (21,436)
Public works	92,000	92,000	113,434	21,434
Police department	42,200	42,200	68,011	25,811
Fire department	1,812,000	1,812,000	2,111,359	299,359
Leisure services	809,700	809,700	759,972	(49,728)
Miscellaneous	187,000	187,000	52,970	(134,030)
Wastewater service charge	50,000	50,000	51,867	1,867
Totals	<u>3,063,900</u>	<u>3,063,900</u>	<u>3,207,177</u>	<u>143,277</u>
<b>TRANSFERS IN</b>				
Water utility taxes	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,377,477</u>	<u>(22,523)</u>
Totals	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,377,477</u>	<u>(22,523)</u>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 43,659,676</u>	<u>\$ 43,659,676</u>	<u>\$ 43,969,191</u>	<u>\$ 309,515</u>

# CITY OF JANESVILLE

## GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
City council	\$ 5,856	\$ 5,856	\$ 5,598	\$ 258
City manager	389,214	389,214	382,144	7,070
Community information	75,270	75,270	81,151	(5,881)
City assessor	493,436	493,436	457,257	36,179
City attorney	432,697	432,697	503,699	(71,002)
Elections	73,729	73,729	53,129	20,600
City clerk - treasurer	580,579	580,579	494,956	85,623
Finance	375,951	375,951	356,449	19,502
Human resources	228,076	228,076	225,494	2,582
Information systems	828,383	828,383	730,769	97,614
Insurance	85,901	85,901	86,808	(907)
Economic adjustments	94,750	94,750	127,556	(32,806)
Unclassified and sundry	398,826	398,826	490,684	(91,858)
Totals	<u>4,062,668</u>	<u>4,062,668</u>	<u>3,995,694</u>	<u>66,974</u>
<b>PUBLIC SAFETY</b>				
Police department	13,020,458	13,020,458	13,016,597	3,861
Fire department	10,486,886	10,486,886	10,245,196	241,690
Totals	<u>23,507,344</u>	<u>23,507,344</u>	<u>23,261,793</u>	<u>245,551</u>
<b>PUBLIC WORKS</b>				
Administration				
Engineering	623,564	623,564	568,240	55,324
Sub-Totals	<u>623,564</u>	<u>623,564</u>	<u>568,240</u>	<u>55,324</u>
Street Maintenance and Repair				
Paved streets	910,271	910,271	836,431	73,840
Snow removal	1,290,988	1,290,988	1,276,976	14,012
Weed cutting	38,960	38,960	33,200	5,760
Sub-Totals	<u>2,240,219</u>	<u>2,240,219</u>	<u>2,146,607</u>	<u>93,612</u>
Public Buildings and Parking				
Public buildings	506,510	506,510	506,785	(275)
Parking facilities	106,309	106,309	125,524	(19,215)
Sub-Totals	<u>612,819</u>	<u>612,819</u>	<u>632,309</u>	<u>(19,490)</u>

# CITY OF JANESVILLE

## GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PUBLIC WORKS (cont.)</b>				
Traffic Control				
Traffic signs	\$ 129,436	\$ 129,436	\$ 144,540	\$ (15,104)
Traffic signals	182,533	188,615	196,268	(7,653)
Street painting	94,868	94,868	94,604	264
Street lighting	550,149	550,149	474,479	75,670
Sub-Totals	<u>956,986</u>	<u>963,068</u>	<u>909,891</u>	<u>53,177</u>
Total Public Works	<u>4,433,588</u>	<u>4,439,670</u>	<u>4,257,047</u>	<u>182,623</u>
<b>RECREATION AND PARKS</b>				
Leisure services administration	43,000	43,000	42,363	637
Tallman house	49,400	49,400	55,527	(6,127)
Senior citizens center	253,397	253,397	264,042	(10,645)
Park management	1,463,414	1,463,414	1,384,834	78,580
Recreation programs	490,790	490,790	453,248	37,542
Ice skating center	306,720	306,720	319,632	(12,912)
Aquatics	253,431	253,431	215,192	38,239
Totals	<u>2,860,152</u>	<u>2,860,152</u>	<u>2,734,838</u>	<u>125,314</u>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>				
Economic development	175,601	175,601	114,370	61,231
Community development	1,104,573	1,104,573	1,098,146	6,427
Housing services-property maintenance	305,673	305,673	279,685	25,988
Totals	<u>1,585,847</u>	<u>1,585,847</u>	<u>1,492,201</u>	<u>93,646</u>
<b>GENERAL FUND TRANSFERS</b>				
Transit system	907,262	907,262	711,477	195,785
Insurance	-	-	109,000	(109,000)
Debt service	6,735,039	6,735,039	6,682,802	52,237
Capital Projects				
Special assessments	75,000	75,000	75,000	-
Special Revenue				
Cemetery	74,000	74,000	74,000	-
Golf Courses	14,000	14,000	14,000	-
Industrial Waste	40,425	40,425	-	40,425
Totals	<u>7,845,726</u>	<u>7,845,726</u>	<u>7,666,279</u>	<u>179,447</u>
<b>TOTAL EXPENDITURES AND OTHER USES</b>				
	<u>\$ 44,295,325</u>	<u>\$ 44,301,407</u>	<u>\$ 43,407,852</u>	<u>\$ 893,555</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 #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 #25** – To account for the financing and construction of City improvements related to North Kennedy Road/I-90.

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

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



## NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

**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 #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 22,000 square foot office/commercial/industrial business incubator which provides supportive services, infrastructure, education, training and mentorship to entrepreneurs. The facility is a key component in the implementation of the City's Economic Development Strategy by fostering growth of start-up businesses within the Community to create jobs and expand the tax base.

**CITY OF JANESVILLE**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
As of December 31, 2015

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 863,845	\$ 366,634	\$ 159,122	\$ 2,428,531
Taxes receivable	3,248,309	-	-	-
Accounts receivable	3,941	34,585	11,275	834,766
Special assessments receivable	-	-	-	-
Prepaid items	456	-	-	797
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 4,116,551</u>	<u>\$ 401,219</u>	<u>\$ 170,397</u>	<u>\$ 3,264,094</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Current Liabilities				
Accounts payable	\$ 72,744	\$ 32	\$ 495	\$ 85,603
Accrued liabilities	37,905	2,288	2,041	5,875
Due to other funds	-	-	-	-
Total Liabilities	<u>110,649</u>	<u>2,320</u>	<u>2,536</u>	<u>91,478</u>
Deferred Inflows of Resources				
Unearned revenues	3,248,309	-	-	5,961
Unavailable revenues	-	-	-	64,107
Total Deferred Inflows of Resources	<u>3,248,309</u>	<u>-</u>	<u>-</u>	<u>70,068</u>
Fund Balances				
Nonspendable	456	-	-	797
Restricted	757,137	-	-	2,693,157
Committed	-	398,899	167,861	417,924
Unassigned (deficit)	-	-	-	(9,330)
Total Fund Balances	<u>757,593</u>	<u>398,899</u>	<u>167,861</u>	<u>3,102,548</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,116,551</u>	<u>\$ 401,219</u>	<u>\$ 170,397</u>	<u>\$ 3,264,094</u>

Continued on  
Next Page

<u>TIF No. 17</u>	<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>
\$ -	\$ -	\$ -	\$ 242,051	\$ -	\$ -	\$ 198,133
40,137	310,606	591,634	62,642	195,203	179,697	5,101
-	-	-	1,112	-	-	3,491
-	-	-	-	-	-	-
-	-	41	-	-	-	-
-	-	-	-	-	-	8,720
<u>\$ 40,137</u>	<u>\$ 310,606</u>	<u>\$ 591,675</u>	<u>\$ 305,805</u>	<u>\$ 195,203</u>	<u>\$ 179,697</u>	<u>\$ 215,445</u>
\$ 258	\$ 258	\$ 190,420	\$ 6,031	\$ 241	\$ 322	\$ 15,258
-	-	-	-	-	-	-
50,275	158,829	1,625,950	-	215,046	104,996	-
<u>50,533</u>	<u>159,087</u>	<u>1,816,370</u>	<u>6,031</u>	<u>215,287</u>	<u>105,318</u>	<u>15,258</u>
40,137	310,606	591,634	62,642	195,203	179,697	5,101
-	-	-	-	-	-	8,720
<u>40,137</u>	<u>310,606</u>	<u>591,634</u>	<u>62,642</u>	<u>195,203</u>	<u>179,697</u>	<u>13,821</u>
-	-	41	-	-	-	-
-	-	-	237,132	-	-	186,366
-	-	-	-	-	-	-
(50,533)	(159,087)	(1,816,370)	-	(215,287)	(105,318)	-
<u>(50,533)</u>	<u>(159,087)</u>	<u>(1,816,329)</u>	<u>237,132</u>	<u>(215,287)</u>	<u>(105,318)</u>	<u>186,366</u>
<u>\$ 40,137</u>	<u>\$ 310,606</u>	<u>\$ 591,675</u>	<u>\$ 305,805</u>	<u>\$ 195,203</u>	<u>\$ 179,697</u>	<u>\$ 215,445</u>

**CITY OF JANESVILLE**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)  
As of December 31, 2015

	TIF No. 28	TIF No. 29	TIF No. 32	TIF No. 33
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ -	\$ 150,639	\$ 441,632	\$ 1,020,722
Taxes receivable	-	28,680	1,015,389	324,188
Accounts receivable	-	-	-	-
Special assessments receivable	-	-	99,977	-
Prepaid items	-	-	-	-
Loans receivable	-	-	147,745	6,757
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 179,319</b>	<b>\$ 1,704,743</b>	<b>\$ 1,351,667</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Current Liabilities				
Accounts payable	\$ 241	\$ 241	\$ 419	\$ 3,322
Accrued liabilities	-	-	-	-
Due to other funds	97,352	-	-	-
<b>Total Liabilities</b>	<b>97,593</b>	<b>241</b>	<b>419</b>	<b>3,322</b>
Deferred Inflows of Resources				
Unearned revenues	-	28,680	1,018,566	324,188
Unavailable revenues	-	-	247,721	6,757
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>28,680</b>	<b>1,266,287</b>	<b>330,945</b>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	150,398	438,037	1,017,400
Committed	-	-	-	-
Unassigned (deficit)	(97,593)	-	-	-
<b>Total Fund Balances</b>	<b>(97,593)</b>	<b>150,398</b>	<b>438,037</b>	<b>1,017,400</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 179,319</b>	<b>\$ 1,704,743</b>	<b>\$ 1,351,667</b>

<u>TIF No. 35</u>	<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>
\$ -	\$ 24,852	\$ 267,500	\$ 596,129	\$ 20,692	\$ -	\$ 6,780,482
-	-	-	-	-	-	6,001,586
-	99	77,140	128,806	-	5,129	1,100,344
-	-	-	-	-	-	99,977
41	42,026	5,259	710	19	-	49,349
-	-	2,974,599	1,737,090	-	-	4,874,911
<u>\$ 41</u>	<u>\$ 66,977</u>	<u>\$ 3,324,498</u>	<u>\$ 2,462,735</u>	<u>\$ 20,711</u>	<u>\$ 5,129</u>	<u>\$ 18,906,649</u>
\$ 419	\$ 8,818	\$ 12,971	\$ 47,658	\$ 12,153	\$ 17,765	\$ 475,669
-	-	-	486	7	6	48,608
756,198	-	-	-	-	30,246	3,038,892
<u>756,617</u>	<u>8,818</u>	<u>12,971</u>	<u>48,144</u>	<u>12,160</u>	<u>48,017</u>	<u>3,563,169</u>
-	-	-	-	-	-	6,010,724
-	-	2,974,599	1,737,090	-	-	5,038,994
-	-	2,974,599	1,737,090	-	-	11,049,718
41	42,026	5,259	710	19	-	49,349
-	-	331,669	676,791	8,532	-	6,496,619
-	16,133	-	-	-	-	1,000,817
(756,617)	-	-	-	-	(42,888)	(3,253,023)
<u>(756,576)</u>	<u>58,159</u>	<u>336,928</u>	<u>677,501</u>	<u>8,551</u>	<u>(42,888)</u>	<u>4,293,762</u>
<u>\$ 41</u>	<u>\$ 66,977</u>	<u>\$ 3,324,498</u>	<u>\$ 2,462,735</u>	<u>\$ 20,711</u>	<u>\$ 5,129</u>	<u>\$ 18,906,649</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, 2015

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
<b>REVENUES</b>				
Taxes	\$ 3,229,309	\$ -	\$ -	\$ 466,176
Investment income	-	-	-	164
State and federal aids	14,871	-	-	926,052
Service charges and other	713,624	193,311	133,800	1,326,217
Guaranteed payment	-	-	-	-
Total Revenues	<u>3,957,804</u>	<u>193,311</u>	<u>133,800</u>	<u>2,718,609</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	1,375,463
Public works	-	-	-	207,145
Recreation and parks	-	-	236,459	70,043
Community and economic development	-	-	-	731,940
Library	3,336,410	157,759	-	266,471
Capital Outlay	431,512	8,518	-	-
Debt Service				
Interest charges	-	-	-	-
Total Expenditures	<u>3,767,922</u>	<u>166,277</u>	<u>236,459</u>	<u>2,651,062</u>
Excess (deficiency) of revenues over expenditures	<u>189,882</u>	<u>27,034</u>	<u>(102,659)</u>	<u>67,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	-
Transfer in	-	-	74,000	226,000
Transfer out	(138,242)	-	-	-
Total Other Financing Sources (Uses)	<u>(138,242)</u>	<u>-</u>	<u>74,000</u>	<u>226,000</u>
Net change in fund balance	51,640	27,034	(28,659)	293,547
<b>FUND BALANCES (DEFICIT) -</b>				
Beginning of Year	<u>705,953</u>	<u>371,865</u>	<u>196,520</u>	<u>2,809,001</u>
<b>FUND BALANCES (DEFICIT) -</b>				
<b>END OF YEAR</b>	<u>\$ 757,593</u>	<u>\$ 398,899</u>	<u>\$ 167,861</u>	<u>\$ 3,102,548</u>

Continued on  
Next Page

TIF No. 17	TIF No. 21	TIF No. 22	TIF No. 23	TIF No. 25	TIF No. 26
\$ 39,822	\$ 63,292	\$ 1,265,783	\$ 63,497	\$ 123,969	\$ 189,479
-	-	37,922	12,271	-	464
56	205,980	4,829	2,403	3,551	2,891
-	-	-	98,508	-	1,572
-	-	-	13,004	-	-
<u>39,878</u>	<u>269,272</u>	<u>1,308,534</u>	<u>189,683</u>	<u>127,520</u>	<u>194,406</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,271	2,682	1,565,204	17,418	1,912	5,958
-	-	-	-	-	-
-	-	-	-	-	-
<u>65</u>	<u>266</u>	<u>1,016</u>	<u>-</u>	<u>286</u>	<u>137</u>
<u>3,336</u>	<u>2,948</u>	<u>1,566,220</u>	<u>17,418</u>	<u>2,198</u>	<u>6,095</u>
<u>36,542</u>	<u>266,324</u>	<u>(257,686)</u>	<u>172,265</u>	<u>125,322</u>	<u>188,311</u>
-	-	239,000	-	-	-
-	-	-	-	-	-
-	(71,116)	(1,310,574)	(115,500)	(158,234)	(87,019)
-	(71,116)	(1,071,574)	(115,500)	(158,234)	(87,019)
36,542	195,208	(1,329,260)	56,765	(32,912)	101,292
<u>(87,075)</u>	<u>(354,295)</u>	<u>(487,069)</u>	<u>180,367</u>	<u>(182,375)</u>	<u>(206,610)</u>
<u>\$ (50,533)</u>	<u>\$ (159,087)</u>	<u>\$ (1,816,329)</u>	<u>\$ 237,132</u>	<u>\$ (215,287)</u>	<u>\$ (105,318)</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, 2015

	TIF No. 27	TIF No. 28	TIF No. 29	TIF No. 32
<b>REVENUES</b>				
Taxes	\$ 6,488	\$ -	\$ 29,427	\$ 990,298
Investment income	328	-	177	61,712
State and federal aids	918	-	5,904	84,387
Service charges and other	764	-	-	27,998
Guaranteed payment	-	2,058	-	-
Total Revenues	<u>8,498</u>	<u>2,058</u>	<u>35,508</u>	<u>1,164,395</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation and parks	-	-	-	-
Community and economic development	18,271	3,029	8,059	2,731,936
Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Interest charges	-	124	-	-
Total Expenditures	<u>18,271</u>	<u>3,153</u>	<u>8,059</u>	<u>2,731,936</u>
Excess (deficiency) of revenues over expenditures	<u>(9,773)</u>	<u>(1,095)</u>	<u>27,449</u>	<u>(1,567,541)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	-
Transfer in	-	-	-	-
Transfer out	(35,025)	-	-	-
Total Other Financing Sources (Uses)	<u>(35,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(44,798)	(1,095)	27,449	(1,567,541)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>231,164</u>	<u>(96,498)</u>	<u>122,949</u>	<u>2,005,578</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 186,366</u>	<u>\$ (97,593)</u>	<u>\$ 150,398</u>	<u>\$ 438,037</u>

TIF No. 33	TIF No. 35	Golf Courses	Other Housing Grants	Community Development Block Grant	Industrial Waste Disposal	Innovation Center	Totals
\$ 318,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,786,356
1,566	123,975	-	277	536	-	53,215	292,607
971	-	-	658,250	583,605	-	-	2,494,668
1,143	-	1,297,157	230,285	185,932	56,641	40,690	4,307,642
-	-	-	-	-	-	-	15,062
<u>322,496</u>	<u>123,975</u>	<u>1,297,157</u>	<u>888,812</u>	<u>770,073</u>	<u>56,641</u>	<u>93,905</u>	<u>13,896,335</u>
-	-	-	-	-	-	-	1,375,463
-	-	-	-	-	54,556	-	261,701
-	-	1,288,098	-	-	-	-	1,594,600
176,528	455,568	-	838,057	673,571	-	111,541	7,344,945
-	-	-	-	-	-	-	3,760,640
-	-	-	-	1,710	-	44,415	486,155
-	514	-	-	-	-	-	2,408
<u>176,528</u>	<u>456,082</u>	<u>1,288,098</u>	<u>838,057</u>	<u>675,281</u>	<u>54,556</u>	<u>155,956</u>	<u>14,825,912</u>
<u>145,968</u>	<u>(332,107)</u>	<u>9,059</u>	<u>50,755</u>	<u>94,792</u>	<u>2,085</u>	<u>(62,051)</u>	<u>(929,577)</u>
-	-	-	-	-	-	-	239,000
-	-	14,000	-	-	-	-	314,000
-	(100,037)	-	-	-	-	-	(2,015,747)
-	(100,037)	14,000	-	-	-	-	(1,462,747)
145,968	(432,144)	23,059	50,755	94,792	2,085	(62,051)	(2,392,324)
<u>871,432</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>
<u>\$ 1,017,400</u>	<u>\$ (756,576)</u>	<u>\$ 58,159</u>	<u>\$ 336,928</u>	<u>\$ 677,501</u>	<u>\$ 8,551</u>	<u>\$ (42,888)</u>	<u>\$ 4,293,762</u>

## CITY OF JANESVILLE

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,229,309	\$ 3,229,309	\$ 3,229,309	\$ -
State and federal aids	19,000	19,000	14,871	(4,129)
Service charges and other	721,837	721,837	713,624	(8,213)
Total Revenues	<u>3,970,146</u>	<u>3,970,146</u>	<u>3,957,804</u>	<u>(12,342)</u>
<b>EXPENDITURES</b>				
Current				
Library	3,394,216	3,394,216	3,336,410	57,806
Capital Outlay	429,693	429,693	431,512	(1,819)
Total Expenditures	<u>3,823,909</u>	<u>3,823,909</u>	<u>3,767,922</u>	<u>55,987</u>
Excess of revenues over expenditures	<u>146,237</u>	<u>146,237</u>	<u>189,882</u>	<u>43,645</u>
<b>OTHER FINANCING USES</b>				
Transfer out	(191,811)	(191,811)	(138,242)	53,569
Total Other Financing Uses	<u>(191,811)</u>	<u>(191,811)</u>	<u>(138,242)</u>	<u>53,569</u>
Net change in fund balance	(45,574)	(45,574)	51,640	97,214
FUND BALANCES - Beginning of Year	<u>705,953</u>	<u>705,953</u>	<u>705,953</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 660,379</u>	<u>\$ 660,379</u>	<u>\$ 757,593</u>	<u>\$ 97,214</u>

**CITY OF JANESVILLE**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - JATV-12  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Service charges and other	\$ 180,582	\$ 180,582	\$ 193,311	\$ 12,729
<b>EXPENDITURES</b>				
Current				
Library	149,582	149,582	157,759	(8,177)
Capital Outlay	29,000	29,000	8,518	20,482
Total Expenditures	<u>178,582</u>	<u>178,582</u>	<u>166,277</u>	<u>12,305</u>
Net change in fund balance	2,000	2,000	27,034	25,034
FUND BALANCES - Beginning of Year	<u>371,865</u>	<u>371,865</u>	<u>371,865</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 373,865</u>	<u>\$ 373,865</u>	<u>\$ 398,899</u>	<u>\$ 25,034</u>

**CITY OF JANESVILLE**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - OAK HILL CEMETERY  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Service charges and other	<u>135,000</u>	<u>135,000</u>	<u>133,800</u>	<u>(1,200)</u>
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>133,800</u>	<u>(6,200)</u>
<b>EXPENDITURES</b>				
Current				
Recreation and parks	<u>232,581</u>	<u>232,581</u>	<u>236,459</u>	<u>(3,878)</u>
Total Expenditures	<u>232,581</u>	<u>232,581</u>	<u>236,459</u>	<u>(3,878)</u>
Excess (deficiency) of revenues over expenditures	<u>(92,581)</u>	<u>(92,581)</u>	<u>(102,659)</u>	<u>(10,078)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>-</u>
Net change in fund balance	(18,581)	(18,581)	(28,659)	(10,078)
FUND BALANCES - Beginning of Year	<u>196,520</u>	<u>196,520</u>	<u>196,520</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 177,939</u>	<u>\$ 177,939</u>	<u>\$ 167,861</u>	<u>\$ (10,078)</u>

**CITY OF JANESVILLE**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GOLF COURSES  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Service charges and other	\$ 1,237,677	\$ 1,237,677	\$ 1,297,157	\$ 59,480
<b>EXPENDITURES</b>				
Current				
Recreation and parks	1,253,633	1,253,633	1,288,098	(34,465)
Total Expenditures	1,253,633	1,253,633	1,288,098	(34,465)
Excess (deficiency) of revenues over expenditures	(15,956)	(15,956)	9,059	25,015
<b>OTHER FINANCING SOURCES</b>				
Transfers in	14,000	14,000	14,000	-
Net change in fund balance	(1,956)	(1,956)	23,059	25,015
FUND BALANCES - Beginning of Year	35,100	35,100	35,100	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 33,144</b>	<b>\$ 33,144</b>	<b>\$ 58,159</b>	<b>\$ 25,015</b>

## CITY OF JANESVILLE

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER HOUSING GRANTS For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 277	\$ 277
State and federal aids	1,087,777	1,087,777	658,250	(429,527)
Service charges and other	120,600	120,600	230,285	109,685
Total Revenues	<u>1,208,377</u>	<u>1,208,377</u>	<u>888,812</u>	<u>(319,565)</u>
<b>EXPENDITURES</b>				
Current				
Community and economic development	1,217,377	1,217,377	838,057	379,320
Total Expenditures	<u>1,217,377</u>	<u>1,217,377</u>	<u>838,057</u>	<u>379,320</u>
Net change in fund balance	(9,000)	(9,000)	50,755	59,755
FUND BALANCES - Beginning of Year	<u>286,173</u>	<u>286,173</u>	<u>286,173</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 277,173</u>	<u>\$ 277,173</u>	<u>\$ 336,928</u>	<u>\$ 59,755</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 536	\$ 536
State and federal aids	598,301	598,301	583,605	(14,696)
Service charges and other	113,000	113,000	185,932	72,932
<b>Total Revenues</b>	<u>711,301</u>	<u>711,301</u>	<u>770,073</u>	<u>58,772</u>
<b>EXPENDITURES</b>				
Current				
Community and economic development	799,151	799,151	673,571	125,580
Capital Outlay	3,150	3,150	1,710	1,440
<b>Total Expenditures</b>	<u>802,301</u>	<u>802,301</u>	<u>675,281</u>	<u>127,020</u>
Net change in fund balance	(91,000)	(91,000)	94,792	185,792
FUND BALANCES - Beginning of Year	<u>582,709</u>	<u>582,709</u>	<u>582,709</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 491,709</u>	<u>\$ 491,709</u>	<u>\$ 677,501</u>	<u>\$ 185,792</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final <u>Budget</u>
<b>REVENUES</b>				
Service charges and other	\$ 40,425	\$ 40,425	\$ 56,641	\$ 16,216
<b>EXPENDITURES</b>				
Current				
Public works	40,425	40,425	54,556	(14,131)
Net change in fund balance	-	-	2,085	2,085
FUND BALANCES - Beginning of Year	6,466	6,466	6,466	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,466</u>	<u>\$ 6,466</u>	<u>\$ 8,551</u>	<u>\$ 2,085</u>

## **BUDGET AND ACTUAL FOR DEBT SERVICE AND CAPITAL PROJECTS**

### **MAJOR GOVERNMENTAL FUNDS**

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

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

**CITY OF JANESVILLE**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 30,282	\$ 30,282	\$ 77,000	\$ 46,718
Special assessments	370,000	370,000	1,512,907	1,142,907
Total Revenues	<u>400,282</u>	<u>400,282</u>	<u>1,589,907</u>	<u>1,189,625</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal retirement	8,660,000	8,660,000	9,725,000	(1,065,000)
Interest and fiscal charges	1,374,177	1,374,177	1,424,285	(50,108)
Total Expenditures	<u>10,034,177</u>	<u>10,034,177</u>	<u>11,149,285</u>	<u>(1,115,108)</u>
Excess (deficiency) of revenues over expenditures	<u>(9,633,895)</u>	<u>(9,633,895)</u>	<u>(9,559,378)</u>	<u>74,517</u>
<b>OTHER FINANCING SOURCES</b>				
Refunding debt issued	-	-	1,045,000	1,045,000
Premium on long-term debt	-	-	482,490	482,490
Transfers in	9,633,895	9,633,895	9,717,984	84,089
Total Other Financing Sources	<u>9,633,895</u>	<u>9,633,895</u>	<u>11,245,474</u>	<u>1,611,579</u>
Net change in fund balance	-	-	1,686,096	1,686,096
FUND BALANCES - Beginning of Year	<u>996,012</u>	<u>996,012</u>	<u>996,012</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 996,012</u>	<u>\$ 996,012</u>	<u>\$ 2,682,108</u>	<u>\$ 1,686,096</u>

**CITY OF JANESVILLE**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - CAPITAL PROJECTS  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 63,793	\$ 63,793
State and federal aids	-	-	138,479	138,479
Special assessments	-	-	167,839	167,839
Service charges and other	-	-	17,701	17,701
Total Revenues	-	-	387,812	387,812
<b>EXPENDITURES</b>				
Capital Outlay	14,318,058	14,318,058	15,896,432	(1,578,374)
Total Expenditures	14,318,058	14,318,058	15,896,432	(1,578,374)
Excess (deficiency) of revenues over expenditures	(14,318,058)	(14,318,058)	(15,508,620)	(1,190,562)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	12,753,678	12,753,678	9,258,000	(3,495,678)
Transfers in	1,564,380	1,564,380	286,282	(1,278,098)
Transfers out	-	-	(48,575)	(48,575)
Total Other Financing Sources (Uses)	14,318,058	14,318,058	9,495,707	(4,822,351)
Net change in fund balance	-	-	(6,012,913)	(6,012,913)
FUND BALANCES - Beginning of Year	11,111,988	11,111,988	11,111,988	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 11,111,988</b>	<b>\$ 11,111,988</b>	<b>\$ 5,099,075</b>	<b>\$ (6,012,913)</b>

## 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, 2015

	Stormwater Utility	Transit System	Totals
<b>ASSETS</b>			
Current Assets			
Cash	\$ 291,669	\$ -	\$ 291,669
Accounts receivable	228,414	663,536	891,950
Unbilled revenue	367,232	-	367,232
Inventories	-	290,856	290,856
Prepaid items	1,138	1,575	2,713
Total Current Assets	<u>888,453</u>	<u>955,967</u>	<u>1,844,420</u>
Noncurrent Assets			
Restricted Assets			
Net pension asset	-	302,973	302,973
Construction account	78,907	-	78,907
Total Noncurrent Assets	<u>78,907</u>	<u>302,973</u>	<u>381,880</u>
Utility Plant			
Land	-	710,031	710,031
Utility plant in service (at cost)	8,378,270	15,731,513	24,109,783
Construction work in progress	77,357	-	77,357
Accumulated depreciation	(1,512,611)	(6,124,739)	(7,637,350)
Net Plant	<u>6,943,016</u>	<u>10,316,805</u>	<u>17,259,821</u>
Total Noncurrent Assets	<u>7,021,923</u>	<u>10,619,778</u>	<u>17,641,701</u>
Total Assets	<u>7,910,376</u>	<u>11,575,745</u>	<u>19,486,121</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	-	315,884	315,884
Total Deferred Outflows of Resources	<u>-</u>	<u>315,884</u>	<u>315,884</u>

	Stormwater Utility	Transit System	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	14,046	87,432	101,478
Accrued salaries and wages	67,988	155,461	223,449
Accrued interest	22,028	-	22,028
Due to other funds	-	627,772	627,772
Current portion of long-term G.O. debt	323,000	-	323,000
Total Current Liabilities	<u>427,062</u>	<u>870,665</u>	<u>1,297,727</u>
Noncurrent Liabilities			
General obligation long-term debt payable	1,605,944	-	1,605,944
Other post employment benefits	-	557,313	557,313
Total Noncurrent Liabilities	<u>1,605,944</u>	<u>557,313</u>	<u>2,163,257</u>
 Total Liabilities	 <u>2,033,006</u>	 <u>1,427,978</u>	 <u>3,460,984</u>
<b>NET POSITION</b>			
Net Investment in capital assets	5,092,979	10,316,805	15,409,784
Restricted for			
Pension		302,973	302,973
Unrestricted (deficit)	784,391	(156,127)	628,264
 TOTAL NET POSITION	 <u>\$ 5,877,370</u>	 <u>\$ 10,463,651</u>	 <u>\$ 16,341,021</u>

**CITY OF JANESVILLE**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2015

	Stormwater Utility	Transit System	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,038,788	\$ 547,033	\$ 2,585,821
Total Operating Revenues	<u>2,038,788</u>	<u>547,033</u>	<u>2,585,821</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	1,673,954	3,396,001	5,069,955
Depreciation	188,331	662,842	851,173
Total Operating Expenses	<u>1,862,285</u>	<u>4,058,843</u>	<u>5,921,128</u>
Operating Income (Loss)	<u>176,503</u>	<u>(3,511,810)</u>	<u>(3,335,307)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Federal operating grants	12,724	1,097,979	1,110,703
State operating grants	-	902,366	902,366
Local operating subsidy	-	111,923	111,923
Investment income	4	-	4
Interest expense	(39,429)	-	(39,429)
Amortization expense	(314)	-	(314)
Total Nonoperating Revenues (Expenses)	<u>(27,015)</u>	<u>2,112,268</u>	<u>2,085,253</u>
Income (Loss) Before Contributions and Transfers	149,488	(1,399,542)	(1,250,054)
<b>CAPITAL CONTRIBUTIONS</b>	-	(55,967)	(55,967)
<b>TRANSFERS IN</b>	-	760,052	760,052
Net Change in Net Position	149,488	(695,457)	(545,969)
NET POSITION - Beginning of Year (As Restated)	<u>5,727,882</u>	<u>11,159,108</u>	<u>16,886,990</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,877,370</u>	<u>\$ 10,463,651</u>	<u>\$ 16,341,021</u>



**CITY OF JANESVILLE**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2015

	<u>Stormwater Utility</u>	<u>Transit System</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 2,068,794	\$ 499,376	\$ 2,568,170
Cash paid to suppliers for goods and services	(898,068)	(1,038,238)	(1,936,306)
Cash payments to employees for services	<u>(845,191)</u>	<u>(2,461,976)</u>	<u>(3,307,167)</u>
Net Cash Flows From Operating Activities	<u>325,535</u>	<u>(3,000,838)</u>	<u>(2,675,303)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidies received - federal	12,724	1,097,979	1,110,703
Subsidies received - state	-	902,366	902,366
Subsidies received - local	-	111,923	111,923
Negative cash balance implicitly financed for other utilities	-	128,518	128,518
Transfers from other funds	<u>-</u>	<u>760,052</u>	<u>760,052</u>
Net Cash Flows From Noncapital Financing Activities	<u>12,724</u>	<u>3,000,838</u>	<u>3,013,562</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash used to retire debt	(410,000)	-	(410,000)
Interest paid	(36,594)	-	(36,594)
Acquisition and construction of capital assets	(529,044)	-	(529,044)
Proceeds from long term debt issued	428,000	-	428,000
Issuance costs and permium on new debt	<u>6,102</u>	<u>-</u>	<u>6,102</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(541,536)</u>	<u>-</u>	<u>(541,536)</u>
Net Change in Cash and Cash Equivalents	(203,277)	-	(203,277)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>573,853</u>	<u>-</u>	<u>573,853</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 370,576</u>	<u>\$ -</u>	<u>\$ 370,576</u>

	Stormwater Utility	Transit System	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 176,503	\$ (3,511,810)	\$ (3,335,307)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income (Loss)			
Depreciation	188,331	662,842	851,173
Change in Noncash Components of Working Capital			
Accounts receivable	30,006	(47,657)	(17,651)
Inventories	-	(30,692)	(30,692)
Prepaid items	(1,138)	(1,575)	(2,713)
Accounts payable	(35,668)	(42,310)	(77,978)
Other current liabilities	(32,499)	(62,252)	(94,751)
Pension related deferrals	-	(4,754)	(4,754)
Other post employment benefits	-	37,370	37,370
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 325,535</u></b>	<b><u>\$ (3,000,838)</u></b>	<b><u>\$ (2,675,303)</u></b>
Cash and investments - statement of net position	\$ 291,669	\$ -	\$ 291,669
Restricted cash and investments - statement of net position	78,907	-	78,907
<b>CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS</b>	<b><u>\$ 370,576</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 370,576</u></b>

#### **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

During 2015, \$6,526 of capital interest was charged due to construction in the stormwater utility.

## SUPPLEMENTARY INFORMATION

### MAJOR PROPRIETARY FUNDS

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

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

# JANESVILLE WATER UTILITY

UTILITY PLANT  
December 31, 2015

	Balance 1-1-15	2015 Additions	Retirements	Balance 12-31-15
<b>SOURCE OF SUPPLY</b>				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	<u>2,301,834</u>	<u>-</u>	<u>-</u>	<u>2,301,834</u>
Total Source of Supply	<u>2,505,251</u>	<u>-</u>	<u>-</u>	<u>2,505,251</u>
<b>PUMPING</b>				
Land and land rights	11,565	-	-	11,565
Structures and improvements	4,260,499	-	-	4,260,499
Electric pumping equipment	<u>4,376,215</u>	<u>-</u>	<u>-</u>	<u>4,376,215</u>
Total Pumping	<u>8,648,279</u>	<u>-</u>	<u>-</u>	<u>8,648,279</u>
<b>WATER TREATMENT</b>				
Water treatment equipment	<u>225,492</u>	<u>-</u>	<u>-</u>	<u>225,492</u>
<b>TRANSMISSION AND DISTRIBUTION</b>				
Land and land rights	90,496	-	-	90,496
Reservoirs and standpipes	3,423,372	-	-	3,423,372
Transmission and distribution mains	45,912,988	1,753,800	7,116	47,659,672
Services	6,801,515	576,244	1,756	7,376,003
Meters	3,759,178	299,363	96,502	3,962,039
Hydrants	<u>2,983,533</u>	<u>134,747</u>	<u>20,406</u>	<u>3,097,874</u>
Total Transmission and Distribution	<u>62,971,082</u>	<u>2,764,154</u>	<u>125,780</u>	<u>65,609,456</u>
<b>GENERAL</b>				
Structures and improvements	816,895	-	-	816,895
Office furniture and equipment	36,307	-	-	36,307
Transportation equipment	762,060	80,720	49,598	793,182
Stores equipment	15,938	-	-	15,938
Tools, shop and garage equipment	160,721	4,989	-	165,710
Power operated equipment	653,897	17,002	15,120	655,779
Communication equipment	1,052,209	-	-	1,052,209
Computer equipment	<u>1,031,856</u>	<u>47,211</u>	<u>158,862</u>	<u>920,205</u>
Total General	<u>4,529,883</u>	<u>149,922</u>	<u>223,580</u>	<u>4,456,225</u>
<b>TOTAL PLANT IN SERVICE</b>	<u>\$ 78,879,987</u>	<u>\$ 2,914,076</u>	<u>\$ 349,360</u>	<u>\$ 81,444,703</u>

## JANESVILLE WATER UTILITY

### OPERATING REVENUES AND EXPENSES Years Ended December 31, 2015 and 2014

<b>OPERATING REVENUES</b>	<u>2015</u>	<u>2014</u>
Sales of Water		
Metered Sales		
Residential	\$ 3,197,089	\$ 3,234,222
Residential Multi-Family	287,906	337,476
Commercial	963,711	731,408
Industrial	966,414	1,375,036
Public authorities	245,950	239,463
Private fire protection	54,965	54,880
Public fire protection	<u>1,082,094</u>	<u>1,025,997</u>
Total Sales of Water	<u>6,798,129</u>	<u>6,998,482</u>
Other Operating Revenues		
Forfeited discounts	60,548	65,730
Water department rentals	53,577	61,880
Other water revenues	<u>83,047</u>	<u>73,857</u>
Total Other Operating Revenues	<u>197,172</u>	<u>201,467</u>
Total Operating Revenues	<u>6,995,301</u>	<u>7,199,949</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance		
Source of Supply		
Miscellaneous source of supply	-	47,185
Maintenance of wells	<u>104,598</u>	<u>52,900</u>
Total Source of Supply	<u>104,598</u>	<u>100,085</u>
Pumping		
Fuel or power purchased for pumping	464,967	479,549
Pumping labor	102,477	108,312
Maintenance of buildings and grounds	94,824	63,166
Maintenance of structures and improvements	2,378	11,494
Maintenance of pumping equipment	<u>92,155</u>	<u>91,226</u>
Total Pumping	<u>756,801</u>	<u>753,747</u>
Water Treatment		
Chemicals	22,615	32,701
Operation labor	<u>46,535</u>	<u>39,573</u>
Total Water Treatment	<u>69,150</u>	<u>72,274</u>
Transmission and Distribution		
Transmission and distribution line expenses	305,706	350,237
Meter expenses	59,644	49,544
Maintenance of distribution reservoirs	20,621	804
Maintenance of mains	398,413	499,609
Maintenance of services	166,659	230,213
Maintenance of meters	19,142	19,943
Maintenance of hydrants	<u>68,117</u>	<u>83,936</u>
Total Transmission and Distribution	<u>1,038,302</u>	<u>1,234,286</u>

## JANESVILLE WATER UTILITY

### OPERATING REVENUES AND EXPENSES (cont.) Years Ended December 31, 2015 and 2014

	2015	2014
<b>OPERATING EXPENSES (cont.)</b>		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 41,512	\$ 41,452
Meter reading expense	28,221	31,161
Customer records and collection	107,412	121,146
Customer service and information	71,526	70,258
Total Customer Accounts	248,671	264,017
Administrative and General		
Administrative and general salaries	379,897	372,522
Office supplies	23,482	25,027
Outside services employed	4,288	5,082
Property insurance	8,856	9,836
Injuries and damages	40,284	38,856
Employees pensions and benefits	535,367	561,973
Regulatory commission	342	372
Rents	20,658	20,658
Maintenance of general plant	11,024	17,907
Total Administrative and General	1,024,198	1,052,233
Total Operation and Maintenance	3,241,720	3,476,642
Depreciation	1,707,287	1,662,376
Taxes	1,460,302	1,397,149
Total Operating Expenses	6,409,309	6,536,167
Taxes reported as transfers out	1,377,477	1,306,822
<b>OPERATING INCOME</b>	<b>\$ 1,963,469</b>	<b>\$ 1,970,604</b>

\* Amount includes the payment in lieu of tax (PILOT) of \$1,377,477 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 For the Years ended December 31, 2015 and 2014

	2015	2014
Utility Plant in Service		
Beginning of year	\$ 51,813,312	\$ 49,436,609
End of year	<u>54,367,754</u>	<u>51,813,312</u>
Average	<u>53,090,532</u>	<u>50,624,960</u>
Accumulated Depreciation		
Beginning of year	(17,208,045)	(16,089,087)
End of year	<u>(18,283,929)</u>	<u>(17,208,045)</u>
Average	<u>(17,745,987)</u>	<u>(16,648,566)</u>
Materials and Supplies		
Beginning of year	292,170	299,301
End of year	<u>290,846</u>	<u>292,170</u>
Average	<u>291,508</u>	<u>295,736</u>
Average Balance - Regulatory Liability	<u>1,221,874</u>	<u>1,365,624</u>
<b>AVERAGE NET RATE BASE</b>	<u>\$ 34,414,179</u>	<u>\$ 32,906,506</u>
<b>OPERATING INCOME</b>	<u>\$ 1,007,848</u>	<u>\$ 1,154,954</u>
<b>RATE OF RETURN (PERCENT)</b>	<u>2.93</u>	<u>3.51</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 \$422,195 depreciation expense on contributed capital, Other Post Employment Benefits of \$72,023, WRS Pension expense of \$340 and includes a tax equivalent payment of \$1,377,477 reported as a transfer out.

# JANESVILLE WASTEWATER UTILITY

UTILITY PLANT  
December 31, 2015

	Balance 1-1-15	Additions	Retirements	Balance 12-31-15
<b>COLLECTION SYSTEM</b>				
Collecting mains	\$ 53,586,086	\$ 436,629	\$ 4,265	\$ 54,018,450
Collection system equipment	1,224,928	-	-	1,224,928
Total Collection System	<u>54,811,014</u>	<u>436,629</u>	<u>4,265</u>	<u>55,243,378</u>
<b>TREATMENT AND DISPOSAL</b>				
Land	18,000	-	-	18,000
Buildings and structures	20,955,905	308,388	87,746	21,176,547
Preliminary treatment equipment	2,538,688	434,063	-	2,972,751
Primary treatment equipment	1,661,739	66,800	-	1,728,539
Secondary treatment equipment	4,635,007	-	6,182	4,628,825
Disinfection equipment	391,753	-	-	391,753
Sludge treatment and disposal equipment	8,014,291	-	-	8,014,291
Plant sitework and piping	7,208,392	904,792	-	8,113,184
Metering, sampling and testing equipment	120,447	31,181	-	151,628
Other treatment and disposal equipment	1,554,428	36,097	-	1,590,525
Electrical and HVAC	5,323,940	15,590	-	5,339,530
Total Treatment and Disposal	<u>52,422,590</u>	<u>1,796,911</u>	<u>93,928</u>	<u>54,125,573</u>
<b>GENERAL</b>				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	214,485	-	12,255	202,230
Office equipment	65,646	-	-	65,646
Miscellaneous equipment	304,862	1,559	-	306,421
Computer equipment	1,339,055	44,553	192,618	1,190,990
Total General	<u>2,010,065</u>	<u>46,112</u>	<u>204,873</u>	<u>1,851,304</u>
<b>TOTAL UTILITY PLANT</b>	<u>\$ 109,243,669</u>	<u>\$ 2,279,652</u>	<u>\$ 303,066</u>	<u>\$ 111,220,255</u>



# JANESVILLE WASTEWATER UTILITY

## OPERATING REVENUES AND EXPENSES Years Ended December 31, 2015 and 2014

	2015	2014
<b>OPERATING REVENUES</b>		
Wastewater Revenues		
Residential	\$ 6,152,955	\$ 5,868,538
Commercial	1,531,818	1,508,912
Industrial	402,291	444,457
Public authority	207,127	214,423
Industrial pollution charge	429,840	527,522
Pretreatment program	2,502	1,154
Total Wastewater Revenues	8,726,533	8,565,006
Other Operating Revenues		
Forfeited discounts	93,085	92,783
Miscellaneous revenues	307,381	530,073
Total Other Operating Revenues	400,466	622,856
Total Operating Revenues	9,126,999	9,187,862
<b>OPERATING EXPENSES</b>		
Operation and Maintenance		
Operation		
Treatment plant	1,092,895	1,148,721
Laboratory	224,748	213,903
Pretreatment	71,641	73,215
Sludge disposal	440,166	431,624
Utilities	86,816	6,386
Total Operation	1,916,266	1,873,849
Maintenance		
Collecting sewers	860,144	922,038
Treatment plant	392,558	309,181
Wastewater lift stations	33,803	10,528
Meters	371,203	337,404
Total Maintenance	1,657,708	1,579,151
Administrative		
General administration	809,523	822,079
Customer accounts	206,159	241,180
City service charges	51,867	51,375
Total Administrative	1,067,549	1,114,634
Total Operation and Maintenance	4,641,523	4,567,634
Depreciation	3,287,141	3,254,227
Total Operating Expenses	7,928,664	7,821,861
<b>OPERATING INCOME</b>	<b>\$ 1,198,335</b>	<b>\$ 1,366,001</b>

## INTERNAL SERVICE FUNDS

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

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

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

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

**CITY OF JANESVILLE**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
As of December 31, 2015**

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	Vehicle Operation & Maintenance	Insurance	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 167,728	\$ 4,158,983	\$ 4,326,711
Accounts receivable	18,887	81,056	99,943
Inventories	397,567	-	397,567
Prepaid items	1,022	10,247	11,269
Total Current Assets	<u>585,204</u>	<u>4,250,286</u>	<u>4,835,490</u>
Noncurrent Assets			
Restricted Assets			
Deposits with risk pool	<u>-</u>	<u>1,604,120</u>	<u>1,604,120</u>
Total Assets	<u>585,204</u>	<u>5,854,406</u>	<u>6,439,610</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	143,963	88,590	232,553
Claims payable	-	2,276,097	2,276,097
Accrued salaries and wages	71,641	8,283	79,924
Total Liabilities	<u>215,604</u>	<u>2,372,970</u>	<u>2,588,574</u>
<b>NET POSITION</b>			
Unrestricted	<u>369,600</u>	<u>3,481,436</u>	<u>3,851,036</u>
TOTAL NET POSITION	<u>\$ 369,600</u>	<u>\$ 3,481,436</u>	<u>\$ 3,851,036</u>

**CITY OF JANESVILLE**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,895,218	\$ 10,164,737	\$ 60,394	\$ 14,120,349
<b>OPERATING EXPENSES</b>				
Operation and maintenance	2,881,220	10,794,983	-	13,676,203
Operating Income (Loss)	1,013,998	(630,246)	60,394	444,146
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	109,000	-	109,000
Transfers out	(282,380)	-	(60,394)	(342,774)
Total Other Financing Sources (Uses)	(282,380)	109,000	(60,394)	(233,774)
Net Change in Net Position	731,618	(521,246)	-	210,372
NET POSITION (DEFICIT) - Beginning of Year	(362,018)	4,002,682	-	3,640,664
<b>NET POSITION - END OF YEAR</b>	\$ 369,600	\$ 3,481,436	\$ -	\$ 3,851,036

**CITY OF JANESVILLE**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from other funds for services	\$ 3,894,470	\$ 10,200,409	\$ 60,394	\$ 14,155,273
Cash paid to suppliers for goods and services	(1,906,099)	(10,264,474)	-	(12,170,573)
Cash payments to employees for services	<u>(953,931)</u>	<u>(154,050)</u>	-	<u>(1,107,981)</u>
Net Cash Flows From Operating Activities	<u>1,034,440</u>	<u>(218,115)</u>	<u>60,394</u>	<u>876,719</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers	(282,380)	109,000	(60,394)	(233,774)
Cash received (repaid) to cover deficit	<u>(584,332)</u>	<u>584,332</u>	-	-
Net Cash Flows From Noncapital Financing Activities	<u>(866,712)</u>	<u>693,332</u>	<u>(60,394)</u>	<u>(233,774)</u>
Net Change in Cash and Cash Equivalents	167,728	475,217	-	642,945
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>-</u>	<u>3,683,766</u>	<u>-</u>	<u>3,683,766</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 167,728</u>	<u>\$ 4,158,983</u>	<u>\$ -</u>	<u>\$ 4,326,711</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,013,998	\$ (630,246)	\$ 60,394	\$ 444,146
Change in Assets and Liabilities				
Accounts receivable	(748)	35,672	-	34,924
Inventories	(45,582)	-	-	(45,582)
Prepaid items	(1,022)	(247)	-	(1,269)
Accounts payable	103,011	(27,195)	-	75,816
Accrued liabilities	<u>(35,217)</u>	<u>403,901</u>	<u>-</u>	<u>368,684</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,034,440</u>	<u>\$ (218,115)</u>	<u>\$ 60,394</u>	<u>\$ 876,719</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 CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS

For the Year Ended December 31, 2015

Agency	Balance 1-1-15	Additions	Deductions	Balance 12-31-15
<b>TAX COLLECTION</b>				
Assets				
Investments and taxes receivable	<u>\$ 66,836,727</u>	<u>\$ 67,695,001</u>	<u>\$ 66,836,727</u>	<u>\$ 67,695,001</u>
Liabilities				
Due to other government units and other units	<u>\$ 66,836,727</u>	<u>\$ 67,695,001</u>	<u>\$ 66,836,727</u>	<u>\$ 67,695,001</u>
<b>DISPOSAL SITE STUDY</b>				
Assets				
Investments	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ -</u>
Liabilities				
Due to landfill users	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ -</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
TOTAL ASSETS	<u>\$ 66,836,905</u>	<u>\$ 67,695,001</u>	<u>\$ 66,836,905</u>	<u>\$ 67,695,001</u>
TOTAL LIABILITIES	<u>\$ 66,836,905</u>	<u>\$ 67,695,001</u>	<u>\$ 66,836,905</u>	<u>\$ 67,695,001</u>

## COMPONENT UNIT

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



# CITY OF JANESVILLE

## STATEMENT OF CASH FLOWS COMPONENT UNIT

For the Year Ended December 31, 2015

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### CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 2,813,269
Cash paid to suppliers for goods and services	(2,513,740)
Cash payments to employees for services	<u>(238,792)</u>
Net Cash Flows From Operating Activities	<u>60,737</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>137</u>
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Net Change in Cash and Cash Equivalents	60,874
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CASH AND CASH EQUIVALENTS - Beginning of Year	<u>111,874</u>
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<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 172,748</u></u>
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### RECONCILIATION OF OPERATING INCOME TO NET

#### CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 67,045
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Income	
Depreciation	3,891
Change in Assets and Liabilities	
Prepaid items	(707)
Accounts payable	(2,223)
Other current liabilities	<u>(7,269)</u>

<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ 60,737</u></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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 129,298,563	\$ 138,939,061	\$ 142,853,627	\$ 149,239,985	\$ 154,397,316	\$ 157,671,125	\$ 160,445,022	\$ 162,078,352	\$ 160,797,187	\$ 166,599,500
Restricted	14,071,084	14,782,242	14,230,324	12,810,959	9,585,005	11,506,652	12,579,140	12,698,813	13,599,327	20,037,322
Unrestricted	2,944,405	7,794,820	6,337,164	3,175,936	1,835,281	(1,735,225)	(6,091,774)	(7,608,103)	(12,967,948)	(8,009,828)
<b>Total governmental activities net position</b>	<b>\$ 146,314,052</b>	<b>\$ 161,516,123</b>	<b>\$ 163,421,115</b>	<b>\$ 165,226,880</b>	<b>\$ 165,817,602</b>	<b>\$ 167,442,552</b>	<b>\$ 166,932,388</b>	<b>\$ 167,169,062</b>	<b>\$ 161,428,566</b>	<b>\$ 178,626,994</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 73,053,861	\$ 75,805,619	\$ 77,890,685	\$ 81,862,742	\$ 86,317,284	\$ 91,220,876	\$ 92,313,711	\$ 91,214,006	\$ 99,851,686	\$ 99,568,760
Restricted	3,624,948	4,213,063	4,670,711	5,155,342	6,549,521	5,684,352	6,560,819	7,076,333	7,605,754	8,823,186
Unrestricted	11,426,629	11,878,119	11,533,253	8,456,014	5,911,610	3,402,388	2,746,934	5,170,461	6,254,942	7,240,593
<b>Total business-type activities net position</b>	<b>\$ 88,105,438</b>	<b>\$ 91,896,801</b>	<b>\$ 94,094,649</b>	<b>\$ 95,474,098</b>	<b>\$ 98,778,415</b>	<b>\$ 100,307,616</b>	<b>\$ 101,621,464</b>	<b>\$ 103,460,800</b>	<b>\$ 113,712,382</b>	<b>\$ 115,632,539</b>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	\$ 201,271,382	\$ 213,663,638	\$ 219,794,007	\$ 230,357,041	\$ 240,221,347	\$ 248,580,858	\$ 252,638,733	\$ 253,172,358	260,648,873	265,371,260
Restricted	17,696,032	18,995,305	18,901,035	17,966,301	16,134,526	17,191,004	19,139,959	19,775,146	21,205,081	28,860,508
Unrestricted	15,452,076	20,753,981	18,820,722	12,377,636	8,240,144	1,978,306	(3,224,840)	(2,317,642)	(6,713,006)	27,765
<b>Total primary government net position</b>	<b>\$ 234,419,490</b>	<b>\$ 253,412,924</b>	<b>\$ 257,515,764</b>	<b>\$ 260,700,978</b>	<b>\$ 264,596,017</b>	<b>\$ 267,750,168</b>	<b>\$ 268,553,852</b>	<b>\$ 270,629,862</b>	<b>\$ 275,140,948</b>	<b>\$ 294,259,533</b>

**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									
	<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>	<u>2015</u>
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 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	\$ 4,151,408
Public Safety	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	25,738,815
Public Works	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	17,457,921
Recreation and Parks	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	4,897,505
Community/Economic Development	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	8,332,330
Library	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	4,115,305
Interest and Fiscal Charges	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	1,436,450
Total governmental activities expenses	<u>52,354,506</u>	<u>55,252,661</u>	<u>59,273,848</u>	<u>60,276,480</u>	<u>58,819,996</u>	<u>62,759,545</u>	<u>63,978,097</u>	<u>64,373,187</u>	<u>71,807,712</u>	<u>66,129,734</u>
Business-type activities:										
Water Utility	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	5,374,045
Wastewater Utility	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	8,618,650
Stormwater Utility	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	1,788,628
Transit	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	4,076,201
Total business-type activities	<u>14,526,770</u>	<u>15,429,046</u>	<u>17,023,791</u>	<u>16,655,167</u>	<u>16,967,291</u>	<u>18,197,381</u>	<u>19,172,111</u>	<u>19,405,782</u>	<u>19,776,734</u>	<u>19,857,524</u>
Total primary government expenses	<u>\$ 66,881,276</u>	<u>\$ 70,681,707</u>	<u>\$ 76,297,639</u>	<u>\$ 76,931,647</u>	<u>\$ 75,787,287</u>	<u>\$ 80,956,926</u>	<u>\$ 83,150,208</u>	<u>\$ 83,778,969</u>	<u>\$ 91,584,446</u>	<u>\$ 85,987,258</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	333,106	432,247	242,573	279,735	280,076	392,965	408,798	457,224	363,891	528,918
Public Safety	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	3,401,160
Public Works	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	7,542,621
Recreation and Parks	862,011	795,222	747,599	910,454	1,040,506	2,119,722	2,179,915	2,183,098	2,221,913	2,262,083
Community/Economic Development	971,950	1,623,684	729,978	477,580	604,735	1,299,796	2,565,475	960,053	815,156	1,345,080
Library	1,034,641	1,065,715	1,083,977	1,039,302	1,006,020	995,230	957,961	876,648	938,732	906,286
Operating grants and contributions	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	4,424,256
Capital grants and contributions	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	6,890,533
Total governmental activities program revenues	<u>33,295,452</u>	<u>23,106,998</u>	<u>21,489,527</u>	<u>21,913,186</u>	<u>19,882,305</u>	<u>23,318,141</u>	<u>22,988,239</u>	<u>23,733,443</u>	<u>24,402,028</u>	<u>27,300,937</u>
Business-type activities:										
Charges for services:										
Water Utility	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	6,995,301
Wastewater Utility	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	9,126,999
Stormwater Utility	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	2,038,788
Transit	350,662	410,184	398,439	367,294	408,176	439,180	465,647	547,846	573,394	547,033
Operating grants and contributions	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	2,124,992
Capital grants and contributions	5,586,403	2,694,934	1,573,924	836,969	975,820	395,169	584,516	446,217	7,918,959	7,934
Total business-type activities program revenues	<u>20,432,687</u>	<u>18,394,184</u>	<u>18,835,657</u>	<u>18,134,884</u>	<u>20,570,513</u>	<u>20,146,664</u>	<u>20,940,618</u>	<u>21,867,969</u>	<u>29,203,945</u>	<u>20,841,047</u>

**CITY OF JANESVILLE, WISCONSIN**

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total primary government program revenues	\$ 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	\$ 48,141,984
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (38,828,797)
Business-type activities	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	983,523
Total primary government net expenses	\$ (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)	\$ (37,845,274)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 34,544,522
Other taxes	1,048,915	1,028,488	1,147,714	883,300	947,001	914,183	1,370,092	1,524,835	1,817,507	1,477,297
Intergovernmental revenues	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	5,475,925
Investment income	1,890,844	2,382,204	1,625,934	920,423	692,506	538,926	340,085	273,606	202,932	319,377
Miscellaneous	634,122	506,719	881,154	757,869	678,983	1,490,349	77,830	565,401	745,445	980,888
Transfers	(278,899)	179,598	168,244	304,273	407,275	478,745	523,578	708,594	(799,750)	617,425
Total governmental activities	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	43,415,434
Business-type activities:										
Investment earnings	728,931	994,671	542,738	201,160	92,331	58,663	48,028	80,554	15,630	16,937
Miscellaneous	48,211	11,152	11,488	2,845	16,039	-	20,891	5,189	8,993	118,306
Transfers	278,899	(179,598)	(168,244)	(304,273)	(407,275)	(478,745)	(523,578)	(708,594)	799,750	(617,425)
Total business-type activities	1,056,041	826,225	385,982	(100,268)	(298,905)	(420,082)	(454,659)	(622,851)	824,373	(482,182)
Total primary government	\$ 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	\$ 42,933,252
<b>Change in Net Position</b>										
Governmental activities	\$ 17,813,316	\$ 6,578,182	\$ 1,904,992	\$ 1,805,755	\$ 590,722	\$ 1,624,950	\$ (510,164)	\$ 236,674	\$ (6,512,742)	\$ 4,586,637
Business-type activities	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	501,341
Total primary government	\$ 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	\$ 5,087,978

**CITY OF JANESVILLE, WISCONSIN**

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

	<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>	<u>2015</u>
<b>General Fund:</b>										
<b>Nonspendable:</b>										
Long-term receivables/ advances	\$ 990,859	\$ 947,874	\$ 858,212	\$ 686,067	\$ 472,502	\$ 477,324	\$ 484,749	\$ 897,474	\$ 665,851	\$ 1,983,082
Inventories and prepaid items	5,483	4,527	6,271	4,500	41,267	22,539	3,998	3,924	5,324	-
Assigned	2,529,837	2,578,820	1,231,000	850,000	890,000	825,000	926,435	675,000	635,649	564,250
Unassigned	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	7,372,013
<b>Total General Fund</b>	<b>\$ 8,991,677</b>	<b>\$ 8,814,735</b>	<b>\$ 7,774,243</b>	<b>\$ 7,230,271</b>	<b>\$ 7,494,947</b>	<b>\$ 9,071,864</b>	<b>\$ 9,038,135</b>	<b>\$ 9,553,641</b>	<b>\$ 9,358,006</b>	<b>\$ 9,919,345</b>
<b>All Other Governmental Funds (Reflecting GASB 54 Classification)</b>										
<b>Nonspendable:</b>										
Inventories and prepaid items						\$ 280,810	\$ 292,275	\$ 279,116	\$ 307,255	\$ 336,257
<b>Restricted reported in:</b>										
Debt service fund						1,277,855	594,456	628,760	996,012	2,682,108
Capital projects fund						9,575,388	7,138,340	5,593,500	7,730,977	3,057,045
Special revenue funds						4,426,799	5,027,057	6,609,164	7,485,418	6,496,619
<b>Committed reported in:</b>										
Sanitation Fund						2,103,725	1,199,147	285,043	-	708,912
Special revenue funds						832,191	956,123	868,257	903,922	1,000,817
<b>Assigned reported in:</b>										
Capital projects fund						1,938,042	3,626,875	4,370,324	3,115,756	1,755,855
<b>Unassigned reported in:</b>										
Special revenue funds						(1,383,868)	(3,731,165)	(1,292,048)	(2,005,066)	(3,253,023)
<b>Total All Other Governmental Funds</b>						<b>\$ 19,050,942</b>	<b>\$ 15,103,108</b>	<b>\$ 17,342,116</b>	<b>\$ 18,534,274</b>	<b>\$ 12,784,590</b>
<b>All Other Governmental Funds (Before GASB 54 Reclassification)</b>										
<b>Reserved:</b>										
Debt service	\$ 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	376,173	487,540	446,834	346,088	266,891					
Long-term receivables										
<b>Unreserved reported in:</b>										
Capital projects fund	2,998,949	3,783,110	4,859,680	4,828,004	5,389,278					
Special revenue funds	3,995,522	4,479,880	7,906,814	11,429,728	10,311,458					
<b>Total All Other Governmental Funds</b>	<b>\$ 14,750,874</b>	<b>\$ 14,752,477</b>	<b>\$ 20,803,116</b>	<b>\$ 26,976,735</b>	<b>\$ 18,985,023</b>					

**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) 2008 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenue</b>										
Taxes	\$ 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	\$ 36,235,147
Licenses and permits	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	1,676,409
Investment income, rents and fines	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	1,148,232
State and federal aid	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	10,404,266
Special assessments	8,772,521	6,286,880	4,801,611	1,717,558	917,104	1,141,772	975,738	911,669	1,106,737	1,680,746
Service charges and other	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	14,675,945
Miscellaneous	153,883	159,821	104,407	99,507	102,190	74,047	36,029	22,842	35,566	15,062
<b>Total revenues</b>	<b>62,509,543</b>	<b>61,734,450</b>	<b>61,897,980</b>	<b>61,145,525</b>	<b>59,562,844</b>	<b>63,800,039</b>	<b>61,077,870</b>	<b>63,938,308</b>	<b>65,621,626</b>	<b>65,835,807</b>
<b>Expenditures</b>										
General government	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	3,995,694
Public safety	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	24,637,256
Public works	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	9,805,387
Recreation and parks	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	4,329,438
Community and economic devel.	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	8,837,146
Library	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	3,760,640
Capital Outlay	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	16,382,587
Debt Service										
Principal	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	9,725,000
Interest	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	1,426,693
<b>Total expenditures</b>	<b>65,662,001</b>	<b>70,929,425</b>	<b>68,358,572</b>	<b>72,285,804</b>	<b>70,330,058</b>	<b>73,660,904</b>	<b>78,437,255</b>	<b>78,092,343</b>	<b>80,187,044</b>	<b>82,899,841</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,152,458)</b>	<b>(9,194,975)</b>	<b>(6,460,592)</b>	<b>(11,140,279)</b>	<b>(10,767,214)</b>	<b>(9,860,865)</b>	<b>(17,359,385)</b>	<b>(14,154,035)</b>	<b>(14,565,418)</b>	<b>(17,064,034)</b>
<b>Other financing sources (uses)</b>										
Long-term debt issued	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	9,497,000
Refunding Debt Issued	1,567,024	-	-	6,915,000	-	-	-	-	-	1,045,000
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	482,490
Sale of City property	-	-	-	-	-	638,477	-	-	-	-
Transfers in	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	11,945,743
Transfers out	(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)	(11,094,544)
<b>Total other financing sources (uses)</b>	<b>11,287,777</b>	<b>9,319,636</b>	<b>11,470,739</b>	<b>16,769,926</b>	<b>3,040,178</b>	<b>11,503,701</b>	<b>13,377,822</b>	<b>16,908,549</b>	<b>15,561,941</b>	<b>11,875,689</b>
<b>Special Item</b>										
Retirement of prior service										
<b>Net change in fund balances</b>	<b>\$ 8,135,319</b>	<b>\$ 124,661</b>	<b>\$ 5,010,147</b>	<b>\$ 5,629,647</b>	<b>\$ (7,727,036)</b>	<b>\$ 1,642,836</b>	<b>\$ (3,981,563)</b>	<b>\$ 2,754,514</b>	<b>\$ 996,523</b>	<b>\$ (5,188,345)</b>
Debt Service as a percentage of noncapital expenditures	17.0%	17.8%	16.2%	17.1%	17.4%	17.7%	18.0%	19.2%	16.2%	16.3%

**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<sup>(1)</sup> Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value<sup>(2)</sup></u>	<u>Total Direct Tax Rate<sup>(3)</sup></u>	<u>Total Taxable Equalized Value<sup>(4)</sup></u>	<u>Ratio of Assessed to Equalized Value</u>
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%
2015	2016	2,572,595,600	1,061,158,600	160,881,500	1,654,700	151,663,660	3,947,954,060	8.4521	3,987,273,400	99.14%

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

<sup>(1)</sup> Includes Agricultural, Undeveloped, Ag Forest, Forest & Other categories.

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

<sup>(3)</sup> The City of Janesville Direct Rate includes the City Rate and the Library Rate.

<sup>(4)</sup> 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<sup>(1)</sup></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>
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
2015	2016	7.6069	0.8452	8.4521	9.6883	1.2110	6.7241	0.1714	26.2469	1.6684	24.5785

**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<sup>(1)</sup></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>
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
2015	2016	7.6069	0.8452	8.4521	8.2682	1.2110	6.7241	0.1714	24.8268	1.6684	23.1584

Source: City of Janesville Clerk-Treasurer Records

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

<sup>(1)</sup> The City of Janesville Direct Rate includes the City Rate and the Library Rate.

**CITY OF JANESVILLE, WISCONSIN**

Schedule 7  
Principal Taxpayers  
2015 and Ten Years Prior

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Mercy Health System Corp	\$ 60,463,590	1	1.53%			
Wal-Mart and Sam's Club	34,574,430	2	0.88%			
Dean/St Mary's/Riverview	34,334,080	3	0.87%	19,468,070	5	0.58%
Blain Supply Inc.	31,703,480	4	0.80%	25,170,850	3	0.76%
Janesville Mall	29,460,930	5	0.75%	32,613,430	2	0.98%
GHC Specialty Brands (Lab Safety)	27,218,230	6	0.69%	22,675,750	4	0.68%
Woodman's Food Market	22,168,350	7	0.56%			
Hendricks Commercial Properties	20,267,560	8	0.51%			
Stag Janesville LLC	20,251,300	9	0.51%			
Seneca Foods Corporation	19,453,490	10	0.49%	13,961,000	9	0.42%
General Motors				37,069,650	1	1.11%
Helgesen Family Partnership				19,279,700	6	0.58%
Inland Pine Tree LLC				17,025,900	7	0.51%
Lemans				16,842,410	8	0.51%
Park Place Apartments				13,239,530	10	0.40%
<b>Total</b>	<b>\$ 299,895,440</b>		<b>7.60%</b>	<b>\$ 217,346,290</b>		<b>6.53%</b>

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 12/31/2015</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
2005	2006	26,968,587	26,934,619	99.87%	26,968,587	100.00%	
2006	2007	28,062,823	28,014,779	99.83%	28,062,823	100.00%	
2007	2008	29,326,955	29,252,694	99.75%	29,326,955	100.00%	
2008	2009	30,727,505	30,654,028	99.76%	30,719,341	99.97%	8,164
2009	2010	30,679,585	30,552,174	99.58%	30,627,735	99.83%	51,850
2010	2011	31,493,963	31,416,545	99.75%	31,449,864	99.86%	44,099
2011	2012	32,799,590	32,729,830	99.79%	32,762,894	99.89%	36,696
2012	2013	32,388,284	32,326,387	99.81%	32,344,270	99.86%	44,014
2013	2014	33,539,003	33,479,841	99.82%	33,485,587	99.84%	53,417
2014	2015	34,731,875	34,670,099	99.82%	34,670,099	99.82%	61,776

**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>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>	<u>2015</u>
Debt Limit	\$ 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	\$ 199,363,670
Total net debt applicable to limit	<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>	<u>82,200,000</u>
Legal Debt Margin	<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>	<u>\$ 117,163,670</u>
Total net debt applicable to limit as a percentage of debt limit	40.04%	38.56%	37.77%	41.15%	38.54%	37.97%	38.09%	39.62%	40.15%	41.23%

<b>Legal Debt Margin Calculation for Fiscal Year 2015</b>	
Equalized Value of Taxable Property	\$ 3,987,273,400
Legal Debt limit (5% of total equalized value)	199,363,670
Less : General Obligation Debt	<u>82,200,000</u>
Legal debt margin	<u>\$ 117,163,670</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 <sup>(2)</sup>	Debt Per Capita <sup>(2)</sup>
	General Obligation Debt <sup>(1)</sup>	Capital Leases	General Obligation Debt <sup>(1)</sup>	Revenue Bonds			
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	1,717
2015	60,054,611	-	23,160,861	26,383,311	109,598,783	N/A	1,726

**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>	<b>Governmental General Obligation Debt (1)</b>	<b>Proprietary General Obligation Debt (1)</b>	<b>Total General Obligation Debt (1)</b>	<b>Less: Amounts Reserved For Debt Service</b>	<b>Net General Obligation Debt</b>	<b>Percentage Debt to Equalized Valuation<sup>(2)</sup></b>	<b>Net General Obligation Debt Per Capita<sup>(3)</sup></b>
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	1.99%	1,257
2015	60,054,611	23,160,861	83,215,472	(2,682,108)	80,533,364	2.02%	1,268

**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, 2015

<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	\$ 60,054,611 (1)	100.00%	\$ 60,054,611
Rock County	46,630,000	40.95%	19,094,985
School Districts			
Janesville	71,775,000	90.14%	64,697,985
Milton	1,685,000	31.72%	534,482
Blackhawk Technical College	<u>52,735,000</u>	34.10%	<u>17,982,635</u>
Total Overlapping	<u>172,825,000</u>		<u>102,310,087</u>
Total Direct and Overlapping Debt	<u>\$ 232,879,611</u>		<u>\$ 162,364,698</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

<u>Year</u>	<u>Water Revenue Bonds</u>						<u>Wastewater Revenue Bonds</u>					
	<u>Water Gross Revenue</u>	<u>Less: Operating Expense<sup>(1)</sup></u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Wastewater Gross Revenue</u>	<u>Less: Operating Expense<sup>(1)</sup></u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>					<u>Principal</u>	<u>Interest</u>		
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	175,564	55,525	18.3	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	179,977	51,037	15.8	9,199,059	4,567,634	4,631,425	1,640,495	586,800	2.1
2015	7,021,916	3,324,545	3,697,371	184,502	46,437	16.0	9,142,747	4,541,523	4,601,224	1,677,236	549,506	2.1

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

<sup>(1)</sup> Excludes Depreciation Expense and Tax Equivalent



**CITY OF JANESVILLE, WISCONSIN**

Schedule 14  
Demographic and Economic Statistics  
Last Ten Fiscal Years

<b><u>Fiscal Year</u></b>	<b><u>Population<sup>(1)</sup></u></b>	<b><u>Personal Income</u></b>	<b><u>Per Capita Income<sup>(2)</sup></u></b>	<b><u>School System Enrollment<sup>(3)</sup></u></b>	<b><u>Unemployment Rate<sup>(4)</sup></u></b>
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	2,459,243,325	38,713	10,395	6.2%
2015	63,510	N/A	N/A	10,298	5.2%

- (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  
2015 and Ten Years Prior

<b>Employer</b>	<b>2015</b>			<b>2006</b>		
	<b>Approximate Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Approximate Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Mercy Health System	3,830	1	12.17%	3,365	1	10.43%
Janesville School District	1,316	2	4.18%	1,535	3	4.76%
Rock County	1,193	3	3.79%	1,187	4	3.68%
Data Dimensions	974	4	3.10%			
SSI Technologies / Bornes	700	5	2.22%			
GHC Specialty Brands (Lab Safety Supply Inc / Grainger)	641	6	2.04%	861	6	2.67%
J.P. Cullen & Sons, Inc.	615	7	1.95%			
Prent Corporation	550	8	1.75%			
Blain's Supply (Farm & Fleet)	540	9	1.72%			
City of Janesville	517	10	1.64%	455	8	1.41%
General Motors				2,950	2	9.15%
Lear Corporation				915	5	2.84%
Wal-Mart Supercenter / Sam's Club				550	7	1.71%
Lemans Corp				450	9	1.40%
Dean Health System (Dean Clinic-Janesville East)				440	10	1.36%
<b>Total</b>	<b>10,876</b>		<b>34.56%</b>	<b>12,708</b>		<b>39.40%</b>
<b>Total City Employment</b>	<b>31,466</b>			<b>32,255</b>		

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

Area	Year	Period	Seasonally Adjusted	Emp
Janesville City	2015	Annual	No	31466
Janesville City	2006	Annual	No	32255

Wisconsin Department of Workforce Development  
Bureau of Workforce Training - Labor Market Information  
Query Results - Created on May 3, 2016  
<http://WORKnet.Wisconsin.gov>

**CITY OF JANESVILLE, WISCONSIN**

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

	<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>	<u>2015</u>
General Government										
City Manager	2.26	2.56	2.15	2.34	2.34	2.34	2.34	2.84	2.97	4.79
Assessor	7.34	7.34	8.34	7.34	6.94	6.50	6.00	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	8.10	7.77	10.56	7.67	9.36	7.00	10.00	7.90	8.20	7.26
Administrative Services & Accounting	6.85	6.54	6.72	6.49	6.34	6.22	5.37	5.63	5.82	5.43
Human Resources	2.10	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.55	2.05
Information Technology	<u>3.00</u>	<u>2.70</u>	<u>2.75</u>	<u>2.75</u>	<u>2.25</u>	2.25	<u>2.25</u>	<u>2.25</u>	<u>2.47</u>	<u>2.45</u>
Total General Government	<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>	<u>31.98</u>
Public Safety										
Police	119.50	119.50	118.50	118.50	119.50	118.50	117.50	120.42	120.36	120.69
Fire	<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>	<u>92.87</u>
Total Public Safety	<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>	<u>213.56</u>
Public Works										
Engineering	20.91	20.33	20.47	18.75	18.40	18.35	18.34	18.53	14.71	11.19
DPW/Technical Services	28.52	28.16	26.77	25.53	26.68	27.18	26.49	27.03	26.61	26.03
Sanitation/Landfill	<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>	<u>20.82</u>
Total Public Works	<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>	<u>58.04</u>
Recreation & Parks										
Leisure Services	24.36	24.15	23.31	25.08	21.55	21.37	20.26	22.33	21.51	21.45
Parks	<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>	<u>17.31</u>
Total Recreation & Parks	<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>	<u>38.76</u>
Community & Economic Development										
Community Development	16.44	16.20	17.25	17.23	15.14	15.32	14.73	15.12	16.29	16.92
Neighborhood Services	<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>	<u>6.55</u>
Total Community & Economic Development	<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>	<u>23.47</u>
Library	53.70	51.90	50.75	51.20	51.45	49.53	49.01	51.33	50.65	53.72
Water Utility	19.09	19.00	20.47	20.49	20.40	19.67	19.59	25.98	25.96	25.79
Wastewater Utility	26.33	24.74	26.43	25.88	25.99	26.22	26.17	28.99	28.57	26.89
Stormwater Utility	6.44	7.45	10.49	10.92	11.22	11.27	11.19	10.65	10.59	11.05
Transit	<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>	<u>33.31</u>
Total Employment	<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>	<u>516.57</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Assessor										
Real Estate and Mobile Home Assessments	24,140	24,445	24,050	24,100	24,120	24,535	24,407	24,488	24,513	24,602
New Construction, Permits, Sale Reviews	2,772	3,200	2,590	4,000	2,160	2,005	2,514	2,548	2,604	2,415
Attorney										
Case Litigated	9,764	9,874	9,987	8,447	10,509	8,540	8,450	10,272	10,120	9,867
Public Safety										
Police										
Traffic Citations (#)	5,893	6,094	5,235	5,237	9,320	10,848	10,147	8,550	9,310	6,290
Violent Crime Incidents (#)	134	158	172	153	170	169	182	168	169	155
Property Crime Incidents (#)	2,987	2,740	2,813	2,254	2,423	2,412	2,474	1,962	2,088	1,898
Parking Tickets Processed (#)	4,104	4,104	3,644	2,745	3,313	2,823	2,555	2,484	1,949	1,537
Fire										
Fire and EMS Emergency Responses (#)	6,078	6,298	6,734	6,404	6,708	7,306	7,426	8,194	9,213	9,550
Inspections (#)	6,143	6,201	6,265	6,325	6,460	5,728	5,297	4,030	4,422	4,432
Public Works										
Street Maintenance										
Crack Sealing (feet)	20,000	50,000	20,000	21,000	18,000	65,472	29,251	18,480	-	17,819
Street Resurfacing (miles)	11.5	11.9	10.9	13.5	8.0	6.4	5.2	5.3	6.6	8.5
Street Cleaning - Leaf Collection (miles)	218	209	222	228	226	218	209	227	224	204
Traffic Management										
Traffic Signs Installed/Repaired (#)	1,946	1,155	1,122	1,200	1,739	1,150	1,546	943	1,120	1,769
Line Striping (feet)	363,300	338,000	314,484	248,633	144,899	283,462	269,216	302,685	271,389	407,756
Sanitation										
Sanitary Landfill (tons)	195,700	274,200	274,213	220,849	228,758	185,065	156,804	128,192	90,178	114,300
Trash Collection(stops/week)	23,143	23,393	24,347	23,700	23,700	23,449	23,473	23,732	23,878	23,950
VOM - Vehicles Repaired (#)	2,681	3,244	3,268	2,902	2,879	2,699	2,561	2,806	2,606	2,614
Recreation and Parks										
Recreation Program Participants (#)	276,398	237,022	246,967	230,142	278,198	271,739	267,490	252,906	249,728	268,480
Special Events	89	90	80	104	105	109	114	100	146	133
Parks (acres)	2,400	2,580	2,580	2,590	2,590	2,595	2,595	2,595	2,595	2,595
Parks Mowing (acres)	655	658	664	666	666	666	666	666	666	666
Golf Course Rounds Played (#)	56,627	55,376	58,142	59,734	56,270	53,606	56,368	53,400	53,186	56,833
Community/Economic Development										
Permits Issued (#)	4,481	4,490	3,543	2,866	3,201	2,872	3,068	3,454	3,393	3,498
Inspections (#)	9,149	9,188	7,694	6,687	6,791	6,374	6,000	6,592	6,347	6,719
TIF Development Activity										
New Construction (square feet)	108,000	315,915	20,000	28,125	532,445	21,000	22,000	17,000	42,925	1,434,720
Value of Projects (dollars)	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	56,950,000
Neighborhood Services										
Complaints Received (#)	1,450	1,177	1,419	1,778	1,648	1,992	1,586	2,045	1,767	1,826
Housing/Nuisance Inspections (#)	4,056	2,819	3,951	4,632	6,061	7,159	5,356	4,812	4,696	5,627
Housing Rehab./Homeownership Loans (#)	46	37	64	101	82	70	87	49	53	69
Library										
Circulation (#)	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	950,768
Registered Patrons (#)	56,663	59,485	61,812	64,245	66,544	69,542	72,394	64,841	67,556	70,041
Water Utility										
Water Pumped (billions of gallons)	4.51	4.48	4.28	3.88	3.54	3.55	3.52	3.41	3.48	3.18
Water Tests (#)	4,785	4,976	4,797	4,844	4,922	4,611	4,525	4,650	4,525	4,525
Water Main Repairs (#)	84	128	92	88	87	108	82	114	143	80
Wastewater Utility										
Sewage Treatment (millions of gallons)	4,814	5,351	6,728	5,882	5,637	5,083	4,375	4,849	4,723	4,279
Laboratory Tests (#)	24,714	24,845	25,461	24,996	24,665	23,749	22,542	19,944	19,255	19,688
Stormwater Utility										
Street Sweeping (miles)	7,176	7,141	6,688	7,003	7,767	5,887	5,846	5,248	6,256	6,358
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	906	575	614	600	600	600	600	600	1,208	2,075
Catch Basin Cleaning (#)	390	193	173	181	212	200	589	319	122	307
Transit										
Total Route Miles	475,893	478,329	477,266	471,711	471,711	471,682	501,025	553,104	531,643	509,829
Ridership (#)	431,924	392,306	396,773	352,144	338,739	364,696	393,347	432,739	447,632	430,741

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>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>	<u>2015</u>
<b>Public Safety:</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	31	30	36	37	39	37	37	18	19	19
Police Squads								23	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	11	11	11	11
EMS Vehicles (Ambulances)	5	5	6	6	6	6	6	6	6	6
Support Vehicles	11	11	11	11	11	11	12	12	12	13
<b>Public Works:</b>										
Streets (miles)	338	345	350	350	350	350	350	350	350	350
Street Lights (city owned)	2049	2103	2185	2215	2278	2267	2286	2265	2,317	2,322
Traffic Signals (intersections)	79	79	76	71	71	71	71	72	73	64
<b>Parks and Recreation:</b>										
Number of Parks	63	63	64	64	64	64	66	66	66	66
Acreage of Parkland	2350	2580	2580	2590	2590	2595	2595	2595	2595	2595
Number of Swimming Pools	3	3	3	3	3	3	3	3	3	3
<b>Water Utility:</b>										
Number of Wells	8	8	8	8	8	8	8	8	8	8
Number of Reservoirs	6	6	7	7	7	7	7	7	7	7
Miles of Water Main	354	362	366	367	367	368	368	369	370	370
Number of Hydrants	2485	2528	2552	2553	2561	2561	2561	2581	2,606	2,606
Storage Capacity (million gallons)	15.34	15.34	15.84	15.84	15.84	15.84	15.84	15.84	16	16
Production Capacity (million gallons/day)	32	32	32	32	35	35	35	35	35	35
<b>Wastewater Utility:</b>										
Miles of Sanitary Sewer	307	313	320	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
<b>Stormwater Utility:</b>										
Miles of Storm Sewer	173	177	179	179	180	180	180	180	180	180
<b>Transit</b>										
Number of Buses	23	21	21	21	20	20	17	17	17	17

Sources: Various City Departments