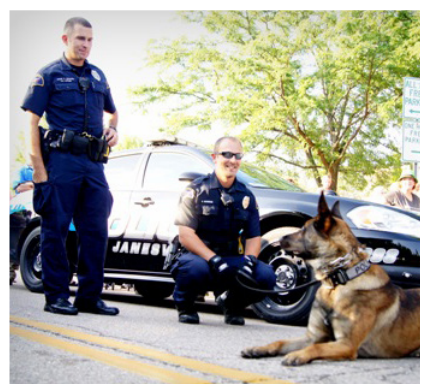
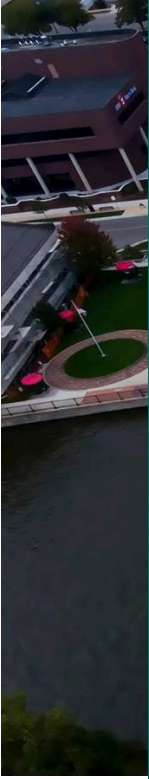




COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR FISCAL YEAR ENDED
DECEMBER 31, 2016



DISCOVER THE COMMUNITY OF CHOICE
TO REALIZE LIFE'S OPPORTUNITIES.



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, 2016

Prepared By:

Finance Office

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, 2016

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CITY OF JANESVILLE

Wisconsin's Park Place

June 21, 2017

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, 2016.

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

The information presented in the 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, 2016 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 532 full-time and part-time employees.

Major Initiatives

Momentum continued in downtown revitalization as the City began demolition of the downtown parking plaza over the Rock River, the first major step in executing the ARISE strategy. \$1.75 million in grants were received to fund removal of the parking plaza and create the Town Square, a riverfront destination. In 2016, the City also converted Milwaukee Street to two-way traffic.

The local economy continued to grow, stimulated in part by the work of the City. Economic Development created 181 new jobs and \$16.7 million in new property value through Tax Increment Financing Development Agreements. Building and Development Services issued 85 new home building permits in 2016.

The City launched four new online tools for increased transparency and responsiveness, the Open Budget website, Open Expenditures website, an online service request system, and a new GIS website.

At 12 miles of road rehabilitated, the largest utility and street maintenance program in more than a decade was completed. CTH G was upgraded to support the new 1 million square foot Dollar General Distribution Center. Water main was extended to Blackhawk Technical College.

Several partnerships were developed or strengthened, including: forming agreements with the City and Town of Beloit to manage their yard waste; finalizing an Amendment to the City of Janesville/Town of Rock Cooperative Boundary Plan; holding a student billboard design contest with the School District of Janesville and Diversity Action Team of Rock County; and working with the Leadership Development Academy to re-purpose an ambulance into a bookmobile.

In 2016, the City completed its first employee engagement survey and began a review process to implement changes in the organization.

The Janesville Fire Department had a busy year, with a 13.7% increase in calls for service over 2015. The Department began running operations out of the new Central Fire Station and took delivery of two new ambulances and one new fire engine.

The Janesville Police Department received enough community support to purchase a new K9, two K9 squads, and related equipment and training. Janesville police officers trained on procedural justice, microaggressions, de-escalation techniques, crisis intervention, and evidence-based decision-making in 2016.

Four elections were administered by the Clerk-Treasurer's Office, with a total of 66,176 votes cast in February, April, August, and November. Centralized absentee ballot counting was implemented in 2016, creating greater process efficiency.

The Neighborhood and Community Services Department assisted 502 families each month through the Rental Assistance Program. Two new homes were constructed for low-income households in partnership with Community Action and the Wisconsin Partnership for Housing Development.

Janesville Transit provided over 390,000 bus rides throughout 2016.

The Parks Division rebuilt three playgrounds – including CAMDEN, South Gate, and Marquette – and the Recreation Division provided programs for nearly 260,000 participants!

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 2016, continues to set new records in both quarterly and annual overall sales and use tax collections, which demonstrates the continued growth in retail sales activities:

2016- \$13,245,421	2015 - \$12,280,876	2014 - \$11,847,462
--------------------	---------------------	---------------------

2016 continued the positive trend of development of additional retail and commercial projects within the City. The City entered into a TIF development agreement for the redevelopment of the dilapidating former Menards store on Pontiac Place. This building of 78,000 square feet that will be converted to four mid-box tenants and the remaining acreage is planned for the future development of at least one hotel. In addition an adjoining vacant shopping center is being redeveloped to include Harbor Freight Tools, a branch of Mercy Health Care and two additional mid-box tenants which is forthcoming. A number of smaller retail projects including HuHot Mongolian Grill, Popeye's Chicken, and a second tenant ATI Physical Therapy located within the new space adjacent to Firehouse Subs. A significant commercial downtown redevelopment included Shine Medical Technologies locating their corporate headquarters within the Prospect 101 Building.

2016 continued to advance the industrial development in the City of Janesville, continuing the momentum of 2015. This included a speculative industrial building within the east side industrial park of 100,000 square feet. IPM Foods, a contract soup producer took occupancy and started operation within a 150,000 square foot building also within the East Side Industrial Park. A smaller contractor shop for an electrical contractor was also constructed in the East Side Park in 2016. Impact Confections continued the expansion of their operations with the acquisition of additional production equipment which will require the addition of 43 jobs over the next three years. Plastic Industries Inc. entered into a TIF Development Agreement for occupancy in 2929 Venture Drive and will create 30 jobs over the next year. AMTEC, a Department of Defense contractor constructed as secondary production facility of 31,000 square feet on their site in the east side park and will guarantee 18 additional jobs within that facility. Last, the million square foot Dollar General Distribution Center

construction was completed and began operation at the end of 2016. In 2018 Dollar General will be included on the list of largest taxpayers as the facility has a real property value of over \$54 million.

Overall TIF Agreements resulted in a guaranteed additional investment of over \$16.6 million dollars and 225,000 square feet.

On the local housing side, continued increases in the average housing price for houses sold is now approaching \$140,000 and there were a record number of home sales in 2016.

Janesville and Rock County have continued its economic improvement with all economic indicators being above the levels before the Great Recession. Janesville's continued progressiveness 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, 2015. This was the twenty-third 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

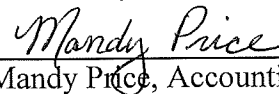
The preparation of this *Comprehensive Annual Financial Report* was made possible by the dedicated commitment and hard work of each member of the Finance Division.



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

Douglas Marklein, Council President	April 2019
Richard Gruber, Council Vice President	April 2018
Sue Conley	April 2019
Jim Farrell	April 2019
Jens Jorgensen	April 2018
Paul Williams	April 2018
Tom Wolfe	April 2019

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

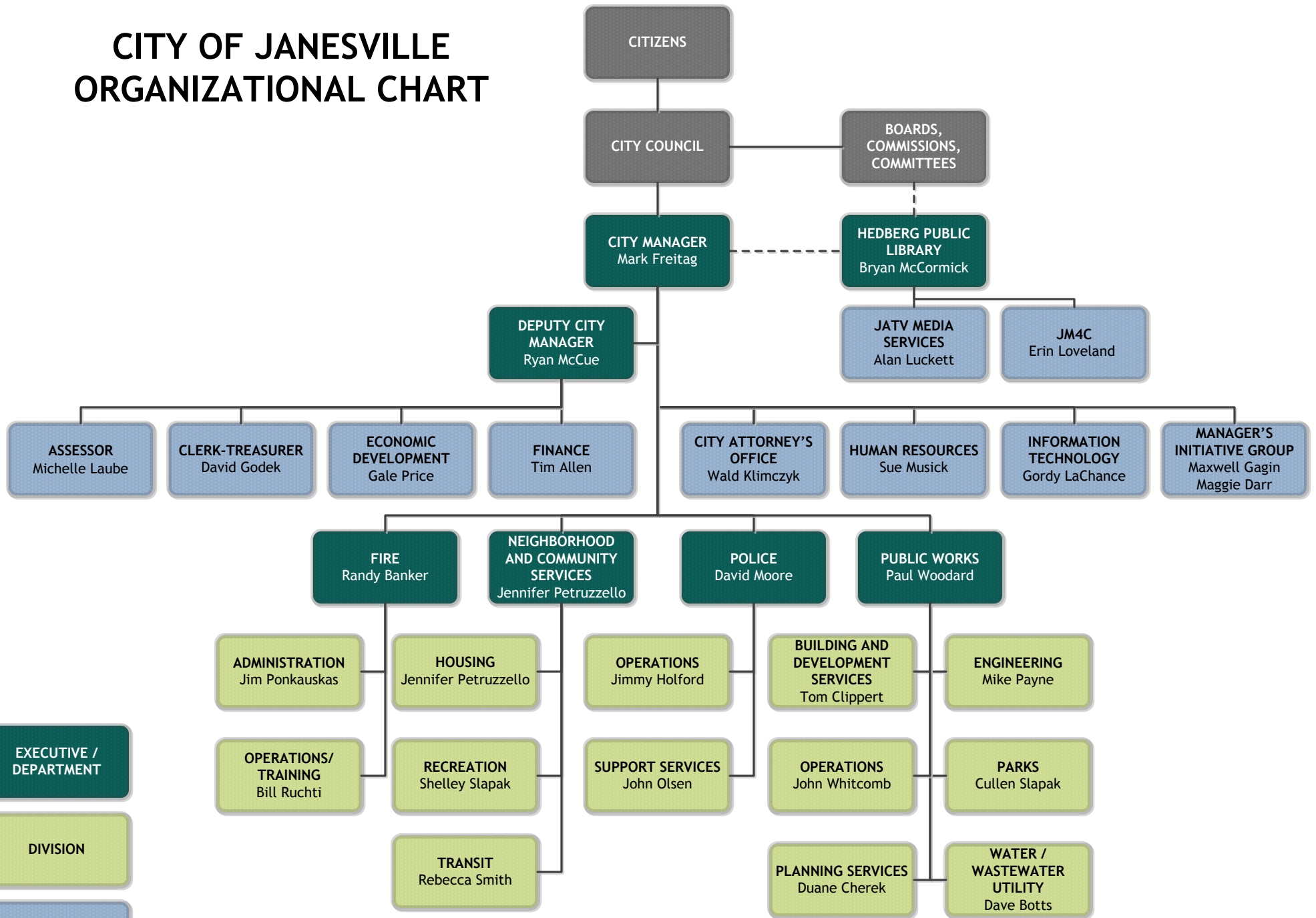
Department Heads

Randall 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/Office Heads

Tim Allen, Finance Director
Dave Botts, Utility Director
David Godek, City Clerk–Treasurer
Wald Klimczyk, City Attorney
Gordy LaChance, Information Technology Manager
Michelle Laube, City Assessor
Susan Musick, Human Resources Director
Michael 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



EXECUTIVE / DEPARTMENT

DIVISION

OFFICE / STAFF

**Interim/Acting*



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, 2015

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, 2016, 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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, 2016 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, 2016 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, 2016, 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, 2016.

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, 2015 (not presented herein), and have issued our report thereon dated June 23, 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, 2015 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 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 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, 2015.

Other Information

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

Other Reporting Required by Government Auditing Standards

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 21, 2017

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, 2016, with comparative data for fiscal year ended December 31, 2015. 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, 2016 by \$293,411,849 (net position). Of this amount, \$266,213,904 represented the City's net investment in capital assets, \$22,221,256 was restricted, and \$4,976,689 was unrestricted.
- > During the year, the City's total net position decreased by \$847,684, or 0.3%. This decrease indicated that the City's overall financial position declined during 2016. This was a net of business-type activities increasing \$2,027,837, which was offset by governmental functions decreasing by \$2,875,521. See page 7 for explanations for changes in net position.
- > As of December 31, 2016, the City of Janesville's Governmental Funds reported combined ending fund balances of \$24,950,604, an increase of \$2,246,669, or 9.9%, in comparison with the prior year. Approximately 42% of the fund balance, \$10,606,630, 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, 2016, the Assigned and Unassigned Fund Balance for the General Fund was \$7,716,937, or 21.0%, of the 2016 budgeted General Fund operating expenditures.
- > During 2016, actual General Fund revenues and other financing sources were \$19,968 more than the amount budgeted. Expenditures and other financing uses were \$876,605 less than budgeted. The City's original General Fund budget included usage of \$564,250 of Unassigned Fund Balance, but was amended by \$990,000 to fund the Fire Station #1 capital project. The fund balance decreased by \$657,677 because of favorable budget variances totaling \$896,573. Primary factors in the expenditure savings are related to temporarily vacant positions due to employee retirements and lower labor, vehicle costs, and materials for snow removal.
- > The City of Janesville's total notes and revenue bonds outstanding decreased by \$3.9 million to \$112.5 million. General Obligation debt increased \$5.8 million from 2015 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Janesville is improving or deteriorating.

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

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

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

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Janesville, like other state and local governments, uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Funds of the City of Janesville can be divided into three categories: *Governmental Funds, Proprietary Funds, and 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 27 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 23 Governmental Funds are combined into a single, aggregated presentation. Individual Fund data for each of these non-major Governmental Funds (Special Revenue Funds including TIF districts) is provided in the form of Combining Statements later in this report.

The basic Governmental Fund Financial Statements can be found on pages 18 - 21 of this report.

Proprietary Funds. Proprietary Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The City of Janesville maintains two types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The Proprietary Fund Financial Statements provide separate information for the 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 Fund maintained by the City of Janesville is the Tax Collection Fund. The Tax Collection Fund records the tax roll and tax collections for other taxing jurisdictions within the City of Janesville. The basic 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 - 82 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 83 and 84 of this report.

The additional required supplementary information schedules show the required Wisconsin Retirement System (WRS) net pension liability/asset information as well as the other postemployment benefits (OPEB) information. While WRS is nearly 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 85 - 86 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 88 - 124 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, 2016 and 2015 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 \$293 million at the close of 2016. This is a decrease of \$0.8 million, or 0.3% below 2015.

City of Janesville's Summary Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$77,665,833	\$79,236,544	\$19,854,519	\$19,973,467	\$97,520,352	\$99,210,011
Capital assets (net)	219,189,408	216,117,892	150,355,116	147,459,907	369,544,524	363,577,799
Total Assets	<u>\$296,855,241</u>	<u>\$295,354,436</u>	<u>\$170,209,635</u>	<u>\$167,433,374</u>	<u>\$467,064,876</u>	<u>\$462,787,810</u>
Deferred outflow s of resources	<u>\$23,388,075</u>	<u>\$6,623,183</u>	<u>\$2,496,649</u>	<u>\$728,576</u>	<u>\$25,884,724</u>	<u>\$7,351,759</u>
Current liabilities	\$7,968,432	\$7,551,849	\$1,429,362	\$1,411,818	\$9,397,794	\$8,963,667
Long-term liabilities	89,143,519	80,348,843	52,676,561	51,117,594	141,820,080	131,466,437
Total Liabilities	<u>\$97,111,951</u>	<u>\$87,900,692</u>	<u>\$54,105,923</u>	<u>\$52,529,412</u>	<u>\$151,217,874</u>	<u>\$140,430,104</u>
Deferred inflow s of revenues	<u>\$47,379,896</u>	<u>\$35,449,933</u>	<u>\$939,985</u>	<u>\$0</u>	<u>\$48,319,881</u>	<u>\$35,449,933</u>
Net Position:						
Net investment in capital assets	\$165,651,458	\$166,599,500	\$101,129,446	\$99,568,760	\$266,213,904	\$266,168,260
Restricted	13,556,068	20,037,322	8,665,188	8,823,186	22,221,256	28,860,508
Unrestricted (deficit)	<u>(3,456,053)</u>	<u>(8,009,828)</u>	<u>7,865,742</u>	<u>7,240,593</u>	<u>4,976,689</u>	<u>(769,235)</u>
Total Net Positon	<u>\$175,751,473</u>	<u>\$178,626,994</u>	<u>\$117,660,376</u>	<u>\$115,632,539</u>	<u>\$293,411,849</u>	<u>\$294,259,533</u>

The largest portion of the City of Janesville's net position (approximately 90.7%) reflects its investment in capital assets (i.e., land, land improvements, buildings, furniture and fixtures, vehicles and equipment, plant in service, infrastructure and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Janesville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Janesville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Janesville's net position (approximately 7.6%) 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 \$4,976,689.

Net position decreased by \$2,875,521 (1.6%) for governmental activities and increased \$2,027,837 (1.8%) for business-type activities during the current year.

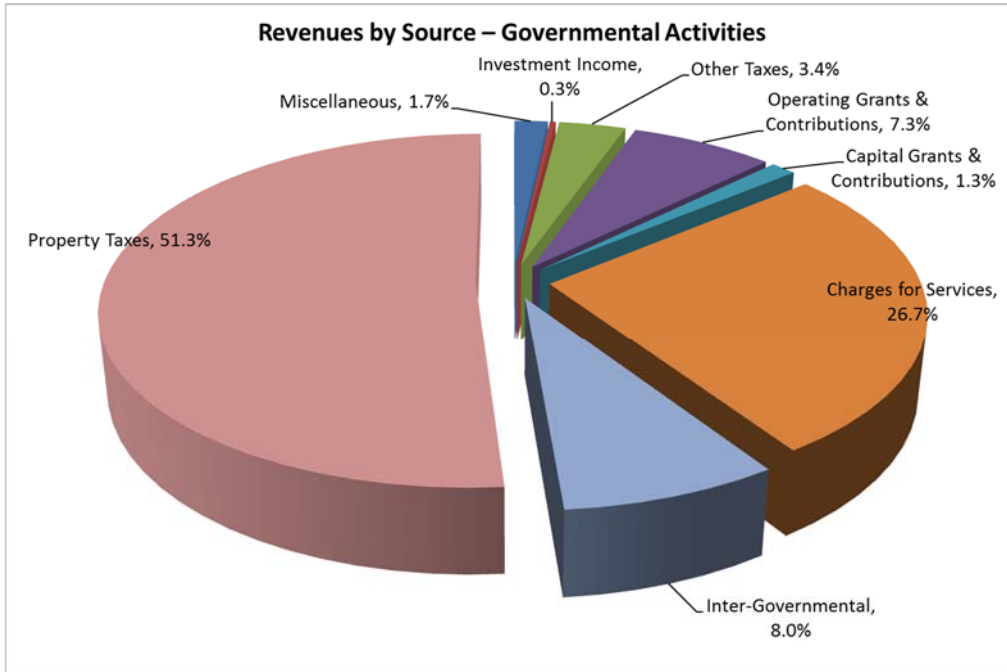
The following table provides a summary of the City's changes in net position.

City of Janesville						
Changes in Net Position						
	Governmental Activities		Business- Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues:						
Charges for Services	\$ 18,125,007	\$ 15,986,148	\$ 20,944,900	\$ 18,708,121	\$ 39,069,907	\$ 34,694,269
Operating Grants & Contributions	4,976,353	4,424,256	2,076,668	2,124,992	7,053,021	6,549,248
Capital Grants & Contributions	878,645	6,890,533	1,276,126	7,934	2,154,771	6,898,467
General Revenues:						
Property Taxes	34,854,348	34,544,522	-	-	34,854,348	34,544,522
Other Taxes	2,319,788	1,477,297	-	-	2,319,788	1,477,297
Inter-Governmental Revenues Not						
Restricted to Specific Programs	5,446,331	5,475,925	-	-	5,446,331	5,475,925
Investment Income	230,186	319,377	68,878	16,937	299,064	336,314
Miscellaneous	1,132,803	980,888	0	118,306	1,132,803	1,099,194
Total Revenues	67,963,461	70,098,946	24,366,572	20,976,290	92,330,033	91,075,236
EXPENSES						
General Government	\$ 4,993,527	\$ 4,151,408	\$ -	\$ -	\$ 4,993,527	\$ 4,151,408
Public Safety	27,177,668	25,738,815	-	-	27,177,668	25,738,815
Public Works	19,462,880	17,457,921	-	-	19,462,880	17,457,921
Recreation & Parks	5,064,956	4,897,505	-	-	5,064,956	4,897,505
Community/Economic Dev.	8,912,887	8,332,330	-	-	8,912,887	8,332,330
Library	4,426,420	4,115,305	-	-	4,426,420	4,115,305
Interest and Fiscal Charges	1,388,302	1,436,450	-	-	1,388,302	1,436,450
Water Utility	-	-	5,491,647	5,374,045	5,491,647	5,374,045
Wastewater Utility	-	-	9,395,932	8,618,650	9,395,932	8,618,650
Stormwater Utility	-	-	2,785,314	1,788,628	2,785,314	1,788,628
Transit	-	-	4,078,184	4,076,201	4,078,184	4,076,201
Total Expenses	71,426,640	66,129,734	21,751,077	19,857,524	93,177,717	85,987,258
Increase in Net Position Before Transfers	(3,463,179)	3,969,212	2,615,495	1,118,766	(847,684)	5,087,978
Transfers	587,658	617,425	(587,658)	(617,425)	-	-
Increase in Net Position	(2,875,521)	4,586,637	2,027,837	501,341	(847,684)	5,087,978
Net Position, beginning of year	178,626,994	174,040,357	115,632,539	115,131,198	294,259,533	289,171,555
Net Position, end of year	<u>\$ 175,751,473</u>	<u>\$ 178,626,994</u>	<u>\$ 117,660,376</u>	<u>\$ 115,632,539</u>	<u>\$ 293,411,849</u>	<u>\$ 294,259,533</u>

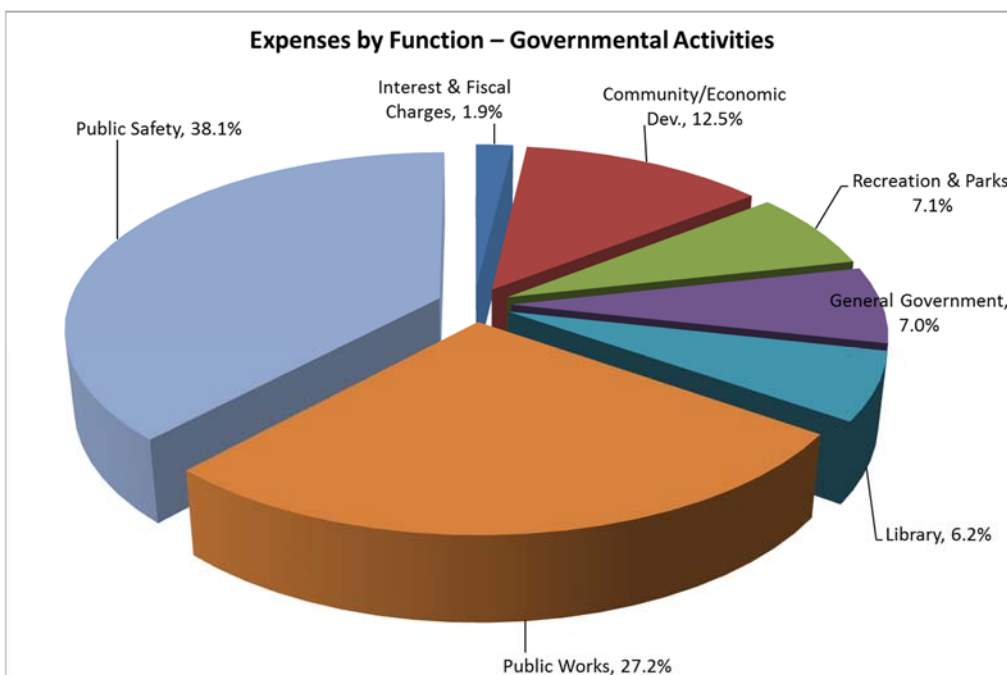
The total revenues have increased by \$1,254,841, or 1.4%. This is primarily due to increases in Sanitation Service Charges (\$1,629,374) and Wheel Tax revenue (\$522,000) offset by reduced Special Assessments for Stormwater (\$907,928).

The total expenses on the statement of activities increased by \$7,190,459, or 8.4%, in 2016 driven by spending on TIF 35 (primarily related to the Dollar General development) of \$3,480,098, Landfill Phase 4 Design & Construction \$1,878,829 higher than in 2015, TIF 33 development \$1,117,393 higher than in 2015, Sanitation solid waste disposal DNR fees and other costs \$924,444 higher than in 2015, Street Maintenance and \$428,000 higher with the continued ramp up of the enhanced streets program, offset by \$4,878,206 less spent on Fire Station #1 than in 2015.

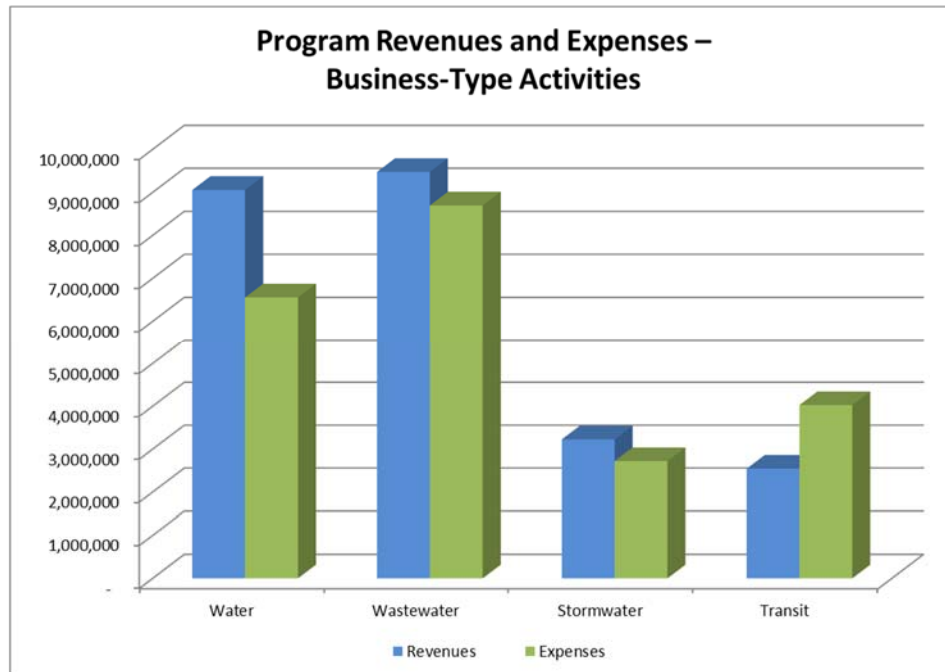
Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2016. Property taxes are the primary source of funding for governmental services providing just over half (51.3%) of the City's total governmental revenues. Charges for Services increased to 26.7%. State Aids (Inter-Governmental Revenues) decreased slightly to 8.0%. Operating Grants contributed 7.3%, and Capital Grants and Contributions 1.3%. Capital grants and contributions vary depending upon the specific capital projects; 2016 was much lower than 2015 due to the reduction in Housing and CDBG grants.



The pie chart below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 38.1% of the total. Public Works was the next largest expense category with 27.2% 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 2016. The Transit fund requires annual transfers from the General Fund.



Water rates implemented January 1, 2013, were designed to provide a 5.35% return on rate base. Simplified rate increases of 3% have been implemented in 2015 and 2016. The actual rate of return of the Water Utility for 2016 was 4.8%. This has prompted our request for a full rate case study with the PSC that is anticipated to be approved mid-2017. 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 (\$1,468,579), which is included in transfers on the statement of activities.

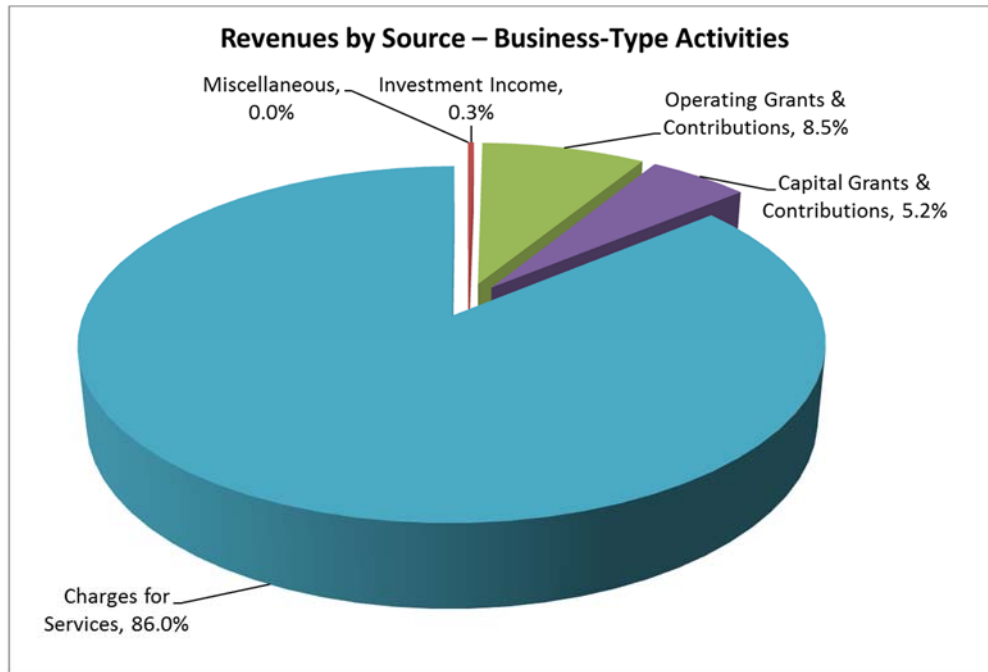
The Water Utility generated operating revenue of \$7,904,680, which is \$313,521 (3.8%) less than budgeted in 2016 due to declining residential and commercial water usage. Water operating expenses and payment in lieu of property tax transfer of \$6,730,263 were \$79,519 (1.2%) over budget due to higher depreciation.

The Wastewater Utility produced a net operating income of \$658,772 in 2016 compared to \$1,198,335 in 2015. Operating revenue of \$9,353,624 was \$234,976 (2.5%) less than budgeted. Operating expenses of \$8,694,928 were \$72,304 (0.8%) more than budgeted. This was primarily due to vendor payments (\$134,406) attributed to the expanded street program.

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 \$506,601. This revenue is used to pay its debt service requirements, which were \$657,147 in 2016.

Transit received 60% 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 \$75,239 (mostly due to the reduction of the Janesville-Milton-Whitewater route) from the previous year and provided 18% of the revenue. Transit operations are funded in part by General Fund transfers, 20% in 2016. These ratios are historically 60%, 20%, and 20%, respectively. The 2016 General Fund Subsidy for operation of the Transit system was \$774,829, which was \$176,341 less than budgeted primarily due to lower fuel costs (\$177,379).

As shown in the pie chart below, revenues from the business-type activities were generated primarily from Charges for Services (86.0%), Operating Grants (8.5%), and Capital Grants and Contributions (which bounced back up to 5.2%). Capital Contributions are special assessments in Water and Wastewater Utilities for subdivision and new commercial growth. Operating grants and contributions are primarily State and Federal grants for the operation of the Transit System.



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, 2016, the City of Janesville’s Governmental Funds reported combined ending balances of \$24,950,604, an increase of \$2,246,669, or 9.9%, in comparison with the prior year. A portion of the Fund balance is nonspendable for long-term receivables (\$1,541,510) which are unavailable for spending; and prepaid items and inventories (\$273,088) that has already been spent. The Restricted fund balance of \$12.5 million is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$2,638,072); (2) capital projects activities (\$3,660,835); and (3) special revenue activities (\$6,230,468). Approximately \$10.6 million, or 42.5% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$1,014,279 that has been committed to special revenue purposes by resolutions and ordinances, \$1,829,606 committed for Sanitation, \$536,757 assigned to fund the 2017 budget, \$3,319,233 assigned to future capital projects, and unassigned funds of \$3,906,755.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2016, the total fund balance of the General Fund was \$9,261,668, of which \$7,716,937 was unrestricted (Assigned and Unassigned). This Unrestricted Fund Balance represents approximately 17.0% of total 2016 General Fund expenditures and transfers out, while the total fund balance represents approximately 20.4% of that same amount.

The City of Janesville's General Fund balance decreased \$657,677 vs a budget to decrease \$1,554,250 in 2016. Revenues and other financing sources exceeded budget by \$19,968 while expenditures were under budget by \$700,264 and other financing uses were \$176,341 under budget. Budget savings were the result of salary and benefit savings from vacant positions \$638,411 and lower Transit subsidy due to lower labor costs and fuel savings \$177,379.

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, 2016 was \$1,829,606, an increase of \$1,119,961 from 2015. Operating revenue was over realized by \$1,303,735 due to an increase in user fees and disposal fees as a result of higher tonnage received (16.9% higher than budgeted). Operating expenses were under budget by \$292,826 primarily a result of \$164,806 lower DNR fees corresponding to the increased tonnage and lower personnel and utility costs.

The *Debt Service Fund* has a total fund balance of \$2,638,072, all of which is restricted for the payment of debt service. The fund balance decreased by \$44,036.

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, 2016 was \$7,207,936, an increase of \$2,108,861 from the previous year. The increase is primarily due to borrowing for the parking plaza removal; lower costs than anticipated and DNR grants to cover the costs precluded spending on the project. That money has been repurposed to the 2017 streets program.

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 \$280,440 in 2016 primarily due to development spending in TIF 35.

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 \$1.9 million to \$115.6 million as of December 31, 2016. Approximately \$2.9 million of this increase is due to fixed assets placed into service offset by an increase in the city's net pension liability.

The net position of the City's Vehicle Operations & Maintenance and Insurance Internal Service Funds decreased by \$1,265,827 to \$2,585,209 due almost exclusively to the higher cost of health claims.

General Fund Budgetary Highlights

The Budgetary Comparison Schedule – General Fund indicates that the amended 2016 budget for expenditures and transfers out was \$46,182,750, funded by anticipated revenues and property sales (\$44,628,500), 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 (\$564,250). The amended budget included final funding of \$990,000 for the new Central Fire Station.

Actual revenues and transfers resulted in a favorable revenue variance of \$19,968 or 0.05% more than the amount budgeted for 2016. The average favorable revenue variance over the past five years has been 0.3%.

The major revenue budget to actual variances are as follows:

- General Fund Tax Levy – (\$347,497) due primarily to refunds paid predominantly to three large commercial taxpayers
- Interest on General Investments – (\$40,628) lower than budget and (\$118,592) less than 2015
- Room Tax – \$74,132 better than budget and \$39,479 higher than 2015
- Building and Planning Permits – \$131,859, there were 20 new commercial permits with a value of \$77.0 million, in addition, residential new single family permits continued the upward trend over the past several years

- Fire Department Service Charges – \$191,150 due primarily to increased fees for responses and transfers of patients

The expenditure and transfer budget results after the supplemental appropriation yielded a favorable variance of \$876,605, or 1.9% less than the amended budget. The average amount returned from unexpended budget allocations over the past five years has been 2.4%.

- Budget savings of \$645,573 were gained in wages, salaries, and benefits related to the vacant positions primarily in Fire \$270,137, Operations \$206,133, Building and Planning Services \$51,668, and Recreation \$47,804
- Lower Transit personnel and fuel costs resulted in \$176,341 less General Fund subsidy
- Operations was \$99,856 under budget in vehicle fuel and maintenance
- Attorney was (\$103,573) over budget in outside legal fees primarily driven by taxpayer property assessment challenges

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 88 – 91.

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, 2016 of \$370 million.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2014
Land	\$36,989,215	\$35,445,386	\$1,033,509	\$1,033,509	\$38,022,724	\$36,478,895
Construction in Progress	676,048	9,278,620	354,274	241,168	1,030,322	9,519,788
Land Improvements	9,903,905	9,345,466	997,512	997,512	10,901,417	10,342,978
Buildings	42,617,393	35,936,586	44,350,278	44,171,447	86,967,671	80,108,033
Furniture and Fixtures	9,816,535	9,815,538	4,818,315	4,679,377	14,634,850	14,494,915
Vehicles and Equipment	26,158,841	24,374,138	36,356,002	36,214,247	62,514,843	60,588,385
Plant in Service	-	-	138,418,112	130,388,680	138,418,112	130,388,680
Infrastructure	<u>194,929,944</u>	<u>189,151,443</u>	<u>-</u>	<u>-</u>	<u>194,929,944</u>	<u>189,151,443</u>
Total Capital Assets	\$321,091,881	\$313,347,177	\$226,328,002	\$217,725,940	\$547,419,883	\$531,073,117
Less Accumulated						
Depreciation	<u>(101,902,473)</u>	<u>(97,229,285)</u>	<u>(75,972,886)</u>	<u>(70,266,033)</u>	<u>(177,875,359)</u>	<u>(167,495,318)</u>
Capital Assets Net of						
Depreciation	<u>\$219,189,408</u>	<u>\$216,117,892</u>	<u>\$150,355,116</u>	<u>\$147,459,907</u>	<u>\$369,544,524</u>	<u>\$363,577,799</u>

In 2016, capital asset additions were \$27,596,133, and retirements were \$2,656,797. Significant capital asset additions include the following:

Wastewater Utility	Collection System Construction/Additions	\$1,173,262
Water Utility	Distribution System Construction/Additions	\$6,326,059
Stormwater Utility	Collection/Retention Infrastructure	\$668,021
Library	Collection	\$407,085
Infrastructure	Street Lights	\$127,651
	Traffic Signals	\$263,835
	Annual sidewalk program	\$861,428
	Landfill Improvements	\$1,887,170
	Street Construction/ Reconstruction	\$2,798,206
Land and Building	Boiler Replacement - City Hall	\$272,814
	Fire Station #1	\$8,713,920
Capital Equipment	Street Sweepers (2)	\$370,348
	Fire Department- Ambulance (2)	\$433,658
	Fire Department- Pierce Quantum Rescue Pumper	\$659,991

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 \$113 million of long-term notes, bonds and capital leases outstanding, as summarized in the following table.

**City of Janesville
Notes and Bonds Outstanding**

	<u>Governmental Activities</u>		<u>Business Type-Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General Obligation Bonds and Notes	\$62,258,000	\$59,320,000	\$25,787,000	\$22,880,000	\$88,045,000	\$82,200,000
Revenue Bonds	-	-	24,479,364	26,383,311	24,479,364	26,383,311
Total	<u>\$62,258,000</u>	<u>\$59,320,000</u>	<u>\$50,266,364</u>	<u>\$49,263,311</u>	<u>\$112,524,364</u>	<u>\$108,583,311</u>

The 2016 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 \$208,253,715, which significantly exceeds the City of Janesville's current outstanding General Obligation Debt of \$88,045,000. As of December 31, 2016, the City of Janesville's outstanding general obligation debt equaled 42% of the State authorized debt.

The City of Janesville issued two General Obligation Promissory Notes in 2016. During 2016, the City issued \$7,460,000 to refund 2008 and 2009 notes for interest savings and debt restructuring. The annual capital project note \$19,330,000 was issued July 13, 2016. It includes funding street improvements and infrastructure (\$4,567,000); public buildings, parks, and public grounds (\$2,328,000); Water, Wastewater, and Stormwater Utility improvements (\$6,207,000); acquire capital equipment (\$1,687,000); Construction of Landfill Phase IV (\$2,050,000), and TIF 22 and 35 for infrastructure improvements (\$2,491,000).

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

Economic Factors and Next Year's Budget and Rates

- > The 2016 annual average unemployment rate for the City of Janesville was 4.5%, a decrease from 5.2% in 2015. This compares to the 2016 unemployment rate of 4.1% for the State of Wisconsin and a national unemployment rate of 4.8%.
- > The City's total equalized property value at January 1, 2016 was \$4,165,074,300, This compares to the previous year's total of \$3,987,273,400, a 4.5% increase.
- > The Janesville City Council adopted the 2017 general city budget (General Fund and Library) that included a (4.37%) decrease in non-property tax revenue and applied fund balance and a 1.07% increase in total expenditures funded by a 5.32% increase in the property tax levy. When combined with a 0.91% increase in assessed property valuation, the property tax rate increased by 4.37%.
- > 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 Office
18 North Jackson Street
P.O. Box 5005
Janesville, WI 53547-5005

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



GOVERNMENT-WIDE STATEMENTS

CITY OF JANESVILLE

STATEMENT OF NET POSITION
As of December 31, 2016

	Governmental Activities	Business- type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 26,056,924	\$ 1,788,325	\$ 27,845,249	\$ 213,518
Receivables (net)				
Taxes receivable	39,336,706	-	39,336,706	-
Accounts	4,567,323	6,479,546	11,046,869	-
Special assessments receivable	989,890	33,124	1,023,014	-
Other receivables	210,481	92,230	302,711	-
Prepaid items and inventories	672,618	504,183	1,176,801	-
Internal balances	(593,454)	593,454	-	-
Restricted assets				
Cash and investments	-	10,363,657	10,363,657	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Net pension asset	-	-	-	-
Loans receivable (net)	4,821,225	-	4,821,225	-
Capital Assets				
Land	36,989,215	1,033,509	38,022,724	-
Construction in progress	676,048	354,274	1,030,322	-
Other capital assets, net of depreciation	<u>181,524,145</u>	<u>148,967,333</u>	<u>330,491,478</u>	<u>24,130</u>
Total Assets	<u>296,855,241</u>	<u>170,209,635</u>	<u>467,064,876</u>	<u>237,648</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>23,388,075</u>	<u>2,496,649</u>	<u>25,884,724</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	7,968,432	1,206,686	9,175,118	18,156
Payable from restricted assets	-	222,676	222,676	-
Noncurrent liabilities				
Due within one year	12,841,543	6,171,972	19,013,515	-
Due in more than one year	<u>76,301,976</u>	<u>46,504,589</u>	<u>122,806,565</u>	<u>-</u>
Total Liabilities	<u>97,111,951</u>	<u>54,105,923</u>	<u>151,217,874</u>	<u>18,156</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	38,521,012	-	38,521,012	231,193
Pension-related amounts	<u>8,858,884</u>	<u>939,985</u>	<u>9,798,869</u>	<u>-</u>
Total Deferred Inflows	<u>47,379,896</u>	<u>939,985</u>	<u>48,319,881</u>	<u>231,193</u>
NET POSITION				
Net investment in capital assets	165,651,458	101,129,446	266,213,904	24,130
Restricted for				
Equipment replacement	-	6,272,742	6,272,742	-
Debt service	2,504,375	2,392,446	4,896,821	-
Grants	5,767,249	-	5,767,249	-
Library	649,053	-	649,053	-
TIF districts	1,693,095	-	1,693,095	-
Landfill long-term care	2,942,296	-	2,942,296	-
Pension	-	-	-	-
Unrestricted (deficit)	<u>(3,456,053)</u>	<u>7,865,742</u>	<u>4,976,689</u>	<u>(35,831)</u>
TOTAL NET POSITION	<u>\$ 175,751,473</u>	<u>\$ 117,660,376</u>	<u>\$ 293,411,849</u>	<u>\$ (11,701)</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Program Revenues				Net Expenses (Revenues) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 4,993,527	\$ 730,285	\$ 1,689,459	\$ -	\$ (2,573,783)	\$ -	\$ (2,573,783)	
Public safety	27,177,668	3,465,100	295,647	33,849	(23,383,072)	-	(23,383,072)	
Public works	19,462,880	9,187,124	721,041	782,921	(8,771,794)	-	(8,771,794)	
Recreation and parks	5,064,956	2,312,029	101	-	(2,752,826)	-	(2,752,826)	
Community and economic development	8,912,887	1,579,793	1,897,666	61,875	(5,373,553)	-	(5,373,553)	
Library	4,426,420	850,676	372,439	-	(3,203,305)	-	(3,203,305)	
Interest and fiscal charges	1,388,302	-	-	-	(1,388,302)	-	(1,388,302)	
Total Governmental Activities	71,426,640	18,125,007	4,976,353	878,645	(47,446,635)	-	(47,446,635)	
Business-type Activities								
Water Utility	5,491,647	7,904,672	-	1,150,127	-	3,563,152	3,563,152	
Wastewater Utility	9,395,932	9,353,624	-	121,138	-	78,830	78,830	
Stormwater Utility	2,785,314	3,226,320	-	-	-	441,006	441,006	
Transit	4,078,184	460,284	2,076,668	4,861	-	(1,536,371)	(1,536,371)	
Total Business-type Activities	21,751,077	20,944,900	2,076,668	1,276,126	-	2,546,617	2,546,617	
Total Primary Government	\$ 93,177,717	\$ 39,069,907	\$ 7,053,021	\$ 2,154,771	(47,446,635)	2,546,617	(44,900,018)	
Component Unit- Community Development Authority	\$ 2,752,808	\$ 14,014	\$ 2,551,200	\$ -	-	-	-	\$ (187,594)
General Revenues								
Taxes								
Property taxes, levied for general purposes					28,887,835	-	28,887,835	-
Property taxes, levied for the library					3,248,309	-	3,248,309	-
Property taxes, levied for TIF Districts					2,718,204	-	2,718,204	-
Other taxes					2,319,788	-	2,319,788	-
Intergovernmental revenues not restricted to specific programs					5,446,331	-	5,446,331	-
Investment income					230,186	68,878	299,064	326
Miscellaneous					1,132,803	-	1,132,803	-
Total General Revenues					43,983,456	68,878	44,052,334	326
Transfers					587,658	(587,658)	-	-
Change in Net Position					(2,875,521)	2,027,837	(847,684)	(187,268)
NET POSITION - Beginning of Year					178,626,994	115,632,539	294,259,533	175,567
NET POSITION (DEFICIT) - END OF YEAR					\$ 175,751,473	\$ 117,660,376	\$ 293,411,849	\$ (11,701)

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, 2016

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 5,830,427	\$ 491,893	\$ 2,614,167	\$ 7,526,288	\$ 6,743,060	\$ 23,205,835
Receivables						
Taxes	30,783,967	303,380	311,376	-	7,937,983	39,336,706
Accounts	1,143,345	1,413,269	-	29,398	1,981,311	4,567,323
Special assessments	-	-	506,813	-	97,640	604,453
Delinquent special assessments	-	-	385,437	-	-	385,437
Accrued investment income	45,076	-	-	-	-	45,076
Due from other funds	5,132,962	-	-	393,797	-	5,526,759
Inventories	-	-	-	227,868	-	227,868
Prepaid items	3,220	-	-	-	42,000	45,220
Loans receivable (net)	-	-	-	-	4,821,225	4,821,225
TOTAL ASSETS	\$ 42,938,997	\$ 2,208,542	\$ 3,817,793	\$ 8,177,351	\$ 21,623,219	\$ 78,765,902

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 2,596,921	\$ 347,235	\$ 659	\$ 569,390	\$ 1,009,505	\$ 4,523,710
Accrued liabilities	289,662	31,701	-	6,228	74,606	402,197
Due to other funds	-	-	393,797	-	3,664,383	4,058,180
Total Liabilities	<u>2,886,583</u>	<u>378,936</u>	<u>394,456</u>	<u>575,618</u>	<u>4,748,494</u>	<u>8,984,087</u>
Deferred Inflows of Resources						
Unearned revenues	30,578,475	-	-	-	7,942,538	38,521,013
Unavailable revenues	212,271	-	785,265	393,797	4,918,865	6,310,198
Total Deferred Inflows of Resources	<u>30,790,746</u>	<u>-</u>	<u>785,265</u>	<u>393,797</u>	<u>12,861,403</u>	<u>44,831,211</u>
Fund Balances						
Nonspendable	1,544,731	-	-	227,868	42,000	1,814,599
Restricted	-	-	2,638,072	3,660,835	6,230,468	12,529,375
Committed	-	1,829,606	-	-	1,014,279	2,843,885
Assigned	536,757	-	-	3,319,233	-	3,855,990
Unassigned (deficit)	7,180,180	-	-	-	(3,273,425)	3,906,755
Total Fund Balances	<u>9,261,668</u>	<u>1,829,606</u>	<u>2,638,072</u>	<u>7,207,936</u>	<u>4,013,322</u>	<u>24,950,604</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 42,938,997</u>	<u>\$ 2,208,542</u>	<u>\$ 3,817,793</u>	<u>\$ 8,177,351</u>	<u>\$ 21,623,219</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.	219,189,408
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	6,310,198
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.	(89,751,104)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	23,388,075
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	(8,858,884)
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>523,176</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 175,751,473</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, 2016

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 29,709,470	\$ -	\$ -	\$ -	\$ 7,435,120	\$ 37,144,590
Licenses and permits	1,771,467	-	-	-	-	1,771,467
Investment income, rents and fines	629,189	-	81,349	214,598	172,115	1,097,251
State and federal aids	7,514,531	215,379	-	-	2,412,800	10,142,710
Special assessments	-	-	18,310	130,958	-	149,268
Service charges and other	3,555,232	8,783,856	-	213,902	4,427,231	16,980,221
Miscellaneous	-	-	-	-	80,838	80,838
Total Revenues	43,179,889	8,999,235	99,659	559,458	14,528,104	67,366,345
EXPENDITURES						
Current						
General government	4,045,408	-	-	-	-	4,045,408
Public safety	23,872,748	-	-	-	1,061,448	24,934,196
Public works	3,781,792	6,184,215	-	-	285,532	10,251,539
Recreation and parks	2,799,010	-	-	-	1,562,279	4,361,289
Community and economic development	1,583,292	-	-	-	7,074,717	8,658,009
Library	-	-	-	-	3,774,427	3,774,427
Capital Outlay	-	-	-	11,187,648	1,394,385	12,582,033
Debt Service						
Principal retirement	-	-	17,618,000	-	-	17,618,000
Interest and fiscal charges	-	-	1,543,698	-	15,716	1,559,414
Total Expenditures	36,082,250	6,184,215	19,161,698	11,187,648	15,168,504	87,784,315
Excess (deficiency) of revenues over expenditures	7,097,639	2,815,020	(19,062,039)	(10,628,190)	(640,400)	(20,417,970)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	10,425,000	6,096,000	16,521,000
Refunding debt issued	-	-	4,035,000	-	-	4,035,000
Premium on long-term debt	-	-	550,202	-	-	550,202
Transfers in	1,468,579	250,000	14,432,801	2,418,143	368,495	18,938,018
Transfers out	(9,223,895)	(1,945,059)	-	(106,092)	(6,104,535)	(17,379,581)
Total Other Financing Sources (Uses)	(7,755,316)	(1,695,059)	19,018,003	12,737,051	359,960	22,664,639
Net Change in Fund Balance	(657,677)	1,119,961	(44,036)	2,108,861	(280,440)	2,246,669
FUND BALANCES - Beginning of Year	9,919,345	709,645	2,682,108	5,099,075	4,293,762	22,703,935
FUND BALANCES - END OF YEAR	\$ 9,261,668	\$ 1,829,606	\$ 2,638,072	\$ 7,207,936	\$ 4,013,322	\$ 24,950,604

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, 2016

Net change in fund balances - total governmental funds	\$ 2,558,050
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	12,894,998
Certain capital outlay expenditures were not capitalized and are reported as functional expenditures in the government-wide statements	(3,384,028)
Some items are capitalized that are reported as functional expenses in the fund financial statements	146,422
Some assets were contributed by donors or developers	341,175
Depreciation expense is reported in the government-wide statements	(6,751,249)
Net book value of remaining assets retired	(175,802)
<p>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.</p>	
Loans receivable	(65,686)
Special assessments receivable	82,134
Grants and other receivables	(34,561)
<p>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.</p>	
Debt issued	(20,556,000)
Principal paid	17,618,000
<p>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.</p>	
Other post employment benefits	(1,262,686)
Landfill liability	31,000
Compensated absences	1,490
Accrued interest on debt	51,968
Net pension liability	(10,413,275)
Deferred outflows of resources related to pensions	16,764,892
Deferred inflows of resources related to pensions	(8,858,884)
<p>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.</p>	
Premium on new debt	(550,202)
Amortization of premium	114,852
The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	<u>(1,428,129)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,875,521)</u>

See accompanying notes to financial statements.

MAJOR PROPRIETARY FUNDS

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

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

CITY OF JANESVILLE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2016

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current Assets					
Cash and working funds	\$ -	\$ 1,564,222	\$ 224,103	\$ 1,788,325	\$ 2,851,089
Accounts receivable	1,553,535	1,845,900	675,307	4,074,742	165,405
Unbilled revenue	882,666	954,336	567,802	2,404,804	-
Other accounts receivable	46,113	46,117	-	92,230	-
Due from other funds	-	1,056,820	-	1,056,820	-
Inventories	272,030	-	229,153	501,183	389,530
Prepaid items	3,000	-	-	3,000	10,000
Restricted Assets					
Revenue bond redemption account	236,376	2,245,853	-	2,482,229	-
Total Current Assets	<u>2,993,720</u>	<u>7,713,248</u>	<u>1,696,365</u>	<u>12,403,333</u>	<u>3,416,024</u>
Noncurrent Assets					
Restricted Assets					
Construction account	357,964	915,396	335,326	1,608,686	-
Replacement account	-	6,272,742	-	6,272,742	-
Total Restricted Assets	<u>357,964</u>	<u>7,188,138</u>	<u>335,326</u>	<u>7,881,428</u>	<u>-</u>
Special assessments receivable	3,721	29,403	-	33,124	-
Deposit with risk pool	-	-	-	-	1,604,120
Utility Plant					
Land	305,478	18,000	710,031	1,033,509	-
Utility plant in service (at cost)	87,657,205	112,410,957	24,872,057	224,940,219	-
Construction work in progress	179,619	89,558	85,097	354,274	-
Accumulated depreciation	<u>(27,488,202)</u>	<u>(40,098,152)</u>	<u>(8,386,532)</u>	<u>(75,972,886)</u>	<u>-</u>
Net Plant	<u>60,654,100</u>	<u>72,420,363</u>	<u>17,280,653</u>	<u>150,355,116</u>	<u>-</u>
Total Noncurrent Assets	<u>61,015,785</u>	<u>79,637,904</u>	<u>17,615,979</u>	<u>158,269,668</u>	<u>1,604,120</u>
Total Assets	<u>64,009,505</u>	<u>87,351,152</u>	<u>19,312,344</u>	<u>170,673,001</u>	<u>5,020,144</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	808,746	604,119	1,083,784	2,496,649	-
Total Deferred Outflows of Resources	<u>808,746</u>	<u>604,119</u>	<u>1,083,784</u>	<u>2,496,649</u>	<u>-</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 157,176	\$ 188,494	\$ 93,650	\$ 439,320	\$ 250,041
Claims payable	-	-	-	-	2,105,422
Accrued salaries and wages	143,230	174,170	202,283	519,683	79,472
Accrued interest	151,284	71,176	25,223	247,683	-
Due to other funds	2,277,378	-	248,021	2,525,399	-
Current portion of long-term debt	2,259,000	1,539,000	462,000	4,260,000	-
Current Liabilities Payable from Restricted Assets					
Construction payables	110,960	21,933	-	132,893	-
Current maturities of revenue bonds	193,896	1,718,076	-	1,911,972	-
Interest accrued on revenue bonds	6,689	83,094	-	89,783	-
Total Current Liabilities	<u>5,299,613</u>	<u>3,795,943</u>	<u>1,031,177</u>	<u>10,126,733</u>	<u>2,434,935</u>
Noncurrent Liabilities					
General obligation long-term debt payable	13,729,496	6,102,550	2,130,053	21,962,099	-
Revenue bonds	1,409,657	21,157,735	-	22,567,392	-
Other post employment benefits	899,673	65,744	564,941	1,530,358	-
Net pension liability	143,071	108,322	193,347	444,740	-
Total Noncurrent Liabilities	<u>16,181,897</u>	<u>27,434,351</u>	<u>2,888,341</u>	<u>46,504,589</u>	<u>-</u>
Total Liabilities	<u>21,481,510</u>	<u>31,230,294</u>	<u>3,919,518</u>	<u>56,631,322</u>	<u>2,434,935</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	302,427	228,868	408,690	939,985	-
Total Deferred Inflows of Resources	<u>302,427</u>	<u>228,868</u>	<u>408,690</u>	<u>939,985</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	43,309,055	42,796,465	15,023,926	101,129,446	-
Restricted per bond ordinance for:					
Debt service	229,687	2,162,759	-	2,392,446	-
Equipment replacement	-	6,272,742	-	6,272,742	-
Pension	-	-	-	-	-
Unrestricted (deficit)	(504,428)	5,264,143	1,043,994	5,803,709	2,585,209
TOTAL NET POSITION	<u>\$ 43,034,314</u>	<u>\$ 56,496,109</u>	<u>\$ 16,067,920</u>	115,598,343	<u>\$ 2,585,209</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>2,062,033</u>	
Net Position of Business-type Activities				<u>\$ 117,660,376</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, 2016

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 7,904,680	\$ 9,353,624	\$ 3,686,604	\$ 20,944,908	\$ 14,543,742
Total Operating Revenues	<u>7,904,680</u>	<u>9,353,624</u>	<u>3,686,604</u>	<u>20,944,908</u>	<u>14,543,742</u>
OPERATING EXPENSES					
Operation and maintenance	3,343,454	5,375,974	5,932,677	14,652,105	15,157,983
Depreciation	<u>1,823,580</u>	<u>3,318,878</u>	<u>812,323</u>	<u>5,954,781</u>	<u>-</u>
Total Operating Expenses	<u>5,167,034</u>	<u>8,694,852</u>	<u>6,745,000</u>	<u>20,606,886</u>	<u>15,157,983</u>
Operating Income (Loss)	<u>2,737,646</u>	<u>658,772</u>	<u>(3,058,396)</u>	<u>338,022</u>	<u>(614,241)</u>
NONOPERATING REVENUES (EXPENSES)					
Federal operating grants	-	-	1,092,132	1,092,132	-
State operating grants	-	-	881,173	881,173	-
Local operating subsidy	-	-	103,363	103,363	-
Investment income	18,089	50,144	813	69,046	-
Debt issuance costs	-	-	(3,147)	(3,147)	-
Amortization premium	(2,820)	6,644	-	3,824	-
Interest expense	(299,293)	(645,583)	(42,817)	(987,693)	-
Miscellaneous revenues (expenses)	<u>(339)</u>	<u>(123)</u>	<u>-</u>	<u>(462)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(284,363)</u>	<u>(588,918)</u>	<u>2,031,517</u>	<u>1,158,236</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,453,283	69,854	(1,026,879)	1,496,258	(614,241)
CAPITAL CONTRIBUTIONS	1,150,127	121,138	4,861	1,276,126	-
TRANSFERS IN	-	-	880,921	880,921	503,347
TRANSFERS OUT	<u>(1,563,229)</u>	<u>(92,539)</u>	<u>(132,004)</u>	<u>(1,787,772)</u>	<u>(1,154,933)</u>
Net Change in Net Position	2,040,181	98,453	(273,101)	1,865,533	(1,265,827)
NET POSITION - Beginning of Year	<u>40,994,133</u>	<u>56,397,656</u>	<u>16,341,021</u>	<u>113,732,810</u>	<u>3,851,036</u>
NET POSITION - END OF YEAR	<u>\$ 43,034,314</u>	<u>\$ 56,496,109</u>	<u>\$ 16,067,920</u>	<u>\$ 115,598,349</u>	<u>\$ 2,585,209</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.

162,304

Change in net position of business-type activities

\$ 2,027,837

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 7,601,492	\$ 9,733,634	\$ 3,702,677	\$ 21,037,803	\$ 14,478,282
Cash paid to suppliers for goods and services	(1,201,740)	(3,077,974)	(2,595,947)	(6,875,661)	(14,189,622)
Cash payments to employees for services	(2,060,661)	(2,250,303)	(3,156,571)	(7,467,535)	(1,112,696)
Net Cash Flows From Operating Activities	<u>4,339,091</u>	<u>4,405,357</u>	<u>(2,049,841)</u>	<u>6,694,607</u>	<u>(824,036)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidies received - federal	-	-	1,092,132	1,092,132	-
Subsidies received - state	-	-	881,173	881,173	-
Subsidies received - local	-	-	103,363	103,363	-
Paid to municipality for tax equivalent	(1,377,477)	-	-	(1,377,477)	-
Negative cash balance implicitly financed for other utilities	-	-	(379,751)	(379,751)	-
Due to other funds	(98,114)	-	-	(98,114)	-
Transfers from (to) other funds	(94,650)	(92,539)	748,918	561,729	503,347
Transfer to debt service	-	-	-	-	(61,084)
Transfer to capital projects	-	-	-	-	(1,093,849)
Net Cash Flows From Noncapital Financing Activities	<u>(1,570,241)</u>	<u>(92,539)</u>	<u>2,445,835</u>	<u>783,055</u>	<u>(651,586)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash used to retire debt	(2,709,277)	(3,647,541)	(594,891)	(6,951,709)	-
Interest paid	(291,853)	(664,774)	(39,622)	(996,249)	-
Acquisition and construction of capital assets	(5,716,823)	(1,126,975)	(828,294)	(7,672,092)	-
Proceeds from long term debt issued	5,308,000	1,533,000	1,258,000	8,099,000	-
Issuance costs and premium on new debt	(2,820)	6,644	(3,147)	677	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,412,773)</u>	<u>(3,899,646)</u>	<u>(207,954)</u>	<u>(7,520,373)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	18,089	50,144	813	69,046	-
Net Change in Cash Cash Equivalents	(625,834)	463,316	188,853	26,335	(1,475,622)
CASH AND CASH EQUIVALENTS -					
Beginning of Year	<u>1,220,174</u>	<u>10,534,897</u>	<u>370,576</u>	<u>12,125,647</u>	<u>4,326,711</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 594,340</u>	<u>\$ 10,998,213</u>	<u>\$ 559,429</u>	<u>\$ 12,151,982</u>	<u>\$ 2,851,089</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,737,646	\$ 658,772	\$ (3,058,396)	\$ 338,022	\$ (614,241)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income (expense)	(339)	(123)	-	(462)	-
Depreciation	1,823,580	3,318,878	812,323	5,954,781	-
Depreciation charged to other accounts	106,832	-	-	106,832	-
Change in Noncash Components of Working Capital					
Accounts receivable	(463,684)	(57,277)	16,073	(504,888)	(65,462)
Other accounts receivable	(33,893)	(30,900)	-	(64,793)	-
Due from other funds	(10,218)	468,310	-	458,092	-
Inventories	18,816	-	61,703	80,519	8,036
Prepaid items	2,688	6,056	2,712	11,456	1,269
Accounts payable	77,472	(6,640)	(7,828)	63,004	17,489
Other current liabilities	(11,013)	648	(21,166)	(31,531)	(171,127)
Pension related deferrals and liabilities	111,543	67,985	137,110	316,638	-
Other post employment benefits	(20,339)	(20,352)	7,628	(33,063)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 4,339,091</u>	<u>\$ 4,405,357</u>	<u>\$ (2,049,841)</u>	<u>\$ 6,694,607</u>	<u>\$ (824,036)</u>
Cash and investments - statement of net position	\$ -	\$ 1,564,222	\$ 224,103	\$ 1,788,325	\$ 2,851,089
Revenue bond redemption account - statement of net position	236,376	2,245,853	-	2,482,229	-
Restricted cash and investments - statement of net position	357,964	7,188,138	335,326	7,881,428	-
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	<u>\$ 594,340</u>	<u>\$ 10,998,213</u>	<u>\$ 559,429</u>	<u>\$ 12,151,982</u>	<u>\$ 2,851,089</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2016, \$1,150,127 and \$121,138 of capital additions were contributed to the water and wastewater utilities, respectively, by customers and Tax Incremental Financing (TIF). In addition, \$65,793, \$30,230, and \$10,096 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, 2016

	<u>Tax Collection</u>
ASSETS	
Cash and investments	\$ 15,708,120
Taxes receivable	<u>54,166,547</u>
TOTAL ASSETS	<u>\$ 69,874,667</u>
LIABILITIES	
Due to other taxing units	<u>\$ 69,874,666</u>
TOTAL LIABILITIES	<u>\$ 69,874,666</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

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CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Janesville, Wisconsin conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

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

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

Discretely Presented Component Unit

City of Janesville Community Development Authority

The government-wide financial statements include the City of Janesville Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. The city can impose its will on the CDA and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by the CDA. As a component unit, the CDA financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2016. The CDA does not issue separate financial statements.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. REPORTING ENTITY (cont.)

Blended Component Unit

Janesville Innovation, Inc.

The financial statements include Janesville Innovation, Inc. ("JII") as a component unit. JII is a legally separate organization. The board of JII is appointed by the city council. The city can impose its will on JII and also create a potential financial benefit to or burden on the city by significantly influencing the programs, projects, activities, and level of service performed by JII. JII's activities benefit almost exclusively the city's economic development department. As a blended component unit, JII's financial statements have been presented as a nonmajor fund called Innovation Center in the financial statements. The information presented is for the fiscal year ended December 31, 2016. JII does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2015, the GASB issued statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

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, 2016

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

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

Fund Financial Statements

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

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

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

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

The city reports the following major governmental funds:

- General Fund – accounts for the city’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Sanitation Fund – 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, 2016

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds:

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

Library	North Kennedy Rd – TIF No.	Downtown – TIF No. 36
JATV	25	Humes Rd – TIF No. 37
Oak Hill Cemetery	Beloit Ave/Kellogg Ave – TIF	Golf Courses
Special Accounts	No. 26	Other Housing Grants
South Main St – TIF	East Van Buren – TIF No. 27	Community Development Block
No. 17	Center Ave – TIF No. 28	Grant
GOEX – TIF No. 21	Milton Ave at Mt Zion – TIF	Industrial Waste Disposal
Beloit Ave Industrial	No. 29	Innovation Center
Park – TIF No. 22	Racine St – TIF No. 32	
Eastside Downtown	Mineral Pt – TIF No. 33	
– TIF No. 23	Racine St. E – 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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Fund Financial Statements (cont.)

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

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility, wastewater utility, stormwater utility, and transit system funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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, 2016

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

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

1. Deposits and Investments (cont.)

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on the methods and inputs outlined in Note IV.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on monthly ending investment balances and investment income of some funds is allocated to the general fund. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, 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 – 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale – 2016 delinquent real estate taxes	October 2019

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the 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 \$107,478.

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, 2016

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

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

4. Restricted Assets

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

5. Capital Assets

Government–Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets 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. \$106,119 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, 2016

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

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

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net 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.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

The outstanding balance of unmatured vacation pay is recorded as a noncurrent liability due within one year in the government-wide financial statements because the amount is not considered due to employees until January 1, 2017 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2017 and for most employee groups this vacation balance must be used by December 31, 2017. The balance is \$2,139,925 as of December 31, 2016.

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, 2016 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

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

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

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

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

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 165,651,458	\$ 101,129,446	\$ (567,000)	\$ 266,213,904
Unrestricted (deficit)	(3,767,430)	7,865,742	567,000	4,665,312

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, 2016

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

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

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

See Note IV. H. for further information.

11. Basis for Existing Rates

Water Utility

Current water rates authorized by the Public Service Commission of Wisconsin became effective January 19, 2016. An application to increase water rates (2470-WR-109) was filed on December 2, 2016 is currently pending with the Public Service Commission of Wisconsin and the rates are expected to be implemented when approved.

Wastewater Utility

Current wastewater rates were approved by the City Council on January 1, 2016.

Stormwater Utility

The current stormwater utility rates were approved by the City Council on January 1, 2016. New stormwater rates were approved by the City Council to become effective January 1, 2017.

12. Pensions

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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	\$ 62,258,000
Premium on debt	1,169,961
Post retirement benefits	18,705,503
Net pension liability	4,191,130
Landfill super fund care	679,000
Accrued vacation	2,139,925
Accrued interest	607,585
	\$ 89,751,104
Combined Adjustment for Long-Term Liabilities	\$ 89,751,104

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 2008 and 2009 debt for interest savings.

Fund	Budgeted Expenditures	Actual Expenditures	Excess
Oakhill cemetery	\$ 217,329	\$ 247,140	\$ 29,811
Golf course	1,244,345	1,258,121	13,776
Debt service	11,099,545	19,161,698	8,062,153

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, 2016

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

C. DEFICIT BALANCES

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

As of December 31, 2016, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 17	\$ 10,806	Unfunded costs
TIF No. 22	708,804	Unfunded costs
TIF No. 23	629	Unfunded costs
TIF No. 25	271,558	Unfunded costs
TIF No. 28	98,365	Unfunded costs
TIF No. 35	2,116,885	Unfunded costs
TIF No. 36	20,556	Unfunded costs
TIF No. 37	23,940	Unfunded costs
Innovation Center	21,882	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, 2016

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	\$ 38,330,392	\$ 37,779,078	Custodial credit
Municipal bonds	2,402,015	2,402,015	Custodial credit, interest rate, credit, concentration of credit
LGIP	9,917,114	9,917,114	Credit
U.S. agencies – explicitly guaranteed	3,254,228	3,254,228	Custodial credit, interest rate
Petty cash	13,277	N/A	N/A
 Total Cash and Investments	 \$ 53,917,026	 \$ 53,352,435	
 Reconciliation to financial statements – primary government			
Per statement of net position			
Unrestricted cash and investments	\$ 27,845,249		
Restricted cash and investments	10,363,657		
Per combining statement of assets and liabilities – agency fund	15,708,120		
 Total Cash and Investments	 \$ 53,917,026		

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

The city maintains collateral agreements with its banks. At December 31, 2016, the banks had pledged various government securities in the amount of \$23,177,372 to secure the city's deposits.

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

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

The city had deposits totaling \$8,896,396 as of December 31, 2016 that were uninsured and uncollateralized due to a bank error in timing of doing so. This was rectified the following business day.

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, 2016, 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, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

At December 31, 2016, the city’s investment portfolio was concentrated as follows:

Rosemont ILL Go Corp Purp BDS	9.52%
Houston Tex Util Sys Rev	7.01%

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, 2016, 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	\$ 2,264,707	\$ -	\$ 2,422	\$ 2,262,285
FNMA	487,050	-	1,981	485,069
FHLMC	502,471	-	1,503	500,968
Municipal bonds	2,402,015	-	662,721	1,739,294
Totals	\$ 5,656,243	\$ -	\$ 668,627	\$ 4,987,616

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, 2016

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	<u>\$ 31,972,388</u>	<u>\$1,716,649</u>	<u>\$ 1,203,626</u>	<u>\$ 29,398</u>	<u>\$ 2,486,035</u>	<u>\$ 2,875,756</u>	<u>\$ 16,246,673</u>	<u>\$ 56,530,525</u>
Amounts not expected to be collected within one year	<u>\$ 212,271</u>	<u>\$ -</u>	<u>\$ 867,685</u>	<u>\$ -</u>	<u>\$ 3,721</u>	<u>\$ 29,403</u>	<u>\$ 4,918,865</u>	<u>\$ 6,031,945</u>

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$4,926,493. 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	\$ -	\$ 38,509,679	\$ 38,509,679
Delinquent personal property taxes	212,271	-	212,271
Long-term loans receivable	4,821,225	-	4,821,225
Special assessments not yet due	1,276,702	-	1,276,702
Grants not available at year end	-	-	-
Miscellaneous	-	11,334	11,334
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u>\$ 6,310,198</u>	 <u>\$ 38,521,013</u>	 <u>\$ 44,831,211</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

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

Replacement Account

The wastewater utility established a replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2016:

	Restricted Assets
Business-type Activities	
Construction account	\$ 1,608,686
Replacement account	6,272,742
Revenue bond redemption account	2,482,229
Total Restricted Assets	<u>\$ 10,363,657</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>1/1/2016</u> Ending Balance	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u> Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 23,625,733	\$ 1,546,520	\$ (40,412)	\$ 25,131,841
Right of way	11,819,653	38,621	(900)	11,857,374
Construction in progress	9,278,620	1,982,345	(10,584,917)	676,048
Total Capital Assets Not Being Depreciated	44,724,006	3,567,486	(10,626,229)	37,665,263
Capital assets being depreciated				
Land improvements	9,345,466	558,439	-	9,903,905
Buildings	35,936,586	7,026,666	(345,859)	42,617,393
Furniture and fixtures	9,815,538	477,382	(476,385)	9,816,535
Vehicles and equipment	24,374,138	2,940,630	(1,155,927)	26,158,841
Landfill improvements	5,696,327	1,887,170	-	7,583,497
Storm sewer	31,858,444	21,531	-	31,879,975
Roads	102,017,452	2,798,206	(94,314)	104,721,344
Sidewalks	19,166,436	861,428	(124,750)	19,903,114
Street lights	3,972,486	127,651	-	4,100,137
Traffic signals	4,358,096	263,835	-	4,621,931
Bridges	14,001,349	-	-	14,001,349
Boat launches	286,199	-	-	286,199
Bike trails	6,122,721	53,060	(15,316)	6,160,465
Riverwall/retaining wall	1,340,003	-	-	1,340,003
Dams	331,930	-	-	331,930
Total Capital Assets Being Depreciated	268,623,171	17,015,998	(2,212,551)	283,426,618

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Ending Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (2,955,740)	\$ (363,832)	\$ -	\$ (3,319,572)
Buildings	(11,813,387)	(880,087)	263,975	(12,429,499)
Furniture and fixtures	(7,157,698)	(510,895)	476,385	(7,192,208)
Vehicles and equipment	(15,202,191)	(1,735,012)	1,103,321	(15,833,882)
Landfill improvements	(2,518,456)	(331,996)	-	(2,850,452)
Storm sewer	(10,134,272)	(425,943)	-	(10,560,215)
Roads	(32,950,544)	(1,670,545)	94,314	(34,526,775)
Sidewalks	(6,289,031)	(326,231)	124,750	(6,490,512)
Street lights	(1,350,682)	(80,726)	-	(1,431,408)
Traffic signals	(966,387)	(89,800)	-	(1,056,187)
Bridges	(3,962,179)	(186,218)	-	(4,148,397)
Boat launches	(266,563)	(14,310)	-	(280,873)
Bike trails	(1,327,480)	(102,215)	15,316	(1,414,379)
Riverwall/retaining wall	(304,800)	(26,800)	-	(331,600)
Dams	(29,875)	(6,639)	-	(36,514)
Total Accumulated Depreciation	<u>(97,229,285)</u>	<u>(6,751,249)</u>	<u>2,078,061</u>	<u>(101,902,473)</u>
Net Capital Assets Being Depreciated	<u>171,393,886</u>	<u>10,264,749</u>	<u>(134,490)</u>	<u>181,524,145</u>
 Total Governmental Activities				
Capital Assets, Net of				
Depreciation	<u>\$ 216,117,892</u>	<u>\$ 13,832,235</u>	<u>\$ (10,760,719)</u>	<u>\$ 219,189,408</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 220,597
Public safety	846,221
Public works, which includes the depreciation of infrastructure	4,586,105
Recreation and parks	610,443
Community and economic development	88,229
Library	<u>399,654</u>
Total Governmental Activities Depreciation Expense	<u>\$ 6,751,249</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 305,478	\$ -	\$ -	\$ 305,478
Construction in progress	144,325	69,147	(33,853)	179,619
Total Capital Assets Not Being Depreciated	449,803	69,147	(33,853)	485,097
Capital assets being depreciated				
Source of supply	2,301,834	-	-	2,301,834
Pumping	8,636,714	-	-	8,636,714
Treatment	225,492	-	-	225,492
Transmission and distribution	65,518,959	6,326,061	(133,574)	71,711,446
Administrative and general assets	4,456,225	516,326	(190,832)	4,781,719
Total Capital Assets Being Depreciated	81,139,224	6,842,387	(324,406)	87,657,205
Total Capital Assets	81,589,027	6,911,534	(358,259)	88,142,302
Less: Accumulated depreciation for				
Source of supply	(1,048,078)	(66,753)	-	(1,114,831)
Pumping	(4,338,107)	(328,889)	-	(4,666,996)
Treatment	(225,493)	-	-	(225,493)
Transmission and distribution	(16,224,984)	(1,250,377)	133,574	(17,341,787)
Administrative and general assets	(4,010,958)	(318,968)	190,831	(4,139,095)
Total Accumulated Depreciation	(25,847,620)	(1,964,987)	324,405	(27,488,202)
Water Capital Assets, Net of Depreciation	\$ 55,741,407	\$ 4,946,547	\$ (33,854)	\$ 60,654,100

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Wastewater</u>				
Capital assets not being depreciated				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Construction in progress	23,644	90,832	(24,918)	89,558
Total Capital Assets Not Being Depreciated	41,644	90,832	(24,918)	107,558
Capital assets being depreciated				
Collection system	55,243,378	1,173,262	(4,338)	56,412,302
Treatment and disposal	54,041,962	-	-	54,041,962
General assets	1,916,915	40,829	(1,051)	1,956,693
Total Capital Assets Being Depreciated	111,202,255	1,214,091	(5,389)	112,410,957
Total Capital Assets	111,243,899	1,304,923	(30,307)	112,518,515
Less: Accumulated depreciation for				
Collection system	(15,254,944)	(726,219)	4,338	(15,976,825)
Treatment and disposal	(19,911,260)	(2,445,971)	-	(22,357,231)
General assets	(1,614,859)	(150,288)	1,051	(1,764,096)
Total Accumulated Depreciation	(36,781,063)	(3,322,478)	5,389	(40,098,152)
Wastewater Capital Assets, Net of Depreciation	\$ 74,462,836	\$ (2,017,555)	\$ (24,918)	\$ 72,420,363

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 77,357	\$ 7,740	\$ -	\$ 85,097
Total Capital Assets Not Being Depreciated	77,357	7,740	-	85,097
Capital assets being depreciated				
Detention ponds	2,604,463	-	-	2,604,463
Greenbelt crossings	2,252,187	3,083	-	2,255,270
Stormwater mains	3,123,828	663,560	-	3,787,388
Dam Improvements	144,245	1,379	-	145,624
General assets	253,547	51,300	-	304,847
Total Capital Assets Being Depreciated	8,378,270	719,322	-	9,097,592
Total Capital Assets	8,455,627	727,062	-	9,182,689
Less: Accumulated depreciation for				
Detention ponds	(603,366)	(52,089)	-	(655,455)
Greenbelt crossings	(462,075)	(30,050)	-	(492,125)
Stormwater mains	(195,704)	(46,075)	-	(241,779)
Dam Improvements	(21,377)	(2,899)	-	(24,276)
General assets	(230,089)	(13,866)	-	(243,955)
Total Accumulated Depreciation	(1,512,611)	(144,979)	-	(1,657,590)
Stormwater Capital Assets, Net of Depreciation	\$ 6,943,016	\$ 582,083	\$ -	\$ 7,525,099

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<u>Transit</u>				
Capital assets not being depreciated				
Land and land rights	\$ 710,031	\$ -	\$ -	\$ 710,031
Total Capital Assets Not Being Depreciated	710,031	-	-	710,031
Capital assets being depreciated				
Building	8,597,711	-	(1,615)	8,596,096
Equipment	7,133,802	106,092	(61,525)	7,178,369
Total Capital Assets Being Depreciated	15,731,513	106,092	(63,140)	15,774,465
Total Capital Assets	16,441,544	106,092	(63,140)	16,484,496
Less: Accumulated depreciation for				
Building	(1,775,542)	(221,141)	1,615	(1,995,068)
Equipment	(4,349,197)	(446,202)	61,525	(4,733,874)
Total Accumulated Depreciation	(6,124,739)	(667,343)	63,140	(6,728,942)
Transit Capital Assets, Net of Depreciation	\$ 10,316,805	\$ (561,251)	\$ -	\$ 9,755,554
Business-type Capital Assets, Net of Depreciation	\$ 147,464,064	\$ 2,949,824	\$ (58,772)	\$ 150,355,116

Depreciation expense was charged to functions as follows:

Business-type Activities

Transit	\$ 667,344
Stormwater	144,979
Water	1,823,580
Wastewater	3,318,878
Total Business-type Activities	\$ 5,954,781

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, 2016

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Water Utility	\$ 1,468,579	\$ -
General Fund	TIF 17	10,806	-
General Fund	TIF 22	1,755,021	-
General Fund	TIF 23	629	-
General Fund	TIF 25	271,558	62,271
General Fund	TIF 28	98,365	96,447
General Fund	TIF 35	1,482,049	1,355,096
General Fund	TIF 36	20,556	20,556
General Fund	TIF 37	7,140	7,140
General Fund	Innovation Center	18,259	-
Capital Projects Fund	Debt Service Fund	393,797	-
Wastewater Utility	Transit System	248,021	-
Wastewater Utility	Water Utility	808,799	-
Subtotal- Fund Financial Statements		6,583,579	1,541,510
Less: Fund eliminations		(5,115,000)	(1,541,510)
Less: Internal service fund elimination adjustment		(2,062,033)	-
Total Government-wide Statement of Net Position		\$ (593,454)	\$ -

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,468,579
Business-type Activities	Governmental Activities	(2,062,033)
Total Government-wide Statement of Net Position		\$ (593,454)

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Amount	Principal Purpose	Fund Transferred From	Amount	Principal Purpose
General Fund	\$ 1,468,579	Tax equivalent	General Fund	\$ 6,830,065	Debt payments
Total General Fund	<u>1,468,579</u>		General Fund	250,000	Subsidy
Sanitation Fund	<u>250,000</u>	Subsidy	General Fund	774,829	Subsidy
Total Sanitation Fund	<u>250,000</u>		General Fund	305,000	Subsidy
Insurance Fund	<u>503,347</u>	Subsidy	General Fund	74,000	Subsidy
Total Insurance Fund	<u>503,347</u>		General Fund	990,000	Subsidy
Debt Service Fund	6,830,065	Debt payments	Total General Fund	<u>9,223,894</u>	
Debt Service Fund	1,568,148	Debt payments	Sanitation Fund	1,568,148	Debt payments
Debt Service Fund	155,290	Debt payments	Sanitation Fund	82,417	Health insurance subs
Debt Service Fund	70,325	Debt payments	Sanitation Fund	294,495	Long-term care
Debt Service Fund	3,060,092	Debt payments	Total Sanitation Fund	<u>1,945,060</u>	
Debt Service Fund	113,525	Debt payments	Capital Projects Fund	106,092	Subsidy
Debt Service Fund	170,600	Debt payments	Total Capital Projects Fund	<u>106,092</u>	
Debt Service Fund	99,838	Debt payments	Water Utility	1,468,579	Tax equivalent
Debt Service Fund	34,125	Debt payments	Water Utility	94,650	Health insurance subs
Debt Service Fund	2,189,266	Debt payments	Total Water Utility	<u>1,563,229</u>	
Debt Service Fund	61,085	Debt payments	Wastewater Utility	92,539	Health insurance subs
Debt Service Fund	80,442	Subsidy	Total Water Utility	<u>92,539</u>	
Total Debt Service Fund	<u>14,432,801</u>		Library	155,290	Debt payments
Capital Projects Fund	990,000	Subsidy - Fire station	TIF 17	70,325	Debt payments
Capital Projects Fund	150,000	Library capital	TIF 22	3,060,092	Debt payments
Capital Projects Fund	1,053,585	VOM capital equipmen	TIF 23	113,525	Debt payments
Capital Projects Fund	224,558	Subsidy	TIF 25	170,600	Debt payments
Total Capital Projects Fund	<u>2,418,143</u>		TIF 26	99,838	Debt payments
Cemetery Fund	74,000	Subsidy	TIF 27	34,125	Debt payments
Special Accounts	294,495	Long-term care	TIF 35	2,189,266	Debt payments
Transit	774,829	Subsidy	Benefits Funding	61,085	Debt payments
Transit	106,092	Subsidy	Library	61,474	Health insurance subs
Total Nonmajor Funds	<u>1,249,416</u>		Stormwater Utility	33,420	Health insurance subs
			Transit	98,583	Health insurance subs
			VOM	40,264	Health insurance subs
			Library	150,000	Capital project
			VOM	1,053,585	Capital equipment
			Total Nonmajor Funds	<u>7,391,472</u>	
Sub-Total Fund Financial Statements	<u>\$ 20,322,286</u>			20,322,286	
Less: Fund Eliminations				(16,354,769)	
Less: Government-wide Eliminations				(3,379,859)	
Total Government Wide Statement of Activities				<u>\$ 587,658</u>	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Transfers (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 1,468,579
Business-type Activities	Governmental Activities	(880,921)
		<u>\$ 587,658</u>

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 59,320,000	\$ 20,556,000	\$ 17,618,000	\$ 62,258,000	\$ 10,665,000
Premium on debt	734,611	550,202	114,852	1,169,961	-
Total Notes Payable	<u>60,054,611</u>	<u>21,106,202</u>	<u>17,732,852</u>	<u>63,427,961</u>	<u>10,665,000</u>
Other Liabilities					
Other postretirement benefits	17,442,817	2,870,779	1,608,093	18,705,503	-
Net pension liability - WRS	-	4,191,130	-	4,191,130	-
Landfill superfund care	710,000	-	31,000	679,000	36,618
Accrued vacation	2,141,415	2,139,925	2,141,415	2,139,925	2,139,925
Total Other Liabilities	<u>20,294,232</u>	<u>9,201,834</u>	<u>3,780,508</u>	<u>25,715,558</u>	<u>2,176,543</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 80,348,843</u>	<u>\$ 30,308,036</u>	<u>\$ 21,513,360</u>	<u>\$ 89,143,519</u>	<u>\$ 12,841,543</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 22,890,000	\$ 8,099,000	\$ 5,202,000	\$ 25,787,000	\$ 4,260,000
Other postemployment benefits	1,563,421	74,423	107,486	1,530,358	-
Net pension liability – WRS	-	444,740	-	444,740	-
Premium on debt	280,861	210,333	56,095	435,099	-
Revenue bonds	26,383,311	-	1,903,947	24,479,364	1,911,972
Total Business-type Activities Long-Term Liabilities	<u>\$ 51,117,593</u>	<u>\$ 8,828,496</u>	<u>\$ 7,269,528</u>	<u>\$ 52,676,561</u>	<u>\$ 6,171,972</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, 2016

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, 2016 was \$208,253,715. Total general obligation debt outstanding at year end was \$88,045,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2016
Governmental Activities					
General Obligation Debt					
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	\$ 6,145,000	\$ 1,440,000
General obligation notes	11/4/2010	2/1/2020	1.05 - 3.60%	1,055,000	500,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	7,595,000	4,155,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	1,285,000	120,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	9,740,000	5,978,000
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	2,465,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	8,035,000	6,665,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	12,085,000	10,055,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	9,477,000	8,414,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	1,065,000	515,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	12,916,000	12,916,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	5,775,000	5,775,000
General obligation notes	7/13/2016	2/1/2019	0.65% - 1.8%	1,865,000	1,865,000
Total Governmental Activities – General Obligation Debt					<u>\$ 62,258,000</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2016
Business-type Activities					
General Obligation Debt					
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	\$ 2,620,000	\$ 1,100,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	4,420,000	2,875,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	620,000	200,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	2,960,000	2,002,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	790,000	355,000
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	547,000	75,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	2,415,000	1,865,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	4,835,000	3,965,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	1,690,000	1,100,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	4,208,000	3,766,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	760,000	385,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	6,414,000	6,414,000
General obligation notes	7/13/2016	2/1/2019	1.5% - 3.00%	1,685,000	1,685,000
Total Business-type Activities General Obligation Debt					<u>\$ 25,787,000</u>

Debt service requirements to maturity are as follows:

Years	Government Activities		Business- Type Activities	
	General Obligation Debt		General Obligation Debt	
	Principal	Interest	Principal	Interest
2017	\$ 10,665,000	\$ 1,271,341	\$ 4,260,000	\$ 541,497
2018	10,268,000	1,044,093	3,787,000	451,520
2019	9,680,000	838,991	3,540,000	373,797
2020	8,530,000	640,724	3,345,000	295,081
2021	7,505,000	453,474	3,100,000	215,238
2022-2026	15,610,000	597,295	7,755,000	313,481
Totals	<u>\$ 62,258,000</u>	<u>\$ 4,845,918</u>	<u>\$ 25,787,000</u>	<u>\$ 2,190,614</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 \$27.9 million. Principal and interest paid for the current year and total customer net revenues were \$2.5 million and \$8.6 million, respectively.

Revenue debt payable at December 31, 2016 consists of the following:

Business-type Activities Revenue Debt

Business-type Activities
Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2016
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 574,119
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	1,029,434
				Total Water Utility	<u>1,603,553</u>
<u>Wastewater Utility</u>					
Clean Water Fund loan	1998	2017	2.64%	1,128,073	74,466
Clean Water Fund loan	2000	2019	2.97%	284,140	56,424
Clean Water Fund loan	2001	2020	2.75%	1,100,828	348,490
Clean Water Fund loan	2004	2023	2.37%	2,032,973	864,337
Clean Water Fund loan	2010	2029	2.15%	27,212,000	20,750,189
Clean Water Fund loan	2011	2031	2.40%	983,325	781,904
				Total Wastewater Utility	<u>22,875,810</u>
Total Business-type Activities Revenue Debt					<u>\$ 24,479,363</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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:

Years	Business-Type Activities Revenue Debt	
	Principal	Interest
2017	\$ 1,911,972	\$ 517,155
2018	1,878,623	474,592
2019	1,920,665	432,076
2020	1,943,719	388,897
2021	1,987,086	345,044
2022-2026	9,235,367	1,091,886
2027-2031	5,601,932	190,719
Totals	<u>\$ 24,479,364</u>	<u>\$ 3,440,369</u>

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 13, 2016, the city issued \$26,790,000 in general obligation notes with an average interest rate of 1.32%. Part of this issuance was used to current refund Series 2008 Notes in the amount of \$2,675,000 at 4.23%, Series 2009-A Notes in the amount of \$4,050,000 at 3.61%, and Series 2009-B Notes in the amount of \$1,055,000 at 3.61%. The net proceeds of \$7,540,933 (after payment in underwriting fees, insurance and other issuance costs) was used to prepay the outstanding debt service requirements on the existing Notes.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$8,150,519 from 2017 through 2019. The cash flow requirements on the refunding bonds are \$7,892,144 from 2017 through 2019. 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 \$258,375.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

G. CLOSURE AND POSTCLOSURE CARE COST

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

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

H. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2016 include the following:

Net investment in capital assets	
Land	\$ 36,989,215
Construction in progress	676,048
Other capital assets, net of accumulated depreciation	181,524,145
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(53,537,950)</u>
Total net investment in capital assets	<u>165,651,458</u>
Restricted	
Debt service	2,504,375
Grants	5,767,249
Library	649,053
TIF districts	1,693,095
Landfill long-term care	<u>2,942,296</u>
Total restricted	<u>13,556,068</u>
Unrestricted (deficit)	<u>(3,456,053)</u>
Total Governmental Activities Net Position	<u>\$ 175,751,473</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2016 include the following:

Nonspendable	
Major Funds	
General fund	
Prepaid items	\$ 3,220
Noncurrent interfund balances	1,541,510
Total General Fund	<u>\$ 1,544,730</u>
Capital projects fund	
Inventories	<u>\$ 227,868</u>
Total Capital Projects Fund	<u>\$ 227,868</u>
Nonmajor funds	
Prepaid items	<u>\$ 42,000</u>
Restricted	
Major Funds	
Debt service fund-debt service	\$ 2,638,072
Capital projects fund - unspent bond proceeds	3,660,835
Total Major Funds	<u>\$ 6,298,907</u>
Nonmajor Funds	
Special Revenue Funds	
Library	\$ 649,053
Special Accounts	3,057,593
TIF 21	82,865
TIF 26	92
TIF 27	158,330
TIF 29	183,415
TIF 32	937,674
TIF 33	114,803
Other Housing Grants	348,966
Community Development Block Grant	687,302
Industrial Waste Disposal	10,375
Total Nonmajor Funds	<u>\$ 6,230,468</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

H. NET POSITION/FUND BALANCES (cont.)

Committed	
Major Funds	
Sanitation Fund	\$ 1,829,606
Total Major Funds	<u>\$ 1,829,606</u>
Nonmajor Funds	
Special Revenue Funds	
JATV-12	\$ 403,786
Oakhill Cemetery	180,509
Golf Courses	13,494
Special Accounts	416,490
Total Nonmajor Special Revenue Funds	<u>1,014,279</u>
Total Nonmajor Funds	<u>\$ 1,014,279</u>
Assigned	
Major Funds	
General fund - applied to 2017 budget	\$ 536,757
Capital Projects	3,319,233
Total Major Funds	<u>\$ 3,855,990</u>
Unassigned (deficit)	
Major Funds	
General fund	\$ 7,180,180
Total Major Funds	<u>\$ 7,180,180</u>
Nonmajor Funds	
Special Revenue Funds	
TIF 17	\$ (10,806)
TIF 22	(708,804)
TIF 23	(629)
TIF 25	(271,558)
TIF 28	(98,365)
TIF 35	(2,116,885)
TIF 36	(20,556)
TIF 37	(23,940)
Innovation Center	(21,882)
Total Nonmajor Special Revenue Funds (Deficit)	<u>\$ (3,273,425)</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016 include the following:

Net Investments in Capital Assets

Plant in service	\$ 225,973,728
Accumulated depreciation	(75,972,886)
Construction work in progress	354,274
Sub-Total	<u>150,355,116</u>
Current portion of general obligation debt	(4,260,000)
Current portion of revenue bonds	(1,911,972)
General obligation debt	(21,962,099)
Revenue bonds	(22,567,392)
Construction payables	(132,893)
Sub-Total	<u>(50,834,356)</u>
Construction Funds (unspent debt)	<u>1,608,686</u>
Sub-Total	<u>1,608,686</u>
Total Net Investment in Capital Assets	<u>\$ 101,129,446</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

I. COMPONENT UNIT

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 213,518	\$ 213,518	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, 2016

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

I. COMPONENT UNIT (cont.)

c. Cash and Cash Equivalents

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

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Equipment	\$ 97,369	\$ -	\$ -	\$ 97,369	4-20
Less: accumulated depreciation	(69,947)	(3,292)	-	(73,239)	
Totals	\$ 27,422	\$ (3,292)	\$ -	\$ 24,130	

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and 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
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
2015	2.9	2

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. 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 \$2,857,263 in contributions from the city.

Contribution rates as of January 1, 2016 are:

Employee Category	Employee	Employer
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016 the city reported a liability of \$4,637,730 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the city's proportion was 0.28540220%, which was a decrease of 0.00358786% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016 the city recognized pension expense of \$5,642,516.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

At December 31, 2016, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 784,572	\$ 9,760,024
Changes in actuarial assumptions	3,244,758	-
Net differences between projected and actual earnings on pension plan investments	18,988,196	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	105,536	38,845
Employer contributions subsequent to the measurement date	2,761,662	-
Totals	\$ 25,884,724	\$ 9,798,869

\$2,761,662 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, 2016. 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	Deferred Inflows of Resources
2017	\$ 6,007,415	\$ 2,371,345
2018	6,007,415	2,371,345
2019	6,007,415	2,371,345
2020	4,997,007	2,371,345
2021	103,810	313,489

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
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% - 5.6%
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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long Term Expected Real Rate of Return %
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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, 2016

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

Sensitivity of the city’s proportionate share of the net pension liability to changes in the discount rate. The following presents the city’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the city’s proportionate share of the net pension liability 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)	\$(32,529,129)	\$(4,637,730)	\$17,145,950

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 16-10.

At December 31, 2016, the city reported a payable to the pension plan of \$618,777, 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 \$2,500,000 and reinsures \$4,500,000 with Great American Insurance Company. In addition, the city’s policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

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 4.27% for auto liability and 8.06% 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 2016 was calculated at \$569,882 or 4.029%. 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, 2016

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 \$335,955. 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 four 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. In addition, the city council approved a \$950,000 transfer from the general fund to the internal service fund subsequent to year end.

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

Claims Liability	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 545,000	\$ 729,000
Current year claims and changes in estimates	9,299,229	11,222,513
Claim payments	(9,115,229)	(11,323,513)
Unpaid Claims – End of Year	\$ 729,000	\$ 628,000

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self-Insurance – Worker's Compensation

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

<i>Claims Liability</i>	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 972,133	\$ 1,432,476
Current year claims and changes in estimates	742,295	134,014
Claim payments	<u>(281,952)</u>	<u>(425,023)</u>
Unpaid Claims – End of Year	<u>\$ 1,432,476</u>	<u>\$ 1,141,467</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, 2016

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

During 2016, 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 10 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 10 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, 2016, there were \$2,213,215 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	\$ 1,127,343
Wastewater	<u>1,085,872</u>
Total	<u>\$ 2,213,215</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 90.3% and 88.7% of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2016, the city contributed \$7,949,127 to the plan. Plan members receiving benefits contribute 9.7% and 11.3% of their premium costs for a family plan and a single plan, respectively. For fiscal year 2016, total member contributions were \$940,824, or approximately 10.6% of the total premiums, through their required contributions.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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)	\$ 3,542,023
Interest on net OPEB obligation	570,187
Adjustment to annual required contribution	<u>(652,547)</u>
Annual OPEB cost	3,459,663
Contributions made	<u>(2,230,039)</u>
Increase in Net OPEB Obligation	1,229,624
Net OPEB Obligation – Beginning of Year	<u>19,006,238</u>
Net OPEB Obligation – End of Year	<u><u>\$ 20,235,862</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2016	\$ 3,459,663	64.5%	\$ 20,235,862
12/31/2015	3,023,165	51.4%	19,006,238
12/31/2014	3,022,835	57.8%	17,537,661

The funded status of the plan as of January 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 41,473,664
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 41,473,664</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 27,125,706
UAAL as a percentage of covered payroll	152.9%

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

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 2016 actuarial valuation, the entry-age normal actuarial method was used. The actuarial assumptions include a 3.00% investment rate of return and an annual healthcare cost trend rate of actual increases in the first year, then 7.5% 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. TAX ABATEMENTS

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Total Annual Payment	Recapture Provisions, if any
GOEX	\$835,736 Total Package including rail and transportation improvements	Construction of New Building, Guarantee Value of \$5,517,250 and incremental revenues of \$143,776 from 2015 and ending in 2022	\$835,736 total	Annual increment guarantee of \$143,776. Any shortage must be paid by developer
101 Milwaukee	\$500,000 reimbursement of renovations costs	Guaranteed minimum property tax payment ranging from \$72,065 to \$79,930 in 2023 (Final year)	One Time payment of \$500,000	Graduated Guaranteed payment over the life of the agreement
Performance Micro Tool	\$110,210 in land costs and incentive for the building	New Building construction with guaranteed minimum value of \$330,000 and \$7,347 in increment annually	\$330,000 in land, development costs and incentive for the building	Guaranteed Increment of \$7,347 annually for ten years
North Woods Holdings, 2011	\$100,000 development Loan	21,000 sq ft building expansion, retain 86 jobs and add 32 within three years. Includes increment guarantee of \$12,329.10	100,000 one time payment	Guaranteed increment increase of \$12,329.10 annually for ten years
North Woods Holdings, 2014	\$1,008,106 development loan for incentive and 7 acres of land	141,005 sq ft expansion, retain 100 jobs and create 40 additional jobs.	\$1,008,106 in land, building and job incentives	Guaranteed additional increment of \$186,959 annually for nine years
Seneca	\$303,275 forgivable loan for building construction	Expansion of the building and increase in real property taxes by \$30,327.50	Forgivable loan of \$303,275	Guaranteed additional increment of 30,327.50 annually for ten years
Milgold	\$160,000 total reimbursement for building rehab (60% of the value increase)	Rehabilitate the building	Max Reimbursement of \$160,000 over 10 years. Varied by year. Total paid out \$24,338.48. Ceased payments in 2015	None
Spinner	\$132,904 in incentive for expansion of the building	Expansion of the building, retain 12 jobs and add 10 jobs over the following three years	One time payment of \$132,904	Guaranteed additional increment of \$13,290.40
Greene Bros Shine	\$425,000 incentive for building rehabilitation	Rehabilitate the building and guarantee value of \$1,395,232 and increment of \$33,075.83.	One Time Payment of \$425,000	Guaranteed additional increment of \$33,075.83
Dollar General Land	\$5,296,600 in incentive and land for the development	Build 1,000,000 sq ft warehouse and guarantee value of \$40 per square foot and \$25 million in personal property	\$134,660 in 2017, \$529,660 from 2018-2026 and \$134,660 in 2027	Payment is reduced if building or personal property values not met
Badger Property Spec 1	\$1,274,437/06 forgivable loan for land and incentive for building construction	Construction of 150,000 sq ft building and guarantee value of \$5,400,000	One time payment of \$957,330.02 in land and cash incentive	Guarantee Increment of \$129,561 annually for ten years

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Total Annual Payment	Recapture Provisions, if any
AM Castle Building	\$1,968,841 forgivable loan in land and building value	Build 208,000 sq ft facility, guarantee \$10,450,000 in value	One time payment of \$1,968,841 in land and cash incentive	Guarantee Increment of \$250,725 annually for ten years
Badger Property Spec 2 (as revised)	\$1,005,534.64 in the form of land and building incentive	Build 100,000 sq ft facility and guarantee value of \$4,557,000	One time payment of the incentive in the form of land and cash	Guarantee increment of \$105,553.46
Van Brocklin	\$53,695 forgivable loan in the form of land	Build 9,880 sq ft facility with a value of at least \$270,000 and maintain 18 jobs and add 10 over four years	One time payment in the form of land	Guaranteed annual increment of \$6,478
Westphal Electric	\$66,288 forgivable loan in the form of land	Build facility of 12,000 square feet and guarantee increment of \$7,379.61 annually for 10 years	One time payment in the form of land	Guarantee increment of \$7,379.61 annually

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

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

- > 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. 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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final <u>Budget</u>
REVENUES				
Taxes	\$ 29,945,458	\$ 29,945,458	\$ 29,709,470	\$ (235,988)
Licenses and permits	1,652,753	1,652,753	1,771,467	118,714
Investment income, rents and fines	695,000	695,000	629,189	(65,811)
State and federal aids	7,509,786	7,509,786	7,514,531	4,745
Service charges and other	<u>3,425,503</u>	<u>3,425,503</u>	<u>3,555,232</u>	<u>129,729</u>
Total Revenues	<u>43,228,500</u>	<u>43,228,500</u>	<u>43,179,889</u>	<u>(48,611)</u>
EXPENDITURES				
General government	4,047,128	4,047,128	4,045,408	1,720
Public safety	24,163,275	24,163,275	23,872,748	290,527
Public works	4,104,053	4,104,053	3,781,792	322,261
Recreation and parks	2,822,896	2,822,896	2,799,010	23,886
Community and economic development	<u>1,645,162</u>	<u>1,645,162</u>	<u>1,583,292</u>	<u>61,870</u>
Total Expenditures	<u>36,782,514</u>	<u>36,782,514</u>	<u>36,082,250</u>	<u>700,264</u>
Excess of revenues over expenditures	<u>6,445,986</u>	<u>6,445,986</u>	<u>7,097,639</u>	<u>651,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,400,000	1,400,000	1,468,579	68,579
Transfers out	<u>(8,410,236)</u>	<u>(9,400,236)</u>	<u>(9,223,895)</u>	<u>176,341</u>
Total Other Financing Sources (Uses)	<u>(7,010,236)</u>	<u>(8,000,236)</u>	<u>(7,755,316)</u>	<u>244,920</u>
Net change in fund balance	(564,250)	(1,554,250)	(657,677)	896,573
FUND BALANCES - Beginning of Year	<u>9,919,345</u>	<u>9,919,345</u>	<u>9,919,345</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,355,095</u>	<u>\$ 8,365,095</u>	<u>\$ 9,261,668</u>	<u>\$ 896,573</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 168,000	\$ 168,000	\$ 215,379	\$ 47,379
Service charges and other	<u>7,527,500</u>	<u>7,527,500</u>	<u>8,783,856</u>	<u>1,256,356</u>
Total Revenues	<u>7,695,500</u>	<u>7,695,500</u>	<u>8,999,235</u>	<u>1,303,735</u>
EXPENDITURES				
Current				
Public works	<u>5,891,389</u>	<u>5,891,389</u>	<u>6,184,215</u>	<u>(292,826)</u>
Total Expenditures	<u>5,891,389</u>	<u>5,891,389</u>	<u>6,184,215</u>	<u>(292,826)</u>
Excess of revenues over expenditures	<u>1,804,111</u>	<u>1,804,111</u>	<u>2,815,020</u>	<u>1,010,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	250,000	250,000
Transfers out	<u>(1,081,858)</u>	<u>(1,081,858)</u>	<u>(1,945,059)</u>	<u>(863,201)</u>
Total Other Financing Sources (Uses)	<u>(1,081,858)</u>	<u>(1,081,858)</u>	<u>(1,695,059)</u>	<u>(613,201)</u>
Net change in fund balance	722,253	722,253	1,119,961	397,708
FUND BALANCES - Beginning of Year	<u>709,645</u>	<u>709,645</u>	<u>709,645</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,431,898</u>	<u>\$ 1,431,898</u>	<u>\$ 1,829,606</u>	<u>\$ 397,708</u>

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

CITY OF JANESVILLE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/15	0.28181434%	\$ 6,922,131	\$ 29,934,378	23.12%	102.74%
12/31/16	0.28540220%	4,637,730	32,131,966	14.43%	98.20%

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

<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%
12/31/16	2,761,662	2,761,662	-	31,415,079	8.79%

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, 2016

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%
12/31/2016		-	41,473,664	41,473,664	0.00%	27,125,706	152.9%

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

CITY OF JANESVILLE

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

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, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
TAXES				
General property tax	\$ 29,235,333	\$ 29,235,333	\$ 28,887,836	\$ (347,497)
Penalties and interest on taxes	141,000	141,000	184,817	43,817
Mobile home taxes	75,000	75,000	74,208	(792)
Hotel/motel tax	387,125	387,125	461,257	74,132
Wheel tax	107,000	107,000	101,352	(5,648)
Totals	<u>29,945,458</u>	<u>29,945,458</u>	<u>29,709,470</u>	<u>(235,988)</u>
LICENSES				
Alcoholic beverage licenses	75,000	75,000	71,280	(3,720)
Publication fees	3,500	3,500	3,725	225
Food and cigarettes	13,500	13,500	15,650	2,150
Weights and measures	22,000	22,000	24,118	2,118
Dog licenses	55,000	55,000	43,938	(11,062)
Bartender licenses	12,000	12,000	14,175	2,175
Amusement center licenses	19,000	19,000	17,970	(1,030)
Cable TV	750,000	750,000	744,763	(5,237)
Other regulatory licenses and permits	23,150	23,150	25,386	2,236
Totals	<u>973,150</u>	<u>973,150</u>	<u>961,005</u>	<u>(12,145)</u>
COMMUNITY DEVELOPMENT PERMITS				
Application fees	57,550	57,550	57,440	(110)
Resident permit fees	136,544	136,544	211,866	75,322
Commercial permit fees	485,509	485,509	541,156	55,647
Totals	<u>679,603</u>	<u>679,603</u>	<u>810,462</u>	<u>130,859</u>
INVESTMENT INCOME, RENTS AND FINES				
Investment income	135,000	135,000	95,372	(39,628)
Rents - city owned property	125,000	125,000	137,033	12,033
Municipal court fines	360,000	360,000	324,521	(35,479)
Sale of city property	25,000	25,000	22,263	(2,737)
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>695,000</u>	<u>695,000</u>	<u>629,189</u>	<u>(65,811)</u>
STATE AND FEDERAL AIDS				
Shared taxes from state	5,120,922	5,120,922	5,118,416	(2,506)
Local road allotment	1,690,287	1,690,287	1,689,459	(828)
State payment - municipal services	100,000	100,000	93,899	(6,101)
Connecting street maintenance	332,754	332,754	329,404	(3,350)
Computer value reimbursement	125,823	125,823	120,383	(5,440)
State aid - fire insurance	140,000	140,000	162,970	22,970
Totals	<u>7,509,786</u>	<u>7,509,786</u>	<u>7,514,531</u>	<u>4,745</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.) For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SERVICE CHARGES AND OTHER				
Parking	\$ 70,000	\$ 70,000	\$ 45,756	\$ (24,244)
Public works	96,000	96,000	150,532	54,532
Police department	51,500	51,500	58,328	6,828
Fire department	2,243,803	2,243,803	2,434,953	191,150
Leisure services	813,200	813,200	789,328	(23,872)
Miscellaneous	101,000	101,000	25,002	(75,998)
Wastewater service charge	50,000	50,000	51,333	1,333
Totals	<u>3,425,503</u>	<u>3,425,503</u>	<u>3,555,232</u>	<u>129,729</u>
TRANSFERS IN				
Water utility taxes	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,468,579</u>	<u>68,579</u>
Totals	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,468,579</u>	<u>68,579</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 44,628,500</u>	<u>\$ 44,628,500</u>	<u>\$ 44,648,468</u>	<u>\$ 19,968</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 12,011	\$ 12,011	\$ 5,649	\$ 6,362
City Manager	393,832	393,832	380,849	12,983
Community Information	91,251	91,251	69,965	21,286
City Assessor	486,501	486,501	461,455	25,046
City Attorney	427,827	427,827	529,866	(102,039)
Elections	131,109	131,109	70,522	60,587
City Clerk - Treasurer	486,063	486,063	532,274	(46,211)
Finance	389,789	389,789	392,086	(2,297)
Human Resources	232,571	232,571	226,957	5,614
Information Systems	764,617	764,617	706,393	58,224
Insurance	89,116	89,116	117,990	(28,874)
Economic Adjustments	94,751	94,751	95,211	(460)
Unclassified and Sundry	447,690	447,690	456,191	(8,501)
Totals	<u>4,047,128</u>	<u>4,047,128</u>	<u>4,045,408</u>	<u>1,720</u>
PUBLIC SAFETY				
Police department	13,078,360	13,078,360	13,107,479	(29,119)
Fire department	11,084,915	11,084,915	10,765,269	319,646
Totals	<u>24,163,275</u>	<u>24,163,275</u>	<u>23,872,748</u>	<u>290,527</u>
PUBLIC WORKS				
Administration				
Engineering	<u>607,523</u>	<u>607,523</u>	<u>579,533</u>	<u>27,990</u>
Sub-Totals	<u>607,523</u>	<u>607,523</u>	<u>579,533</u>	<u>27,990</u>
Street Maintenance and Repair				
Paved Streets	528,249	528,249	402,992	125,257
Snow Removal	1,304,169	1,304,169	1,159,443	144,726
Weed Cutting	<u>39,422</u>	<u>39,422</u>	<u>26,668</u>	<u>12,754</u>
Sub-Totals	<u>1,871,840</u>	<u>1,871,840</u>	<u>1,589,103</u>	<u>282,737</u>
Public Buildings and Parking				
Public Buildings	613,023	613,023	593,678	19,345
Parking Facilities	<u>124,876</u>	<u>124,876</u>	<u>97,923</u>	<u>26,953</u>
Sub-Totals	<u>737,899</u>	<u>737,899</u>	<u>691,601</u>	<u>46,298</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS (cont.)				
Traffic Control				
Traffic Signs	\$ 136,456	\$ 136,456	\$ 159,872	\$ (23,416)
Traffic Signals	184,293	184,293	215,915	(31,622)
Street Painting	94,028	94,028	89,879	4,149
Street Lighting	472,014	472,014	455,889	16,125
Sub-Totals	<u>886,791</u>	<u>886,791</u>	<u>921,555</u>	<u>(34,764)</u>
Total Public Works	<u>4,104,053</u>	<u>4,104,053</u>	<u>3,781,792</u>	<u>322,261</u>
RECREATION AND PARKS				
Recreation Administration	44,084	44,084	48,663	(4,579)
Senior Citizens Center	263,204	263,204	266,597	(3,393)
Park Management	1,458,910	1,458,910	1,470,685	(11,775)
Recreation Programs	488,219	488,219	462,387	25,832
Ice Skating Center	317,736	317,736	319,105	(1,369)
Aquatics	250,743	250,743	231,573	19,170
Totals	<u>2,822,896</u>	<u>2,822,896</u>	<u>2,799,010</u>	<u>23,886</u>
COMMUNITY AND ECONOMIC DEVELOPMENT				
Economic Development	160,739	160,739	144,103	16,636
Community Development	1,174,468	1,174,468	1,153,315	21,153
Housing Services-Property Maintenance	309,955	309,955	285,874	24,081
Totals	<u>1,645,162</u>	<u>1,645,162</u>	<u>1,583,292</u>	<u>61,870</u>
GENERAL FUND TRANSFERS				
Transit System	951,170	951,170	774,829	176,341
Debt Service	7,310,066	7,310,066	7,310,066	-
Capital Projects				
Special Assessments	75,000	75,000	75,000	-
Fire Station #1	-	990,000	990,000	-
Special Revenue				
Cemetery	74,000	74,000	74,000	-
Totals	<u>8,410,236</u>	<u>9,400,236</u>	<u>9,223,895</u>	<u>176,341</u>
TOTAL EXPENDITURES AND OTHER USES				
	<u>\$ 45,192,750</u>	<u>\$ 46,182,750</u>	<u>\$ 45,306,145</u>	<u>\$ 876,605</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.

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

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

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, 2016

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
ASSETS				
Current Assets				
Cash and investments	\$ 791,126	\$ 361,425	\$ 183,337	\$ 3,045,677
Taxes receivable	3,272,586	-	-	-
Accounts receivable	1,292	45,133	2,035	538,896
Special assessments receivable	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 4,065,004</u>	<u>\$ 406,558</u>	<u>\$ 185,372</u>	<u>\$ 3,584,573</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ 80,631	\$ -	\$ 1,570	\$ 100,910
Accrued liabilities	62,734	2,772	3,293	5,025
Due to other funds	-	-	-	-
Total Liabilities	<u>143,365</u>	<u>2,772</u>	<u>4,863</u>	<u>105,935</u>
Deferred Inflows of Resources				
Unearned revenues	3,272,586	-	-	4,555
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>3,272,586</u>	<u>-</u>	<u>-</u>	<u>4,555</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	649,053	-	-	3,057,593
Committed	-	403,786	180,509	416,490
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>649,053</u>	<u>403,786</u>	<u>180,509</u>	<u>3,474,083</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,065,004</u>	<u>\$ 406,558</u>	<u>\$ 185,372</u>	<u>\$ 3,584,573</u>

South Main Street TIF No. 17	GOEX TIF No. 21	Beloit Ave Industrial Park TIF No. 22	Eastside Downtown TIF No. 23	North Kennedy Rd TIF No. 25	Beloit Ave/ Kellogg Ave TIF No. 26	East Van Buren TIF No. 27	Center Ave TIF No. 28
\$ -	\$ 82,865	\$ -	\$ -	\$ -	\$ 92	\$ 156,914	\$ -
42,306	201,337	2,002,104	69,231	205,592	242,218	9,597	-
-	-	1,079,986	-	-	-	1,416	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,938	-
<u>\$ 42,306</u>	<u>\$ 284,202</u>	<u>\$ 3,082,090</u>	<u>\$ 69,231</u>	<u>\$ 205,592</u>	<u>\$ 242,310</u>	<u>\$ 175,865</u>	<u>\$ -</u>
\$ -	\$ -	\$ 33,769	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
10,806	-	1,755,021	629	271,558	-	-	98,365
<u>10,806</u>	<u>-</u>	<u>1,788,790</u>	<u>629</u>	<u>271,558</u>	<u>-</u>	<u>-</u>	<u>98,365</u>
42,306	201,337	2,002,104	69,231	205,592	242,218	9,597	-
-	-	-	-	-	-	7,938	-
<u>42,306</u>	<u>201,337</u>	<u>2,002,104</u>	<u>69,231</u>	<u>205,592</u>	<u>242,218</u>	<u>17,535</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	82,865	-	-	-	92	158,330	-
-	-	-	-	-	-	-	-
(10,806)	-	(708,804)	(629)	(271,558)	-	-	(98,365)
<u>(10,806)</u>	<u>82,865</u>	<u>(708,804)</u>	<u>(629)</u>	<u>(271,558)</u>	<u>92</u>	<u>158,330</u>	<u>(98,365)</u>
<u>\$ 42,306</u>	<u>\$ 284,202</u>	<u>\$ 3,082,090</u>	<u>\$ 69,231</u>	<u>\$ 205,592</u>	<u>\$ 242,310</u>	<u>\$ 175,865</u>	<u>\$ -</u>

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
As of December 31, 2016

	Milton Ave at Mt Zion TIF No. 29	Racine St TIF No. 32	Mineral Pt TIF No. 33	Racine St E TIF No. 35
ASSETS				
Current Assets				
Cash and investments	\$ 183,415	\$ 846,986	\$ 95,374	\$ -
Taxes receivable	33,942	1,392,669	341,286	125,115
Accounts receivable	-	92,024	61,875	-
Special assessments receivable	-	97,640	-	-
Prepaid items	-	-	-	-
Loans receivable	-	202,806	5,172	-
TOTAL ASSETS	\$ 217,357	\$ 2,632,125	\$ 503,707	\$ 125,115
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ -	\$ 1,336	\$ 42,446	\$ 634,836
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	1,482,049
Total Liabilities	-	1,336	42,446	2,116,885
Deferred Inflows of Resources				
Unearned revenues	33,942	1,392,669	341,286	125,115
Unavailable revenues	-	300,446	5,172	-
Total Deferred Inflows of Resources	33,942	1,693,115	346,458	125,115
Fund Balances				
Nonspendable	-	-	-	-
Restricted	183,415	937,674	114,803	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	(2,116,885)
Total Fund Balances	183,415	937,674	114,803	(2,116,885)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 217,357	\$ 2,632,125	\$ 503,707	\$ 125,115

<u>Downtown TIF No. 36</u>	<u>Humes Rd TIF No. 37</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>
\$ -	\$ -	\$ 13,355	\$ 284,968	\$ 674,408	\$ 23,118	\$ -	\$ 6,743,060
-	-	-	-	-	-	-	7,937,983
-	-	358	113,611	33,100	-	11,585	1,981,311
-	-	-	-	-	-	-	97,640
-	-	42,000	-	-	-	-	42,000
-	-	-	2,805,553	1,799,756	-	-	4,821,225
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,713</u>	<u>\$ 3,204,132</u>	<u>\$ 2,507,264</u>	<u>\$ 23,118</u>	<u>\$ 11,585</u>	<u>\$ 21,623,219</u>
\$ -	\$ 16,800	\$ 219	\$ 49,613	\$ 19,589	\$ 12,727	\$ 15,059	\$ 1,009,505
-	-	-	-	617	16	149	74,606
20,556	7,140	-	-	-	-	18,259	3,664,383
<u>20,556</u>	<u>23,940</u>	<u>219</u>	<u>49,613</u>	<u>20,206</u>	<u>12,743</u>	<u>33,467</u>	<u>4,748,494</u>
-	-	-	-	-	-	-	7,942,538
-	-	-	2,805,553	1,799,756	-	-	4,918,865
-	-	-	2,805,553	1,799,756	-	-	12,861,403
-	-	42,000	-	-	-	-	42,000
-	-	-	348,966	687,302	10,375	-	6,230,468
-	-	13,494	-	-	-	-	1,014,279
(20,556)	(23,940)	-	-	-	-	(21,882)	(3,273,425)
<u>(20,556)</u>	<u>(23,940)</u>	<u>55,494</u>	<u>348,966</u>	<u>687,302</u>	<u>10,375</u>	<u>(21,882)</u>	<u>4,013,322</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,713</u>	<u>\$ 3,204,132</u>	<u>\$ 2,507,264</u>	<u>\$ 23,118</u>	<u>\$ 11,585</u>	<u>\$ 21,623,219</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, 2016

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
REVENUES				
Taxes	\$ 3,248,309	\$ -	\$ -	\$ 1,468,608
Investment income	-	-	-	216
State and federal aids	13,525	-	-	582,488
Service charges and other	675,949	176,502	185,788	1,429,735
Guaranteed payment	-	-	-	-
Total Revenues	<u>3,937,783</u>	<u>176,502</u>	<u>185,788</u>	<u>3,481,047</u>
EXPENDITURES				
Current				
Public safety	-	-	-	1,061,448
Public works	-	-	-	249,085
Recreation and parks	-	-	247,140	57,016
Community and economic development	-	-	-	717,266
Library	3,272,474	145,761	-	356,192
Capital Outlay	407,085	25,854	-	963,000
Debt Service				
Interest charges	-	-	-	-
Total Expenditures	<u>3,679,559</u>	<u>171,615</u>	<u>247,140</u>	<u>3,404,007</u>
Excess (deficiency) of revenues over expenditures	<u>258,224</u>	<u>4,887</u>	<u>(61,352)</u>	<u>77,040</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Transfer in	-	-	74,000	294,495
Transfer out	(366,764)	-	-	-
Total Other Financing Sources (Uses)	<u>(366,764)</u>	<u>-</u>	<u>74,000</u>	<u>294,495</u>
Net change in fund balance	(108,540)	4,887	12,648	371,535
FUND BALANCES (DEFICIT) -				
Beginning of Year	<u>757,593</u>	<u>398,899</u>	<u>167,861</u>	<u>3,102,548</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 649,053</u>	<u>\$ 403,786</u>	<u>\$ 180,509</u>	<u>\$ 3,474,083</u>

Continued on
Next Page

South Main Street TIF No. 17	GOEX TIF No. 21	Beloit Ave Industrial Park TIF No. 22	Eastside Downtown TIF No. 23	North Kennedy Rd TIF No. 25	Beloit Ave/ Kellogg Ave TIF No. 26	East Van Buren TIF No. 27
\$ 40,137	\$ 310,606	\$ 591,634	\$ 62,642	\$ 195,203	\$ 179,697	\$ 5,101
-	365	7,311	25,094	9,660	390	681
52	1,681	830,092	2,424	3,695	4,025	873
-	-	-	30,818	7,763	24,271	782
-	-	-	18,963	-	-	-
<u>40,189</u>	<u>312,652</u>	<u>1,429,037</u>	<u>139,941</u>	<u>216,321</u>	<u>208,383</u>	<u>7,437</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
416	375	1,286,836	264,177	101,372	2,679	1,348
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46	-	5,584	-	620	456	-
<u>462</u>	<u>375</u>	<u>1,292,420</u>	<u>264,177</u>	<u>101,992</u>	<u>3,135</u>	<u>1,348</u>
<u>39,727</u>	<u>312,277</u>	<u>136,617</u>	<u>(124,236)</u>	<u>114,329</u>	<u>205,248</u>	<u>6,089</u>
-	-	4,031,000	-	-	-	-
-	-	-	-	-	-	-
-	(70,325)	(3,060,092)	(113,525)	(170,600)	(99,838)	(34,125)
-	(70,325)	970,908	(113,525)	(170,600)	(99,838)	(34,125)
39,727	241,952	1,107,525	(237,761)	(56,271)	105,410	(28,036)
<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>\$ (10,806)</u>	<u>\$ 82,865</u>	<u>\$ (708,804)</u>	<u>\$ (629)</u>	<u>\$ (271,558)</u>	<u>\$ 92</u>	<u>\$ 158,330</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, 2016

	Center Ave TIF No. 28	Milton Ave at Mt Zion TIF No. 29	Racine St TIF No. 32	Mineral Pt TIF No. 33
REVENUES				
Taxes	\$ -	\$ 28,680	\$ 980,315	\$ 324,188
Investment income	-	675	20,885	3,209
State and federal aids	-	4,030	80,721	663
Service charges and other	-	-	118,681	1,387
Guaranteed payment	-	-	-	61,875
Total Revenues	<u>-</u>	<u>33,385</u>	<u>1,200,602</u>	<u>391,322</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation and parks	-	-	-	-
Community and economic development	367	368	700,965	1,293,919
Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Interest charges	405	-	-	-
Total Expenditures	<u>772</u>	<u>368</u>	<u>700,965</u>	<u>1,293,919</u>
Excess (deficiency) of revenues over expenditures	<u>(772)</u>	<u>33,017</u>	<u>499,637</u>	<u>(902,597)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(772)	33,017	499,637	(902,597)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(97,593)</u>	<u>150,398</u>	<u>438,037</u>	<u>1,017,400</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (98,365)</u>	<u>\$ 183,415</u>	<u>\$ 937,674</u>	<u>\$ 114,803</u>

Racine St E TIF No. 35	Downtown TIF No. 36	Humes Rd TIF No. 37	Golf Courses	Other Housing Grants	Community Development Block Grant	Industrial Waste Disposal	Innovation Center	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,435,120
-	-	-	-	1,059	661	-	101,909	172,115
1,838	-	-	-	396,217	490,476	-	-	2,412,800
56,714	-	-	1,255,458	255,721	144,491	38,271	24,900	4,427,231
-	-	-	-	-	-	-	-	80,838
<u>58,552</u>	<u>-</u>	<u>-</u>	<u>1,255,458</u>	<u>652,997</u>	<u>635,628</u>	<u>38,271</u>	<u>126,809</u>	<u>14,528,104</u>
-	-	-	-	-	-	-	-	1,061,448
-	-	-	-	-	-	36,447	-	285,532
-	-	-	1,258,123	-	-	-	-	1,562,279
1,286,027	20,522	23,937	-	640,959	625,827	-	107,357	7,074,717
-	-	-	-	-	-	-	-	3,774,427
-	-	-	-	-	-	-	(1,554)	1,394,385
<u>8,568</u>	<u>34</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,716</u>
<u>1,294,595</u>	<u>20,556</u>	<u>23,940</u>	<u>1,258,123</u>	<u>640,959</u>	<u>625,827</u>	<u>36,447</u>	<u>105,803</u>	<u>15,168,504</u>
<u>(1,236,043)</u>	<u>(20,556)</u>	<u>(23,940)</u>	<u>(2,665)</u>	<u>12,038</u>	<u>9,801</u>	<u>1,824</u>	<u>21,006</u>	<u>(640,400)</u>
2,065,000	-	-	-	-	-	-	-	6,096,000
-	-	-	-	-	-	-	-	368,495
<u>(2,189,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,104,535)</u>
<u>(124,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,960</u>
(1,360,309)	(20,556)	(23,940)	(2,665)	12,038	9,801	1,824	21,006	(280,440)
<u>(756,576)</u>	<u>-</u>	<u>-</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>\$ (2,116,885)</u>	<u>\$ (20,556)</u>	<u>\$ (23,940)</u>	<u>\$ 55,494</u>	<u>\$ 348,966</u>	<u>\$ 687,302</u>	<u>\$ 10,375</u>	<u>\$ (21,882)</u>	<u>\$ 4,013,322</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,248,309	\$ 3,248,309	\$ 3,248,309	\$ -
State and federal aids	15,000	15,000	13,525	(1,475)
Service charges and other	703,820	703,820	675,949	(27,871)
Total Revenues	<u>3,967,129</u>	<u>3,967,129</u>	<u>3,937,783</u>	<u>(29,346)</u>
EXPENDITURES				
Current				
Library	3,416,261	3,416,261	3,272,474	143,787
Capital Outlay	421,000	421,000	407,085	13,915
Total Expenditures	<u>3,837,261</u>	<u>3,837,261</u>	<u>3,679,559</u>	<u>157,702</u>
Excess of revenues over expenditures	<u>129,868</u>	<u>129,868</u>	<u>258,224</u>	<u>128,356</u>
OTHER FINANCING USES				
Transfer out	(155,290)	(155,290)	(366,764)	(211,474)
Total Other Financing Uses	<u>(155,290)</u>	<u>(155,290)</u>	<u>(366,764)</u>	<u>(211,474)</u>
Net change in fund balance	(25,422)	(25,422)	(108,540)	(83,118)
FUND BALANCES - Beginning of Year	<u>757,593</u>	<u>757,593</u>	<u>757,593</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 732,171</u>	<u>\$ 732,171</u>	<u>\$ 649,053</u>	<u>\$ (83,118)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - JATV-12 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 180,582	\$ 180,582	\$ 176,502	\$ (4,080)
EXPENDITURES				
Current				
Library	152,779	152,779	145,761	7,018
Capital Outlay	27,000	27,000	25,854	1,146
Total Expenditures	179,779	179,779	171,615	8,164
Net change in fund balance	803	803	4,887	4,084
FUND BALANCES - Beginning of Year	398,899	398,899	398,899	-
FUND BALANCES - END OF YEAR	\$ 399,702	\$ 399,702	\$ 403,786	\$ 4,084

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - OAK HILL CEMETERY
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Service charges and other	<u>129,000</u>	<u>129,000</u>	<u>185,788</u>	<u>56,788</u>
Total Revenues	<u>134,000</u>	<u>134,000</u>	<u>185,788</u>	<u>51,788</u>
EXPENDITURES				
Current				
Recreation and parks	<u>217,329</u>	<u>217,329</u>	<u>247,140</u>	<u>(29,811)</u>
Total Expenditures	<u>217,329</u>	<u>217,329</u>	<u>247,140</u>	<u>(29,811)</u>
Excess (deficiency) of revenues over expenditures	<u>(83,329)</u>	<u>(83,329)</u>	<u>(61,352)</u>	<u>21,977</u>
OTHER FINANCING SOURCES				
Transfers in	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>-</u>
Net change in fund balance	<u>(9,329)</u>	<u>(9,329)</u>	<u>12,648</u>	<u>21,977</u>
FUND BALANCES - Beginning of Year	<u>167,861</u>	<u>167,861</u>	<u>167,861</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 158,532</u>	<u>\$ 158,532</u>	<u>\$ 180,509</u>	<u>\$ 21,977</u>

CITY OF JANESVILLE

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

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 1,242,174	\$ 1,242,174	\$ 1,255,458	\$ 13,284
EXPENDITURES				
Current				
Recreation and parks	1,244,345	1,244,345	1,258,123	(13,778)
Total Expenditures	1,244,345	1,244,345	1,258,123	(13,778)
Net change in fund balance	(2,171)	(2,171)	(2,665)	(494)
FUND BALANCES - Beginning of Year	58,159	58,159	58,159	-
FUND BALANCES - END OF YEAR	<u>\$ 55,988</u>	<u>\$ 55,988</u>	<u>\$ 55,494</u>	<u>\$ (494)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER HOUSING GRANTS For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 1,059	\$ 1,059
State and federal aids	554,357	554,357	396,217	(158,140)
Service charges and other	144,200	144,200	255,721	111,521
Total Revenues	<u>698,557</u>	<u>698,557</u>	<u>652,997</u>	<u>(45,560)</u>
EXPENDITURES				
Current				
Community and economic development	707,757	707,757	640,959	66,798
Total Expenditures	<u>707,757</u>	<u>707,757</u>	<u>640,959</u>	<u>66,798</u>
Net change in fund balance	(9,200)	(9,200)	12,038	21,238
FUND BALANCES - Beginning of Year	<u>336,928</u>	<u>336,928</u>	<u>336,928</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 327,728</u>	<u>\$ 327,728</u>	<u>\$ 348,966</u>	<u>\$ 21,238</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 661	\$ 661
State and federal aids	626,253	626,253	490,476	(135,777)
Service charges and other	76,000	76,000	144,491	68,491
Total Revenues	<u>702,253</u>	<u>702,253</u>	<u>635,628</u>	<u>(66,625)</u>
EXPENDITURES				
Current				
Community and economic development	903,513	903,513	625,827	277,686
Total Expenditures	<u>903,513</u>	<u>903,513</u>	<u>625,827</u>	<u>277,686</u>
Net change in fund balance	(201,260)	(201,260)	9,801	211,061
FUND BALANCES - Beginning of Year	<u>677,501</u>	<u>677,501</u>	<u>677,501</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 476,241</u>	<u>\$ 476,241</u>	<u>\$ 687,302</u>	<u>\$ 211,061</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final <u>Budget</u>
REVENUES				
Service charges and other	\$ 39,385	\$ 39,385	\$ 38,271	\$ (1,114)
EXPENDITURES				
Current				
Public works	39,385	39,385	36,447	2,938
Net change in fund balance	-	-	1,824	1,824
FUND BALANCES - Beginning of Year	8,551	8,551	8,551	-
FUND BALANCES - END OF YEAR	<u>\$ 8,551</u>	<u>\$ 8,551</u>	<u>\$ 10,375</u>	<u>\$ 1,824</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 31,603	\$ 31,603	\$ 81,349	\$ 49,746
Special assessments	200,000	200,000	18,310	(181,690)
Total Revenues	<u>231,603</u>	<u>231,603</u>	<u>99,659</u>	<u>(131,944)</u>
EXPENDITURES				
Debt Service				
Principal retirement	9,685,776	9,685,776	17,618,000	(7,932,224)
Interest and fiscal charges	1,413,769	1,413,769	1,543,698	(129,929)
Total Expenditures	<u>11,099,545</u>	<u>11,099,545</u>	<u>19,161,698</u>	<u>(8,062,153)</u>
Excess (deficiency) of revenues over expenditures	<u>(10,867,942)</u>	<u>(10,867,942)</u>	<u>(19,062,039)</u>	<u>(8,194,097)</u>
OTHER FINANCING SOURCES				
Refunding debt issued	-	-	4,035,000	4,035,000
Premium on long-term debt	-	-	550,202	550,202
Transfers in	10,867,942	10,867,942	14,432,801	3,564,859
Total Other Financing Sources	<u>10,867,942</u>	<u>10,867,942</u>	<u>19,018,003</u>	<u>8,150,061</u>
Net change in fund balance	-	-	(44,036)	(44,036)
FUND BALANCES - Beginning of Year	<u>2,682,108</u>	<u>2,682,108</u>	<u>2,682,108</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,682,108</u>	<u>\$ 2,682,108</u>	<u>\$ 2,638,072</u>	<u>\$ (44,036)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - CAPITAL PROJECTS
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 214,598	\$ 214,598
Special assessments	-	-	130,958	130,958
Service charges and other	-	-	213,902	213,902
Total Revenues	-	-	559,458	559,458
EXPENDITURES				
Capital Outlay	15,168,845	15,168,845	11,187,648	3,981,197
Total Expenditures	15,168,845	15,168,845	11,187,648	3,981,197
Excess (deficiency) of revenues over expenditures	(15,168,845)	(15,168,845)	(10,628,190)	4,540,655
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	14,998,845	14,998,845	10,425,000	(4,573,845)
Transfers in	170,000	170,000	2,418,143	2,248,143
Transfers out	-	-	(106,092)	(106,092)
Total Other Financing Sources (Uses)	15,168,845	15,168,845	12,737,051	(2,431,794)
Net change in fund balance	-	-	2,108,861	2,108,861
FUND BALANCES - Beginning of Year	5,099,075	5,099,075	5,099,075	-
FUND BALANCES - END OF YEAR	\$ 5,099,075	\$ 5,099,075	\$ 7,207,936	\$ 2,108,861

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, 2016

	Stormwater Utility	Transit System	Totals
ASSETS			
Current Assets			
Cash	\$ 224,103	\$ -	\$ 224,103
Accounts receivable	366,111	309,196	675,307
Unbilled revenue	567,802	-	567,802
Inventories	-	229,153	229,153
Prepaid items	-	-	-
Total Current Assets	<u>1,158,016</u>	<u>538,349</u>	<u>1,696,365</u>
Noncurrent Assets			
Restricted Assets			
Net pension asset	-	-	-
Construction account	335,326	-	335,326
Total Noncurrent Assets	<u>335,326</u>	<u>-</u>	<u>335,326</u>
Utility Plant			
Land	-	710,031	710,031
Utility plant in service (at cost)	9,097,592	15,774,465	24,872,057
Construction work in progress	85,097	-	85,097
Accumulated depreciation	<u>(1,657,590)</u>	<u>(6,728,942)</u>	<u>(8,386,532)</u>
Net Plant	<u>7,525,099</u>	<u>9,755,554</u>	<u>17,280,653</u>
Total Noncurrent Assets	<u>7,860,425</u>	<u>9,755,554</u>	<u>17,615,979</u>
Total Assets	<u>9,018,441</u>	<u>10,293,903</u>	<u>19,312,344</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	1,083,784	1,083,784
Total Deferred Outflows of Resources	<u>-</u>	<u>1,083,784</u>	<u>1,083,784</u>

	Stormwater Utility	Transit System	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 14,517	\$ 79,133	\$ 93,650
Accrued salaries and wages	81,249	121,034	202,283
Accrued interest	25,223	-	25,223
Due to other funds	-	248,021	248,021
Current portion of long-term G.O. debt	462,000	-	462,000
Total Current Liabilities	<u>582,989</u>	<u>448,188</u>	<u>1,031,177</u>
Noncurrent Liabilities			
General obligation long-term debt payable	2,130,053	-	2,130,053
Other post employment benefits	-	564,941	564,941
Net pension liability	-	193,347	193,347
Total Noncurrent Liabilities	<u>2,130,053</u>	<u>758,288</u>	<u>2,888,341</u>
Total Liabilities	<u>2,713,042</u>	<u>1,206,476</u>	<u>3,919,518</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	408,690	408,690
Total Deferred Inflows of Resources	<u>-</u>	<u>408,690</u>	<u>408,690</u>
NET POSITION			
Net Investment in capital assets	5,268,372	9,755,554	15,023,926
Restricted for			
Pension	-	-	-
Unrestricted (deficit)	<u>1,037,027</u>	<u>6,967</u>	<u>1,043,994</u>
TOTAL NET POSITION	<u>\$ 6,305,399</u>	<u>\$ 9,762,521</u>	<u>\$ 16,067,920</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	Stormwater Utility	Transit System	Totals
OPERATING REVENUES			
Charges for services	\$ 3,226,320	\$ 460,284	\$ 3,686,604
Total Operating Revenues	<u>3,226,320</u>	<u>460,284</u>	<u>3,686,604</u>
OPERATING EXPENSES			
Operation and maintenance	2,574,740	3,357,937	5,932,677
Depreciation	144,979	667,344	812,323
Total Operating Expenses	<u>2,719,719</u>	<u>4,025,281</u>	<u>6,745,000</u>
Operating Income (Loss)	<u>506,601</u>	<u>(3,564,997)</u>	<u>(3,058,396)</u>
NONOPERATING REVENUES (EXPENSES)			
Federal operating grants	-	1,092,132	1,092,132
State operating grants	-	881,173	881,173
Local operating subsidy	-	103,363	103,363
Investment income	813	-	813
Interest expense	(42,817)	-	(42,817)
Debt Issuance Cost	<u>(3,147)</u>	<u>-</u>	<u>(3,147)</u>
Total Nonoperating Revenues (Expenses)	<u>(45,151)</u>	<u>2,076,668</u>	<u>2,031,517</u>
Income (Loss) Before Contributions and Transfers	461,450	(1,488,329)	(1,026,879)
CAPITAL CONTRIBUTIONS	-	4,861	4,861
TRANSFERS IN	-	880,921	880,921
TRANSFERS OUT	<u>(33,421)</u>	<u>(98,583)</u>	<u>(132,004)</u>
Net Change in Net Position	428,029	(701,130)	(273,101)
NET POSITION - Beginning of Year (As Restated)	<u>5,877,370</u>	<u>10,463,651</u>	<u>16,341,021</u>
NET POSITION - END OF YEAR	<u>\$ 6,305,399</u>	<u>\$ 9,762,521</u>	<u>\$ 16,067,920</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	Stormwater Utility	Transit System	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,888,053	\$ 814,624	\$ 3,702,677
Cash paid to suppliers for goods and services	(1,732,669)	(863,278)	(2,595,947)
Cash payments to employees for services	(827,202)	(2,329,369)	(3,156,571)
Net Cash Flows From Operating Activities	<u>328,182</u>	<u>(2,378,023)</u>	<u>(2,049,841)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidies received - federal	-	1,092,132	1,092,132
Subsidies received - state	-	881,173	881,173
Subsidies received - local	-	103,363	103,363
Negative cash balance implicitly financed for other utilities	-	(379,751)	(379,751)
Transfers from other funds	(33,420)	782,338	748,918
Net Cash Flows From Noncapital Financing Activities	<u>(33,420)</u>	<u>2,479,255</u>	<u>2,445,835</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash used to retire debt	(594,891)	-	(594,891)
Interest paid	(39,622)	-	(39,622)
Acquisition and construction of capital assets	(727,062)	(101,232)	(828,294)
Proceeds from long term debt issued	1,258,000	-	1,258,000
Issuance costs and premium on new debt	(3,147)	-	(3,147)
Net Cash Flows From Capital and Related Financing Activities	<u>(106,722)</u>	<u>(101,232)</u>	<u>(207,954)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	813	-	813
Net Change in Cash and Cash Equivalents	188,853	-	188,853
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>370,576</u>	<u>-</u>	<u>370,576</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 559,429</u>	<u>\$ -</u>	<u>\$ 559,429</u>

	Stormwater Utility	Transit System	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 506,601	\$ (3,564,997)	\$ (3,058,396)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income (Loss)			
Depreciation	144,979	667,344	812,323
Change in Noncash Components of Working Capital			
Accounts receivable	(338,267)	354,340	16,073
Inventories	-	61,703	61,703
Prepaid items	1,137	1,575	2,712
Accounts payable	471	(8,299)	(7,828)
Other current liabilities	13,261	(34,427)	(21,166)
Pension related deferrals	-	137,110	137,110
Other post employment benefits	-	7,628	7,628
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 328,182</u>	<u>\$ (2,378,023)</u>	<u>\$ (2,049,841)</u>
Cash and investments - statement of net position	\$ 224,103	\$ -	\$ 224,103
Restricted cash and investments - statement of net position	<u>335,326</u>	<u>-</u>	<u>335,326</u>
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	<u>\$ 559,429</u>	<u>\$ -</u>	<u>\$ 559,429</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2016, \$10,096 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, 2016

	Balance 1-1-16	2016 Additions	Retirements	Balance 12-31-16
SOURCE OF SUPPLY				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	2,301,834	-	-	2,301,834
Total Source of Supply	<u>2,505,251</u>	<u>-</u>	<u>-</u>	<u>2,505,251</u>
PUMPING				
Land and land rights	11,565	-	-	11,565
Structures and improvements	4,260,499	-	-	4,260,499
Electric pumping equipment	4,376,215	-	-	4,376,215
Total Pumping	<u>8,648,279</u>	<u>-</u>	<u>-</u>	<u>8,648,279</u>
WATER TREATMENT				
Water treatment equipment	<u>225,492</u>	<u>-</u>	<u>-</u>	<u>225,492</u>
TRANSMISSION AND DISTRIBUTION				
Land and land rights	90,496	-	-	90,496
Reservoirs and standpipes	3,423,372	-	-	3,423,372
Transmission and distribution mains	47,659,672	4,773,765	42,159	52,391,278
Services	7,376,003	917,499	438	8,293,064
Meters	3,962,039	384,729	68,884	4,277,884
Hydrants	3,097,874	250,067	22,093	3,325,848
Total Transmission and Distribution	<u>65,609,456</u>	<u>6,326,060</u>	<u>133,574</u>	<u>71,801,942</u>
GENERAL				
Structures and improvements	816,895	258,722	78,276	997,341
Office furniture and equipment	36,307	-	-	36,307
Transportation equipment	793,182	143,221	109,047	827,356
Stores equipment	15,938	-	1,500	14,438
Tools, shop and garage equipment	165,710	2,259	2,009	165,960
Power operated equipment	655,779	-	-	655,779
Communication equipment	1,052,209	-	-	1,052,209
Computer equipment	920,205	112,124	-	1,032,329
Total General	<u>4,456,225</u>	<u>516,326</u>	<u>190,832</u>	<u>4,781,719</u>
TOTAL PLANT IN SERVICE	<u>\$ 81,444,703</u>	<u>\$ 6,842,386</u>	<u>\$ 324,406</u>	<u>\$ 87,962,683</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2016 and 2015

OPERATING REVENUES	<u>2016</u>	<u>2015</u>
Sales of Water		
Metered Sales		
Residential	\$ 3,425,172	\$ 3,197,089
Residential Multi-Family	298,243	287,906
Commercial	1,033,989	963,711
Industrial	1,579,639	966,414
Public authorities	205,833	245,950
Private fire protection	54,505	54,965
Public fire protection	<u>1,150,252</u>	<u>1,082,094</u>
Total Sales of Water	<u>7,747,633</u>	<u>6,798,129</u>
Other Operating Revenues		
Forfeited discounts	34,164	60,548
Water department rentals	21,236	53,577
Other water revenues	<u>101,647</u>	<u>83,047</u>
Total Other Operating Revenues	<u>157,047</u>	<u>197,172</u>
Total Operating Revenues	<u>7,904,680</u>	<u>6,995,301</u>
OPERATING EXPENSES		
Operation and Maintenance		
Source of Supply		
Miscellaneous source of supply	-	-
Maintenance of wells	<u>118,581</u>	<u>104,598</u>
Total Source of Supply	<u>118,581</u>	<u>104,598</u>
Pumping		
Fuel or power purchased for pumping	500,326	464,967
Pumping labor	97,794	102,477
Maintenance of buildings and grounds	80,775	94,824
Maintenance of structures and improvements	5,410	2,378
Maintenance of pumping equipment	<u>106,083</u>	<u>92,155</u>
Total Pumping	<u>790,388</u>	<u>756,801</u>
Water Treatment		
Chemicals	23,702	22,615
Operation labor	<u>36,949</u>	<u>46,535</u>
Total Water Treatment	<u>60,651</u>	<u>69,150</u>
Transmission and Distribution		
Transmission and distribution line expenses	204,967	305,706
Meter expenses	68,047	59,644
Maintenance of distribution reservoirs	811	20,621
Maintenance of mains	334,002	398,413
Maintenance of services	168,589	166,659
Maintenance of meters	21,377	19,142
Maintenance of hydrants	<u>115,934</u>	<u>68,117</u>
Total Transmission and Distribution	<u>913,727</u>	<u>1,038,302</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) Years Ended December 31, 2016 and 2015

	2016	2015
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 41,718	\$ 41,512
Meter reading expense	22,664	28,221
Customer records and collection	139,843	107,412
Customer service and information	84,600	71,526
Total Customer Accounts	288,825	248,671
Administrative and General		
Administrative and general salaries	393,248	379,897
Office supplies	24,863	23,482
Outside services employed	4,980	4,288
Property insurance	8,476	8,856
Injuries and damages	43,598	40,284
Employees pensions and benefits	578,558	535,367
Regulatory commission	145	342
Rents	17,234	20,658
Maintenance of general plant	20,038	11,024
Total Administrative and General	1,091,140	1,024,198
Total Operation and Maintenance	3,263,312	3,241,720
Depreciation	1,823,580	1,707,287
Taxes	1,548,721	1,460,302
Total Operating Expenses	6,635,613	6,409,309
Taxes reported as transfers out	1,468,579	1,377,477
 OPERATING INCOME	 \$ 2,737,646	 \$ 1,963,469

* Amount includes the payment in lieu of tax (PILOT) of \$1,468,579 which is shown as a transfer out on the statement of revenues, expenses, and changes in net assets.

JANESVILLE WATER UTILITY

RATE OF RETURN - REGULATORY BASIS December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Utility Plant in Service		
Beginning of year	\$ 54,367,754	\$ 51,813,312
End of year	<u>59,714,878</u>	<u>54,367,754</u>
Average	<u>57,041,315</u>	<u>53,090,532</u>
Accumulated Depreciation		
Beginning of year	(18,283,929)	(17,208,045)
End of year	<u>(19,531,370)</u>	<u>(18,283,929)</u>
Average	<u>(18,907,650)</u>	<u>(17,745,987)</u>
Materials and Supplies		
Beginning of year	290,846	292,170
End of year	<u>272,030</u>	<u>290,846</u>
Average	<u>281,438</u>	<u>291,508</u>
Average Balance - Regulatory Liability	<u>1,078,124</u>	<u>1,221,874</u>
 AVERAGE NET RATE BASE	 <u>\$ 37,336,979</u>	 <u>\$ 34,414,179</u>
 OPERATING INCOME	 <u>\$ 1,790,588</u>	 <u>\$ 1,007,848</u>
 RATE OF RETURN (PERCENT)	 <u>4.80</u>	 <u>2.93</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 \$430,317 depreciation expense on contributed capital, Other Post Employment Benefits of (\$20,339), WRS Pension expense of \$111,543 and includes a tax equivalent payment of \$1,468,579 reported as a transfer out.

JANESVILLE WASTEWATER UTILITY

UTILITY PLANT
December 31, 2016

	Balance 1-1-16	Additions	Retirements	Balance 12-31-16
COLLECTION SYSTEM				
Collecting mains	\$ 54,018,450	\$ 1,173,262	\$ 4,338	\$ 55,187,374
Collection system equipment	1,224,928	-	-	1,224,928
Total Collection System	<u>55,243,378</u>	<u>1,173,262</u>	<u>4,338</u>	<u>56,412,302</u>
TREATMENT AND DISPOSAL				
Land	18,000	-	-	18,000
Buildings and structures	21,176,547	-	-	21,176,547
Preliminary treatment equipment	2,972,751	-	-	2,972,751
Primary treatment equipment	1,728,539	-	-	1,728,539
Secondary treatment equipment	4,628,825	-	-	4,628,825
Disinfection equipment	391,753	-	-	391,753
Sludge treatment and disposal equipment	8,014,291	-	-	8,014,291
Plant sitework and piping	8,113,184	-	-	8,113,184
Metering, sampling and testing equipment	151,628	-	-	151,628
Other treatment and disposal equipment	1,590,525	-	-	1,590,525
Electrical and HVAC	5,339,530	-	-	5,339,530
Total Treatment and Disposal	<u>54,125,573</u>	<u>-</u>	<u>-</u>	<u>54,125,573</u>
GENERAL				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	202,230	12,200	-	214,430
Office equipment	65,646	-	-	65,646
Miscellaneous equipment	306,421	1,133	-	307,554
Computer equipment	1,190,990	27,496	1,051	1,217,435
Total General	<u>1,851,304</u>	<u>40,829</u>	<u>1,051</u>	<u>1,891,082</u>
TOTAL UTILITY PLANT	<u>\$ 111,220,255</u>	<u>\$ 1,214,091</u>	<u>\$ 5,389</u>	<u>\$ 112,428,957</u>

JANESVILLE WASTEWATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Wastewater Revenues		
Residential	\$ 6,403,332	\$ 6,152,955
Commercial	1,551,428	1,531,818
Industrial	549,792	402,291
Public authority	232,985	207,127
Industrial pollution charge	210,551	429,840
Pretreatment program	35,184	2,502
Total Wastewater Revenues	8,983,272	8,726,533
Other Operating Revenues		
Forfeited discounts	52,274	93,085
Miscellaneous revenues	318,078	307,381
Total Other Operating Revenues	370,352	400,466
Total Operating Revenues	9,353,624	9,126,999
OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Treatment plant	1,271,843	1,092,895
Laboratory	233,143	224,748
Pretreatment	79,975	71,641
Sludge disposal	404,278	440,166
Utilities	82,738	86,816
Total Operation	2,071,977	1,916,266
Maintenance		
Collecting sewers	1,398,751	860,144
Treatment plant	382,961	392,558
Wastewater lift stations	11,902	33,803
Meters	383,416	371,203
Total Maintenance	2,177,030	1,657,708
Administrative		
General administration	852,615	809,523
Customer accounts	223,014	206,159
City service charges	51,338	51,867
Total Administrative	1,126,967	1,067,549
Total Operation and Maintenance	5,375,974	4,641,523
Depreciation	3,318,878	3,287,141
Total Operating Expenses	8,694,852	7,928,664
OPERATING INCOME	\$ 658,772	\$ 1,198,335

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, 2016

	Vehicle Operation & Maintenance	Insurance	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 231,192	\$ 2,619,897	\$ 2,851,089
Accounts receivable	18,688	146,717	165,405
Inventories	389,530	-	389,530
Prepaid items	-	10,000	10,000
Total Current Assets	<u>639,410</u>	<u>2,776,614</u>	<u>3,416,024</u>
Noncurrent Assets			
Restricted Assets			
Deposits with risk pool	-	1,604,120	1,604,120
Total Assets	<u>639,410</u>	<u>4,380,734</u>	<u>5,020,144</u>
LIABILITIES			
Current Liabilities			
Accounts payable	198,123	51,918	250,041
Claims payable	-	2,105,422	2,105,422
Accrued salaries and wages	72,146	7,326	79,472
Total Liabilities	<u>270,269</u>	<u>2,164,666</u>	<u>2,434,935</u>
NET POSITION			
Unrestricted	<u>369,141</u>	<u>2,216,068</u>	<u>2,585,209</u>
TOTAL NET POSITION	<u>\$ 369,141</u>	<u>\$ 2,216,068</u>	<u>\$ 2,585,209</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
OPERATING REVENUES				
Charges for services	\$ 3,891,924	\$ 10,590,734	\$ 61,084	\$ 14,543,742
OPERATING EXPENSES				
Operation and maintenance	2,798,534	12,359,449	-	15,157,983
Operating Income (Loss)	1,093,390	(1,768,715)	61,084	(614,241)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	503,347	-	503,347
Transfers out	(1,093,849)	-	(61,084)	(1,154,933)
Total Other Financing Sources (Uses)	(1,093,849)	503,347	(61,084)	(651,586)
Net Change in Net Position	(459)	(1,265,368)	-	(1,265,827)
NET POSITION (DEFICIT) - Beginning of Year	369,600	3,481,436	-	3,851,036
NET POSITION - END OF YEAR	\$ 369,141	\$ 2,216,068	\$ -	\$ 2,585,209

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from other funds for services	\$ 3,892,124	\$ 10,525,074	\$ 61,084	\$ 14,478,282
Cash paid to suppliers for goods and services	(1,771,985)	(12,417,637)	-	(14,189,622)
Cash payments to employees for services	<u>(962,826)</u>	<u>(149,870)</u>	-	<u>(1,112,696)</u>
Net Cash Flows From Operating Activities	<u>1,157,313</u>	<u>(2,042,433)</u>	<u>61,084</u>	<u>(824,036)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	(1,093,849)	503,347	(61,084)	(651,586)
Cash received (repaid) to cover deficit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>(1,093,849)</u>	<u>503,347</u>	<u>(61,084)</u>	<u>(651,586)</u>
Net Change in Cash and Cash Equivalents	63,464	(1,539,086)	-	(1,475,622)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>167,728</u>	<u>4,158,983</u>	<u>-</u>	<u>4,326,711</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 231,192</u>	<u>\$ 2,619,897</u>	<u>\$ -</u>	<u>\$ 2,851,089</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,093,390	\$ (1,768,715)	\$ 61,084	\$ (614,241)
Change in Assets and Liabilities				
Accounts receivable	198	(65,660)	-	(65,462)
Inventories	8,036	-	-	8,036
Prepaid items	1,023	246	-	1,269
Accounts payable	54,161	(36,672)	-	17,489
Accrued liabilities	<u>505</u>	<u>(171,632)</u>	<u>-</u>	<u>(171,127)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,157,313</u>	<u>\$ (2,042,433)</u>	<u>\$ 61,084</u>	<u>\$ (824,036)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None

AGENCY FUND

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.

CITY OF JANESVILLE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

For the Year Ended December 31, 2016

<u>Agency</u>	<u>Balance 1-1-16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-16</u>
TAX COLLECTION				
Assets				
Investments and taxes receivable	<u>\$ 67,695,001</u>	<u>\$ 69,874,667</u>	<u>\$ 67,695,001</u>	<u>\$ 69,874,667</u>
Liabilities				
Due to other government units and other units	<u>\$ 67,695,001</u>	<u>\$ 69,874,667</u>	<u>\$ 67,695,001</u>	<u>\$ 69,874,667</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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 2,796,370
Cash paid to suppliers for goods and services	(2,499,238)
Cash payments to employees for services	<u>(256,688)</u>
Net Cash Flows From Operating Activities	<u>40,444</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>326</u>
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Net Change in Cash and Cash Equivalents

40,770

CASH AND CASH EQUIVALENTS - Beginning of Year

172,748

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 213,518

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (187,594)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income	
Depreciation	3,292
Change in Assets and Liabilities	
Prepaid items	670
Accounts payable	2,614
Other current liabilities	<u>221,462</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES

\$ 40,444

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 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	\$ 165,651,458
Restricted	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	13,556,068
Unrestricted	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)	(3,456,053)
Total governmental activities net position	\$ 161,516,123	\$ 163,421,115	\$ 165,226,880	\$ 165,817,602	\$ 167,442,552	\$ 166,932,388	\$ 167,169,062	\$ 161,428,566	\$ 178,626,994	\$ 175,751,473
Business-type activities										
Net investment in capital assets	\$ 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	\$ 101,129,446
Restricted	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	8,665,188
Unrestricted	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	7,865,742
Total business-type activities net position	\$ 91,896,801	\$ 94,094,649	\$ 95,474,098	\$ 98,778,415	\$ 100,307,616	\$ 101,621,464	\$ 103,460,800	\$ 113,712,382	\$ 115,632,539	\$ 117,660,376
Primary Government										
Net investment in capital assets	\$ 213,663,638	\$ 219,794,007	\$ 230,357,041	\$ 240,221,347	\$ 248,580,858	\$ 252,638,733	\$ 253,172,358	260,648,873	266,168,260	266,780,904
Restricted	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	22,221,256
Unrestricted (deficit)	20,753,981	18,820,722	12,377,636	8,240,144	1,978,306	(3,224,840)	(2,317,642)	(6,713,006)	(769,235)	4,409,689
Total primary government net position	\$ 253,412,924	\$ 257,515,764	\$ 260,700,978	\$ 264,596,017	\$ 267,750,168	\$ 268,553,852	\$ 270,629,862	\$ 275,140,948	\$ 294,259,533	\$ 293,411,849

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

- (1) 2007 Unrestricted Governmental Activities Net Position 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.
- (2) 2015 Unrestricted Governmental Activities and Business-type Activities Net Position were restated to add \$12,611,791 and \$1,418,816, respectively, in relation to the net pension asset and deferred outflows related to pension attributable to governmental and business-type activities prior to the implementation of GASB 68 and GASB 27 in 2015.

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 4,993,527
Public Safety	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	27,177,668
Public Works	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	19,462,880
Recreation and Parks	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	5,064,956
Community/Economic Development	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	8,912,887
Library	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	4,426,420
Interest and Fiscal Charges	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	1,388,302
Total governmental activities expenses	<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>	<u>71,426,640</u>
Business-type activities:										
Water Utility	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	5,491,647
Wastewater Utility	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	9,395,932
Stormwater Utility	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	2,785,314
Transit	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	4,078,184
Total business-type activities	<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>	<u>21,751,077</u>
Total primary government expenses	<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>	<u>\$ 93,177,717</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	432,247	242,573	279,735	280,076	392,965	408,798	457,224	363,891	528,918	730,285
Public Safety	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	3,465,100
Public Works	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	9,187,124
Recreation and Parks	795,222	747,599	910,454	1,040,506	2,119,722	2,179,915	2,183,098	2,221,913	2,262,083	2,312,029
Community/Economic Development	1,623,684	729,978	477,580	604,735	1,299,796	2,565,475	960,053	815,156	1,345,080	1,579,793
Library	1,065,715	1,083,977	1,039,302	1,006,020	995,230	957,961	876,648	938,732	906,286	850,676
Operating grants and contributions	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	4,976,353
Capital grants and contributions	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	878,645
Total governmental activities program revenues	<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>	<u>23,980,005</u>
Business-type activities:										
Charges for services:										
Water Utility	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	7,904,672
Wastewater Utility	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	9,353,624
Stormwater Utility	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	3,226,320
Transit	410,184	398,439	367,294	408,176	439,180	465,647	547,846	573,394	547,033	460,284
Operating grants and contributions	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	2,076,668
Capital grants and contributions	2,694,934	1,573,924	836,969	975,820	395,169	584,516	446,217	7,918,959	7,937	1,276,126
Total business-type activities program revenues	<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>20,841,050</u>	<u>24,297,694</u>
Total primary government program revenues	<u>\$ 41,501,182</u>	<u>\$ 40,325,184</u>	<u>\$ 40,048,070</u>	<u>\$ 40,452,818</u>	<u>\$ 43,464,805</u>	<u>\$ 43,928,857</u>	<u>\$ 45,601,412</u>	<u>\$ 53,605,973</u>	<u>\$ 48,141,987</u>	<u>\$ 48,277,699</u>

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (47,446,635)
Business-type activities	<u>2,965,138</u>	<u>1,811,866</u>	<u>1,479,717</u>	<u>3,603,222</u>	<u>1,949,283</u>	<u>1,768,507</u>	<u>2,462,187</u>	<u>9,427,211</u>	<u>983,526</u>	<u>2,546,617</u>
Total primary government net expenses	<u>\$ (29,180,525)</u>	<u>\$ (35,972,455)</u>	<u>\$ (36,883,577)</u>	<u>\$ (35,334,469)</u>	<u>\$ (37,492,121)</u>	<u>\$ (39,221,351)</u>	<u>\$ (38,177,557)</u>	<u>\$ (37,978,473)</u>	<u>\$ (37,845,271)</u>	<u>\$ (44,900,018)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 34,854,348
Other taxes	1,028,488	1,147,714	883,300	947,001	914,183	1,370,092	1,524,835	1,817,507	1,477,297	2,319,788
Intergovernmental revenues	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	5,446,331
Investment income	2,382,204	1,625,934	920,423	692,506	538,926	340,085	273,606	202,932	319,377	230,186
Miscellaneous	506,719	881,154	757,869	678,983	1,490,349	77,830	565,401	745,445	980,888	1,132,803
Transfers	<u>179,598</u>	<u>168,244</u>	<u>304,273</u>	<u>407,275</u>	<u>478,745</u>	<u>523,578</u>	<u>708,594</u>	<u>(799,750)</u>	<u>617,425</u>	<u>587,658</u>
Total governmental activities	<u>38,723,845</u>	<u>39,689,313</u>	<u>40,169,049</u>	<u>39,528,413</u>	<u>41,066,354</u>	<u>40,479,694</u>	<u>40,876,418</u>	<u>40,892,942</u>	<u>43,415,434</u>	<u>44,571,114</u>
Business-type activities:										
Investment earnings	994,671	542,738	201,160	92,331	58,663	48,028	80,554	15,630	16,937	68,878
Miscellaneous	11,152	11,488	2,845	16,039	-	20,891	5,189	8,993	118,306	-
Transfers	<u>(179,598)</u>	<u>(168,244)</u>	<u>(304,273)</u>	<u>(407,275)</u>	<u>(478,745)</u>	<u>(523,578)</u>	<u>(708,594)</u>	<u>799,750</u>	<u>(617,425)</u>	<u>(587,658)</u>
Total business-type activities	<u>826,225</u>	<u>385,982</u>	<u>(100,268)</u>	<u>(298,905)</u>	<u>(420,082)</u>	<u>(454,659)</u>	<u>(622,851)</u>	<u>824,373</u>	<u>(482,182)</u>	<u>(518,780)</u>
Total primary government	<u>\$ 39,550,070</u>	<u>\$ 40,075,295</u>	<u>\$ 40,068,781</u>	<u>\$ 39,229,508</u>	<u>\$ 40,646,272</u>	<u>\$ 40,025,035</u>	<u>\$ 40,253,567</u>	<u>\$ 41,717,315</u>	<u>\$ 42,933,252</u>	<u>\$ 44,052,334</u>
Change in Net Position										
Governmental activities	\$ 6,578,182	\$ 1,904,992	\$ 1,805,755	\$ 590,722	\$ 1,624,950	\$ (510,164)	\$ 236,674	\$ (6,512,742)	\$ 4,586,637	\$ (2,875,521)
Business-type activities	<u>3,791,363</u>	<u>2,197,848</u>	<u>1,379,449</u>	<u>3,304,317</u>	<u>1,529,201</u>	<u>1,313,848</u>	<u>1,839,336</u>	<u>10,251,584</u>	<u>501,344</u>	<u>2,027,837</u>
Total primary government	<u>\$ 10,369,545</u>	<u>\$ 4,102,840</u>	<u>\$ 3,185,204</u>	<u>\$ 3,895,039</u>	<u>\$ 3,154,151</u>	<u>\$ 803,684</u>	<u>\$ 2,076,010</u>	<u>\$ 3,738,842</u>	<u>\$ 5,087,981</u>	<u>\$ (847,684)</u>

CITY OF JANESVILLE, WISCONSIN

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

	<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>	<u>2016</u>
General Fund:										
Nonspendable:										
Long-term receivables/ advances	\$ 947,874	\$ 858,212	\$ 686,067	\$ 472,502	\$ 477,324	\$ 484,749	\$ 897,474	\$ 665,851	\$ 1,983,082	\$ 1,541,510
Inventories and prepaid items	4,527	6,271	4,500	41,267	22,539	3,998	3,924	5,324	-	3,220
Assigned	2,578,820	1,231,000	850,000	890,000	825,000	926,435	675,000	635,649	564,250	536,757
Unassigned	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	7,180,180
Total General Fund	<u>\$ 8,814,735</u>	<u>\$ 7,774,243</u>	<u>\$ 7,230,271</u>	<u>\$ 7,494,947</u>	<u>\$ 9,071,864</u>	<u>\$ 9,038,135</u>	<u>\$ 9,553,641</u>	<u>\$ 9,358,006</u>	<u>\$ 9,919,345</u>	<u>\$ 9,261,667</u>
All Other Governmental Funds (Reflecting GASB 54 Classification)										
Nonspendable:										
Inventories and prepaid items					\$ 280,810	\$ 292,275	\$ 279,116	\$ 307,255	\$ 336,257	\$ 269,868
Restricted reported in:										
Debt service fund					1,277,855	594,456	628,760	996,012	2,682,108	2,638,072
Capital projects fund					9,575,388	7,138,340	5,593,500	7,730,977	3,057,045	3,660,835
Special revenue funds					4,426,799	5,027,057	6,609,164	7,485,418	6,496,619	6,230,468
Committed reported in:										
Sanitation Fund					2,103,725	1,199,147	285,043	(259,812)	-	1,829,606
Special revenue funds					832,191	956,123	868,257	903,922	1,000,817	1,014,279
Assigned reported in:										
Sanitation Fund					-	-	-	-	708,912	-
Capital projects fund					1,938,042	3,626,875	4,370,324	3,115,756	1,755,855	3,319,233
Unassigned reported in:										
Special revenue funds					(1,383,868)	(3,731,165)	(1,292,048)	(1,745,254)	(3,253,023)	(3,273,425)
Total All Other Governmental Funds					<u>\$ 19,050,942</u>	<u>\$ 15,103,108</u>	<u>\$ 17,342,116</u>	<u>\$ 18,534,274</u>	<u>\$ 12,784,590</u>	<u>\$ 15,688,936</u>
All Other Governmental Funds (Before GASB 54 Reclassification)										
Reserved:										
Debt service	\$ 5,404,843	\$ 6,576,009	\$ 9,003,777	\$ 2,976,816						
Encumbrance	597,104	1,013,779	1,369,138	40,580						
Inventories and prepaid items	487,540	446,834	346,088	266,891						
Long-term receivables	-	-	-	-						
Unreserved reported in:										
Capital projects fund	3,783,110	4,859,680	4,828,004	5,389,278						
Special revenue funds	4,479,880	7,906,814	11,429,728	10,311,458						
Total All Other Governmental Funds	<u>\$ 14,752,477</u>	<u>\$ 20,803,116</u>	<u>\$ 26,976,735</u>	<u>\$ 18,985,023</u>						

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)

	<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>	<u>2016</u>
Revenue										
Taxes	\$ 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	\$ 37,144,590
Licenses and permits	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	1,771,467
Investment income, rents and fines	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	1,097,251
State and federal aid	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	10,142,710
Special assessments	6,286,880	4,801,611	1,717,558	917,104	1,141,772	975,738	911,669	1,106,737	1,680,746	149,268
Service charges and other	11,148,770	12,069,815	11,817,521	12,165,836	15,411,002	13,231,319	12,790,362	13,165,018	14,675,767	16,980,221
Miscellaneous	159,821	104,407	99,507	102,190	74,047	36,029	22,842	35,566	15,062	80,838
Total revenues	61,734,450	61,897,980	61,145,525	59,562,844	63,800,039	61,077,870	63,938,308	65,621,626	65,835,629	67,366,345
Expenditures										
General government	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	4,045,408
Public safety	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	24,934,196
Public works	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	10,251,539
Recreation and parks	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	4,361,289
Community and economic devel.	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	8,658,009
Library	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	3,774,427
Capital Outlay	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	12,582,033
Debt Service										
Principal	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	17,618,000
Interest	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	1,559,414
Total expenditures	70,929,425	68,358,572	72,285,804	70,330,058	73,660,904	78,437,255	78,092,343	80,187,044	82,899,841	87,784,315
Excess of revenues over (under) expenditures	(9,194,975)	(6,460,592)	(11,140,279)	(10,767,214)	(9,860,865)	(17,359,385)	(14,154,035)	(14,565,418)	(17,064,212)	(20,417,970)
Other financing sources (uses)										
Long-term debt issued	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	16,521,000
Refunding Debt Issued	-	-	6,915,000	-	-	-	-	-	1,045,000	4,035,000
Payment on refunded debt	-	-	(3,118,770)	(3,930,000)	-	-	-	-	-	-
Premium on long-term debt	-	34,619	-	-	-	93,149	166,399	96,759	482,490	550,202
Sale of City property	-	-	-	-	638,477	-	-	-	-	-
Transfers in	10,044,808	9,816,701	10,950,498	11,520,300	11,047,314	11,633,579	12,101,368	12,079,874	11,945,565	18,938,018
Transfers out	(8,645,172)	(8,665,581)	(9,426,802)	(9,750,122)	(9,062,090)	(9,848,906)	(9,692,218)	(10,014,692)	(11,094,366)	(17,379,581)
Total other financing sources (uses)	9,319,636	11,470,739	16,769,926	3,040,178	11,503,701	13,377,822	16,908,549	15,561,941	11,875,689	22,664,639
Special Item										
Retirement of prior service										
Net change in fund balances	\$ 124,661	\$ 5,010,147	\$ 5,629,647	\$ (7,727,036)	\$ 1,642,836	\$ (3,981,563)	\$ 2,754,514	\$ 996,523	\$ (5,188,523)	\$ 2,246,669
Debt Service as a percentage of noncapital expenditures	17.8%	16.2%	17.1%	17.4%	17.7%	18.0%	19.2%	16.2%	16.8%	25.6%

CITY OF JANESVILLE, WISCONSIN

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

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Manufacturing Property</u>	<u>Agricultural⁽¹⁾ Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value⁽²⁾</u>	<u>Total Direct Tax Rate⁽³⁾</u>	<u>Total Taxable Equalized Value⁽⁴⁾</u>	<u>Ratio of Assessed to Equalized Value</u>
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%
2016	2017	2,590,135,400	1,081,263,800	155,024,900	1,635,600	155,694,630	3,983,754,330	8.8216	4,165,074,300	95.52%

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

- ⁽¹⁾ Includes Agricultural, Undeveloped, Ag Forest, Forest & Other categories.
- ⁽²⁾ Source: Statement of Assessments - Bureau of Equalization, WI Dept of Revenue, Assessor Report
- ⁽³⁾ The City of Janesville Direct Rate includes the City Rate and the Library Rate.
- ⁽⁴⁾ Source: Statement of Changes in Equalized Values - Bureau of Equalization, WI Dept of Revenue, Website

CITY OF JANESVILLE, WISCONSIN

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

JANESVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>City Rate</u>	<u>Library Rate</u>	<u>City of Janesville Direct Rate⁽¹⁾</u>	<u>Janesville School District</u>	<u>Blackhawk Technical</u>	<u>County of Rock</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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
2016	2017	7.9632	0.8584	8.8216	10.0638	1.2679	6.8770	0.1774	27.2077	1.6286	25.5791

MILTON SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>City Rate</u>	<u>Library Rate</u>	<u>City of Janesville Direct Rate⁽¹⁾</u>	<u>Milton School District</u>	<u>Blackhawk Technical</u>	<u>County of Rock</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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
2016	2017	7.9632	0.8584	8.8216	9.5731	1.2679	6.8770	0.1774	26.7170	1.6286	25.0884

Source: City of Janesville Clerk-Treasurer Records

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

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

CITY OF JANESVILLE, WISCONSIN

Schedule 7
Principal Taxpayers
2016 and Nine Years Prior

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Mercy Health System Corp	\$ 61,254,800	1	1.54%			
Janesville Mall	34,870,880	2	0.88%	32,809,040	2	0.96%
Dean/St Marys/Riverview	34,283,310	3	0.86%	19,052,590	7	0.56%
Wal-Mart and Sam's Club	33,730,140	4	0.85%	17,049,160	8	0.50%
Blain Supply Inc.	31,105,560	5	0.78%	25,046,470	3	0.74%
GHC Specialty Brands (Lab Safety)	26,965,120	6	0.68%	22,243,470	5	0.65%
Woodmans Food Market	24,140,810	7	0.61%			
Stag Janesville LLC	20,251,300	8	0.51%			
Hendricks Commercial Properties	20,002,640	9	0.50%			
Seneca Foods Corporation	18,876,560	10	0.47%	22,341,800	4	0.66%
General Motors				33,468,020	1	0.98%
Helgesen Family Partnership				19,279,700	6	0.57%
Inland Pine Tree LLC				17,025,900	9	0.50%
Lemans				16,374,320	10	0.48%
Total	\$ 305,481,120		7.67%	\$ 224,690,470		6.59%

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 12/31/2016</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
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
2015	2016	35,201,846	35,161,704	99.89%	35,161,704	99.89%	40,142

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>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>	<u>2016</u>
Debt Limit	\$ 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	\$ 208,253,715
Total net debt applicable to limit	<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>82,210,000</u>	<u>88,045,000</u>
Legal Debt Margin	<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>\$ 117,153,670</u>	<u>\$ 120,208,715</u>
Total net debt applicable to limit as a percentage of debt limit	38.56%	37.77%	41.15%	38.54%	37.97%	38.09%	39.62%	40.15%	41.24%	42.28%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Value of Taxable Property	\$ 4,165,074,300
Legal Debt limit (5% of total equalized value)	208,253,715
Less : General Obligation Debt	<u>88,045,000</u>
Legal debt margin	<u>\$ 120,208,715</u>

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

CITY OF JANESVILLE, WISCONSIN

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

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Net Total Primary Government	Percentage Personal Income ⁽²⁾	Debt Per Capita ⁽²⁾
	General Obligation Debt ⁽¹⁾	Capital Leases	General Obligation Debt ⁽¹⁾	Revenue Bonds			
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	-	23,170,861	26,383,312	109,608,784	N/A	1,726
2016	63,427,961	-	26,222,099	24,479,364	114,129,424	N/A	1,798

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>	Governmental General Obligation Debt (1)	Proprietary General Obligation Debt (1)	Total General Obligation Debt (1)	Less: Amounts Reserved For Debt Service	Net General Obligation Debt	Percentage Debt to Equalized Valuation⁽²⁾	Net General Obligation Debt Per Capita⁽³⁾
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
2016	63,427,961	26,222,099	89,650,060	(2,949,449)	86,700,611	2.08%	1,366

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, 2016

<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	\$ 88,045,000 (1)	100.00%	\$ 88,045,000
Rock County	42,370,000	41.03%	17,384,411
School Districts			
Janesville	65,425,000	89.93%	58,836,702
Milton	1,060,000	32.22%	341,532
Blackhawk Technical College	52,275,000	34.02%	17,783,955
	<u>161,130,000</u>		<u>94,346,600</u>
	Total Direct and Overlapping Debt <u>\$ 249,175,000</u>		<u>\$ 182,391,600</u>

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

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

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

CITY OF JANESVILLE, WISCONSIN

Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Water Revenue Bonds						Wastewater Revenue Bonds					
	Water Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage	Wastewater Gross Revenue	Less: Operating Expense ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
			Principal	Interest					Principal	Interest		
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
2016	7,922,761	3,343,454	4,579,307	189,140	41,720	19.8	9,403,645	5,375,974	4,027,671	1,714,808	511,368	1.8

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

⁽¹⁾ Excludes Depreciation Expense and Tax Equivalent

CITY OF JANESVILLE, WISCONSIN

Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income</u>	<u>Per Capita Income⁽²⁾</u>	<u>School System Enrollment⁽³⁾</u>	<u>Unemployment Rate⁽⁴⁾</u>
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	2,542,051,260	40,026	10,298	5.2%
2016	63,470	N/A	N/A	10,273	4.5%

(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
2016 and Nine Years Prior

Employer	2016			2007		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Mercy Health System	3,986	1	12.46%	2,635	1	8.22%
Janesville School District	1,356	2	4.24%	1,499	3	4.67%
Rock County	1,190	3	3.72%	1,185	4	3.70%
SSI Technologies / Bornes	1,000	4	3.13%			
GHC Specialty Brands (Lab Safety Supply Inc / Grainger)	896	5	2.80%	882	5	2.75%
Data Dimensions	826	6	2.58%			
Prent Corporation	682	7	2.13%	402	10	1.25%
J.P. Cullen & Sons, Inc.	615	8	1.92%			
Blain's Supply (Farm & Fleet)	587	9	1.83%			
City of Janesville	531	10	1.66%	516	8	1.61%
General Motors				2,600	2	8.11%
Lear Corporation				840	6	2.62%
Wal-Mart Supercenter / Sam's Club				530	7	1.65%
Lemans Corp				450	9	1.40%
Total	11,669		36.47%	11,539		35.98%
Total City Employment	31,993			32,067		

Source: Official Statement for the City of Janesville

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

CITY OF JANESVILLE, WISCONSIN

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

	<u>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>	<u>2016</u>
General Government										
City Manager	2.56	2.15	2.34	2.34	2.34	2.34	2.84	2.97	4.79	4.74
Assessor	7.34	8.34	7.34	6.94	6.50	6.00	6.00	6.00	6.00	5.99
Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerk Treasurer	7.77	10.56	7.67	9.36	7.00	10.00	7.90	8.20	7.26	6.67
Administrative Services & Accounting	6.54	6.72	6.49	6.34	6.22	5.37	5.63	5.82	5.43	5.76
Human Resources	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.55	2.05	2.05
Information Technology	<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>	<u>2.45</u>
Total General Government	<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>	<u>31.66</u>
Public Safety										
Police	119.50	118.50	118.50	119.50	118.50	117.50	120.42	120.36	120.69	120.67
Fire	<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>	<u>93.36</u>
Total Public Safety	<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>	<u>214.03</u>
Public Works										
Engineering	20.33	20.47	18.75	18.40	18.35	18.34	18.53	14.71	11.19	12.84
DPW/Technical Services	28.16	26.77	25.53	26.68	27.18	26.49	27.03	26.61	26.03	27.16
Sanitation/Landfill	<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>	<u>21.46</u>
Total Public Works	<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>	<u>61.46</u>
Recreation & Parks										
Leisure Services	24.15	23.31	25.08	21.55	21.37	20.26	22.33	21.51	21.45	22.12
Parks	<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>	<u>16.66</u>
Total Recreation & Parks	<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>	<u>38.78</u>
Community & Economic Development										
Community Development	16.20	17.25	17.23	15.14	15.32	14.73	15.12	16.29	16.92	16.82
Neighborhood Services	<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>	<u>6.78</u>
Total Community & Economic Development	<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>	<u>23.60</u>
Library	51.90	50.75	51.20	51.45	49.53	49.01	51.33	50.65	53.72	55.40
Water Utility	19.00	20.47	20.49	20.40	19.67	19.59	25.98	25.96	25.79	24.56
Wastewater Utility	24.74	26.43	25.88	25.99	26.22	26.17	28.99	28.57	26.89	28.06
Stormwater Utility	7.45	10.49	10.92	11.22	11.27	11.19	10.65	10.59	11.05	11.57
Transit	<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>	<u>34.90</u>
Total Employment	<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>	<u>524.02</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Assessor										
Real Estate and Mobile Home Assessments	24,445	24,050	24,100	24,120	24,535	24,407	24,488	24,513	24,602	24,770
New Construction, Permits, Sale Reviews	3,200	2,590	4,000	2,160	2,005	2,514	2,548	2,604	2,415	2,514
Attorney										
Case Litigated	9,874	9,987	8,447	10,509	8,540	8,450	10,272	10,120	9,867	8,950
Public Safety										
Police										
Traffic Citations (#)	6,094	5,235	5,237	9,320	10,848	10,147	8,550	9,310	6,290	7,548
Violent Crime Incidents (#)	158	172	153	170	169	182	168	169	155	145
Property Crime Incidents (#)	2,740	2,813	2,254	2,423	2,412	2,474	1,962	2,088	1,898	1,770
Parking Tickets Processed (#)	4,104	3,644	2,745	3,313	2,823	2,555	2,484	1,949	1,537	1,419
Fire										
Fire and EMS Emergency Responses (#)	6,298	6,734	6,404	6,708	7,306	7,426	8,194	9,213	9,550	9,839
Inspections (#)	6,201	6,265	6,325	6,460	5,728	5,297	4,030	4,422	4,432	5,075
Public Works										
Street Maintenance										
Crack Sealing (feet)	50,000	20,000	21,000	18,000	65,472	29,251	18,480	-	17,819	20,695
Street Resurfacing (miles)	11.9	10.9	13.5	8.0	6.4	5.2	5.3	6.6	8.5	12.6
Street Cleaning - Leaf Collection (miles)	209	222	228	226	218	209	227	224	204	227
Traffic Management										
Traffic Signs Installed/Repaired (#)	1,155	1,122	1,200	1,739	1,150	1,546	943	1,120	1,769	1,586
Line Striping (feet)	338,000	314,484	248,633	144,899	283,462	269,216	302,685	271,389	407,756	416,437
Sanitation										
Sanitary Landfill (tons)	274,200	274,213	220,849	228,758	185,065	156,804	128,192	90,178	114,300	161,578
Trash Collection(stops/week)	23,393	24,347	23,700	23,700	23,449	23,473	23,732	23,878	23,950	24,087
VOM - Vehicles Repaired (#)	3,244	3,268	2,902	2,879	2,699	2,561	2,806	2,606	2,614	2,467
Recreation and Parks										
Recreation Program Participants (#)	237,022	246,967	230,142	278,198	271,739	267,490	252,906	249,728	268,480	259,469
Special Events	90	80	104	105	109	114	100	146	133	126
Parks (acres)	2,580	2,580	2,590	2,590	2,595	2,595	2,595	2,595	2,595	2,595
Parks Mowing (acres)	658	664	666	666	666	666	666	666	666	666
Golf Course Rounds Played (#)	55,376	58,142	59,734	56,270	53,606	56,368	53,400	53,186	56,833	53,557
Community/Economic Development										
Permits Issued (#)	4,490	3,543	2,866	3,201	2,872	3,068	3,454	3,393	3,498	4,034
Inspections (#)	9,188	7,694	6,687	6,791	6,374	6,000	6,592	6,347	6,719	7,066
TIF Development Activity										
New Construction (square feet)	315,915	20,000	28,125	532,445	21,000	22,000	17,000	42,925	1,434,720	477,320
Value of Projects (dollars)	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	16,480,000
Neighborhood Services										
Complaints Received (#)	1,177	1,419	1,778	1,648	1,992	1,586	2,045	1,767	1,826	1,886
Housing/Nuisance Inspections (#)	2,819	3,951	4,632	6,061	7,159	5,356	4,812	4,696	5,627	4,099
Housing Rehab./Homeownership Loans (#)	37	64	101	82	70	87	49	53	69	52
Library										
Circulation (#)	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	896,973
Registered Patrons (#)	59,485	61,812	64,245	66,544	69,542	72,394	64,841	67,556	70,041	72,325
Water Utility										
Water Pumped (billions of gallons)	4.48	4.28	3.88	3.54	3.55	3.52	3.41	3.48	3.18	3.17
Water Tests (#)	4,976	4,797	4,844	4,922	4,611	4,525	4,650	4,525	4,525	4,525
Water Main Repairs (#)	128	92	88	87	108	82	114	143	80	66
Wastewater Utility										
Sewage Treatment (millions of gallons)	5,351	6,728	5,882	5,637	5,083	4,375	4,849	4,723	4,279	4,743
Laboratory Tests (#)	24,845	25,461	24,996	24,665	23,749	22,542	19,944	19,255	19,688	19,878
Stormwater Utility										
Street Sweeping (miles)	7,141	6,688	7,003	7,767	5,887	5,846	5,248	6,256	6,358	6,750
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	575	614	600	600	600	600	600	1,208	2,075	14,876
Catch Basin Cleaning (#)	193	173	181	212	200	589	319	122	307	468
Transit										
Total Route Miles	478,329	477,266	471,711	471,711	471,682	501,025	553,104	531,643	509,829	452,897
Ridership (#)	392,306	396,773	352,144	338,739	364,696	393,347	432,739	447,632	430,741	391,385

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>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>	<u>2016</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	30	36	37	39	37	37	18	19	19	19
Police Squads							23	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	11	11	11	11	12
EMS Vehicles (Ambulances)	5	6	6	6	6	6	6	6	6	8
Support Vehicles	11	11	11	11	11	12	12	12	13	15
Public Works:										
Streets (miles)	345	350	350	350	350	350	350	350	350	350
Street Lights (city owned)	2103	2185	2215	2278	2267	2286	2265	2,317	2,322	2445
Traffic Signals (intersections)	79	76	71	71	71	71	72	73	64	64
Parks and Recreation:										
Number of Parks	63	64	64	64	64	64	64	64	64	64
Acreage of Parkland	2580	2580	2590	2590	2595	2595	2595	2595	2595	2595
Number of Swimming Pools	3	3	3	3	3	3	3	3	3	3
Water Utility:										
Number of Wells	8	8	8	8	8	8	8	8	8	8
Number of Reservoirs	6	7	7	7	7	7	7	7	7	7
Miles of Water Main	362	366	367	367	368	368	369	370	370	370
Number of Hydrants	2528	2552	2553	2561	2561	2561	2581	2,606	2,606	2708
Storage Capacity (million gallons)	15.34	15.84	15.84	15.84	15.84	15.84	15.84	16	16	16
Production Capacity (million gallons/day)	32	32	32	35	35	35	35	35	35	35
Wastewater Utility:										
Miles of Sanitary Sewer	313	320	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
Stormwater Utility:										
Miles of Storm Sewer	177	179	179	180	180	180	180	180	180	180
Transit										
Number of Buses	21	21	21	20	20	17	17	17	17	17

Sources: Various City Departments