



CITY OF JANESVILLE

Wisconsin's Park Place

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT



FOR FISCAL YEAR ENDED
DECEMBER 31, 2017



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, 2017

Prepared By:

Finance Office

Maxwell Gagin, Finance Director
Mandy Price, CPA, Accounting Manager
Steve Wanninger, CPA, Senior Accountant
Kelsie Bannach, Accountant

CITY OF JANESVILLE, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

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June 25, 2018

**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, 2017.

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, 2017 are presented fairly in accordance with generally accepted accounting principles. The auditor's opinion is located at the front of the financial section of this report.

CITY HALL · 18 N. JACKSON ST., P.O. BOX 5005 · JANESVILLE, WI 53547-5005

Internal Controls

In developing the City's overall accounting system, consideration was given to the adequacy of internal accounting controls. The City Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

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

Background Information

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

In 1836, the Village of Rockport was platted on the west side of the Rock River. In 1839, Rockport was named the Rock County seat. In 1840, Mr. Henry Janes established the original plat of Janesville on the east side of the Rock River in the area of the current central business district. In 1853, seven and one-half square miles of land on both sides of the Rock River were incorporated into the City of Janesville. Population growth during the City's first 100 years was moderate but steady (1900 Census totaled 13,187, and 1950 Census 24,899), and was accommodated almost entirely within the City's original land area. However, the population doubled between 1940 and 1960. Between 1960 and 1970 the annual growth rate was over three percent per year. The growth rate between 1970 and 1980 was one percent per year. During the 1980's the population remained stable, increasing only two percent from 51,071 in 1980 to 52,210 in 1990. Between 1990 and 2000 the City experienced a population growth of 7,990, or 15.3%. 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 555 full-time and part-time employees.

Major Initiatives

Momentum continued in downtown revitalization as the City completed the demolition of the parking plaza over the Rock River, the first major step in executing the ARISE strategy. Once the parking plaza was removed, the City constructed the first phase of the Town Square, which included the Great River Lawn, stone seating, steps leading down to the Rock River, a floating dock, and a kayak/canoe launch.

The local economy continued to grow, stimulated in part by the work of the City. Economic Development invested \$6.7 million through Tax Increment Financing Development Agreements to create 88 new jobs and spur \$35.6 million in private investment. Also, the Building Division issued 93 new home building permits in 2017.

The City completed the largest street maintenance and utility program in more than a decade with more than 12 miles improved. Significant projects include the rehabilitation E. Milwaukee St. and the conversion of Austin Rd. to an urban cross section street.

The Janesville Fire Department had a busy year, with a 3.9% increase in calls for service over 2016. Also, the Janesville and Milton Fire Departments finalized the Shared Services Agreement which includes shared administration.

The Janesville Police Department guided the community through the Joseph Jakubowski manhunt, the largest law enforcement operation in Janesville's history. The Police Department also developed a mental health flagging system to alert officers of the individual's condition and to provide strategies for a successful encounter. This initiative has gained state-wide and national attention.

Three elections were administered by the Clerk-Treasurer's Office, with a total of 11,745 votes cast in February, April, and November.

The Neighborhood and Community Services Department assisted 25 low income households with down payment assistance to purchase their first home; provided loans and assistance to 30 homeowners, rental property owners, and developers to have decent, safe and affordable housing; and assisted an average of 510 extremely low income families per month with rental assistance.

Janesville Transit provided over 392,000 bus rides throughout 2017.

The Parks Division rebuilt one playground at Kiwanis Park and the Recreation Division provided programs for nearly 268,000 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 \$2.74 billion in retail sales reported for Rock County has grown extensively from 43% in 2007 to 63% in 2015 as reported by ESRI and Infogroup. Rock County, in 2017, 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:

2017- \$13,765,955	2016- \$13,245,421	2015 - \$12,280,876
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2017 continued the positive trend of development of additional retail and commercial projects within the City. The redevelopment of the former Menards store on Pontiac Place was completed at the end of 2017. This 78,000 square foot building has been converted into four fully-leased mid-box tenants and the City entered into a TIF development agreement for the construction of an 89-room Marriott Towne Place Suites Hotel of 54,000 square feet on a portion of the remaining acreage. An agreement for a second hotel to be located downtown was entered into with Cobblestone, a Wisconsin-based hotel company. That hotel will be 34,000 square feet and 54 rooms. An agreement for the Marquette Apartments, the rehabilitation of a historic apartment building along Main Street consisting of 14 units of upper end, downtown housing was also executed in 2017.

2017 advanced the industrial development in the City, continuing the momentum which began a surge in 2015. This included Upper Lakes Foods signing a lease and requiring an expansion of 50,000 square feet (total occupancy of 150,000 square feet) within a speculative industrial building located in the east side industrial park which was started in late 2016. Upper Lakes who guaranteed adding 57 jobs with their occupancy has out-performed the requirement by adding more than 90 jobs by year end. Playstar Inc, a locally-grown residential playset manufacturer, started construction of a new 58,300 square foot facility on a vacant site along Beloit Avenue in 2017 which will eventually add 10 jobs over the next three years. Raptor Enterprises, also known as Rinehart Targets, entered into an agreement to construct a 9,000 square foot addition to their facility after having purchased and rehabilitated a vacant warehouse adjacent to their site. They guaranteed adding an additional 16 jobs over the next three years in addition to retaining the existing 40 jobs at the company. A second contractor shop for an electrical contractor was also constructed in the East Side Industrial Park in 2017.

Overall TIF Agreements resulted in a guaranteed additional investment of over \$22.6 million dollars and 351,700 square feet of new or rehabilitated space.

The Dollar General Distribution Center which was completed and started operation at the end of 2016 is now the largest single taxpayer within the City of Janesville. The site has a total assessed value of over \$55 million dollars and the 2017 payable in 2018 real property tax is \$1,433,255.

On the local housing side, continued increases in the average housing price for houses sold now

and the highest recorded by an Wisconsin Metro Area.

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

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

Reporting Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Janesville for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended December 31, 2016. This was the twenty-fourth 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 Office.



Mark Freitag, City Manager



Maxwell Gagin, 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
Tom Wolfe, Council Vice President	April 2019
Sue Conley	April 2019
Jim Farrell	April 2019
Richard Gruber	April 2020
Jens Jorgensen	April 2020
Paul Williams	April 2020

CERTIFIED PUBLIC ACCOUNTANTS

Baker Tilly Virchow Krause, LLP
Madison, Wisconsin

BOND COUNSEL

Kutak Rock
Chicago, Illinois

MUNICIPAL ADVISOR

Wisconsin Public Finance Professionals LLC
Milwaukee, Wisconsin

CITY OF JANESVILLE, WISCONSIN
General Information

APPOINTED OFFICIALS

City Manager – Mark Freitag
Deputy City Manager – Ryan McCue

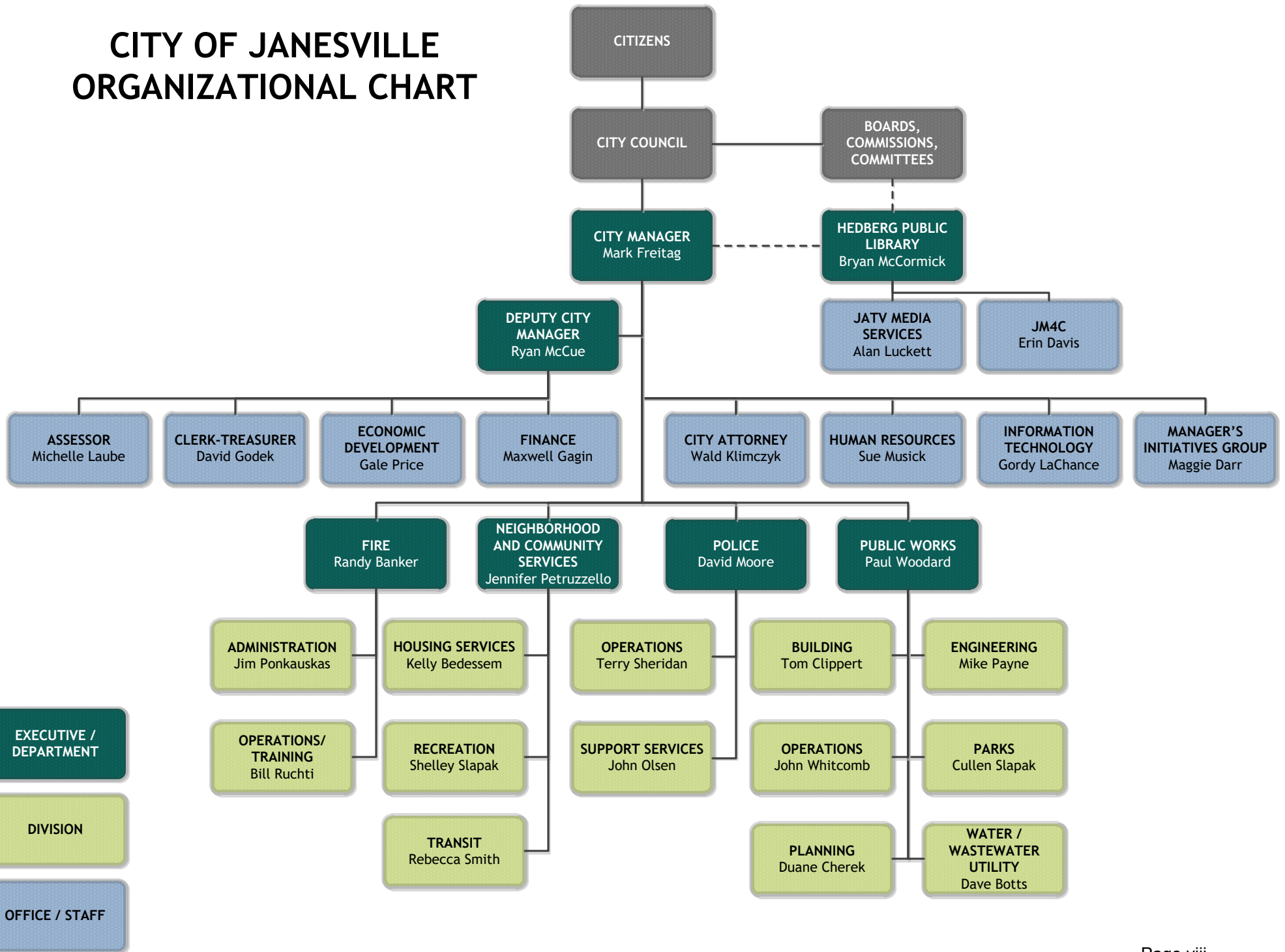
Department Heads

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

Division/Office Heads

Kelly Bedessem, Housing Services Director
Dave Botts, Utility Director
Maxwell Gagin, Finance 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





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, 2016

Christopher P. Morill

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, 2017, 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.

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, 2017 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 consider 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, 2017 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, 2017 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, 2017, 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, 2017.

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, 2016 (not presented herein), and have issued our report thereon dated June 21, 2017, 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, 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 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, 2016.

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 15, 2018

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, 2017, with comparative data for fiscal year ended December 31, 2016. 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, 2017 by \$294,636,664 (net position). Of this amount, \$268,567,875 represented the City's net investment in capital assets, \$25,003,917 was restricted, and \$1,064,872 was unrestricted. See page 16 for details.
- > During the year, the City's total net position increased by \$1,224,815, or 0.4%. This increase indicated that the City's overall financial position improved during 2017. This was a net of business-type activities increasing \$2,601,304, which was offset by governmental functions decreasing by \$1,376,489. See page 8 for explanations for changes in net position.
- > As of December 31, 2017, the City of Janesville's Governmental Funds reported combined ending fund balances of \$25,616,752, an increase of \$666,148, or 2.7%, in comparison with the prior year. Approximately 37% of the fund balance, \$9,591,277, is available for spending at the government's discretion (Committed, Assigned, and Unassigned Fund Balance). See pages 18-21 for details.
- > The General Fund is the main operating fund of the City, and the largest component of the Governmental Funds. As of December 31, 2017, the Assigned and Unassigned Fund Balance for the General Fund was \$7,016,294, or 17.8%, of the 2017 budgeted General Fund operating expenditures. See pages 18-21 for details.
- > During 2017, actual General Fund revenues and other financing sources were \$260,679 more than the amount budgeted. Expenditures and other financing uses were \$237,318 less than budgeted. The City's original General Fund budget included usage of \$536,757 of Unassigned Fund Balance, but was amended by \$950,000 to fund the health insurance cost overage in the prior year. The fund balance decreased by \$988,760 primarily due to this transfer to the Insurance Fund. See pages 83 for details.
- > The City of Janesville's total notes and revenue bonds outstanding increased by \$1.9 million to \$114.5 million. General Obligation debt increased \$3.85 million and revenue bonds decreased \$1.9 million from 2016. See pages 58-62 for details.
- > Dollar General is now the City's largest taxpayer as construction of their distribution center is complete. Dollar General's properties are valued at nearly \$70 million and generate about \$1.8 million in property taxes per year.

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 - 83 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 84 and 85 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 86 and 87 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 89 - 126 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, 2017 and 2016 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 \$295 million at the close of 2017. This is an increase of \$1.2 million, or 0.4% above 2016.

City of Janesville's Summary Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$81,409,091	\$77,665,833	\$21,642,394	\$19,854,519	\$103,051,485	\$97,520,352
Capital assets (net)	<u>225,349,851</u>	<u>219,189,408</u>	<u>150,650,937</u>	<u>150,355,116</u>	<u>376,000,788</u>	<u>369,544,524</u>
Total Assets	<u>\$306,758,942</u>	<u>\$296,855,241</u>	<u>\$172,293,331</u>	<u>\$170,209,635</u>	<u>\$479,052,273</u>	<u>\$467,064,876</u>
Deferred outflow s of resources	<u>\$16,691,703</u>	<u>\$23,388,075</u>	<u>\$1,783,368</u>	<u>\$2,496,649</u>	<u>\$18,475,071</u>	<u>\$25,884,724</u>
Current liabilities	\$8,250,645	\$7,968,432	\$1,697,895	\$1,429,362	\$9,948,540	\$9,397,794
Long-term liabilities	<u>92,046,826</u>	<u>89,143,519</u>	<u>51,378,530</u>	<u>52,676,561</u>	<u>143,425,356</u>	<u>141,820,080</u>
Total Liabilities	<u>\$100,297,471</u>	<u>\$97,111,951</u>	<u>\$53,076,425</u>	<u>\$54,105,923</u>	<u>\$153,373,896</u>	<u>\$151,217,874</u>
Deferred inflow s of revenues	<u>\$48,778,190</u>	<u>\$47,379,896</u>	<u>\$738,594</u>	<u>\$939,985</u>	<u>\$49,516,784</u>	<u>\$48,319,881</u>
<u>Net Position:</u>						
Net investment in capital assets	\$167,011,926	\$165,651,458	\$102,001,949	\$101,129,446	\$268,567,875	\$266,213,904
Restricted	15,754,928	13,556,068	9,248,989	8,665,188	25,003,917	22,221,256
Unrestricted (deficit)	<u>(8,391,870)</u>	<u>(3,456,053)</u>	<u>9,010,742</u>	<u>7,865,742</u>	<u>1,064,872</u>	<u>4,976,689</u>
Total Net Positon	<u>\$174,374,984</u>	<u>\$175,751,473</u>	<u>\$120,261,680</u>	<u>\$117,660,376</u>	<u>\$294,636,664</u>	<u>\$293,411,849</u>

The largest portion of the City of Janesville's net position (approximately 91.2%) reflects its investment in capital assets (i.e., land, land improvements, buildings, furniture and fixtures, vehicles and equipment, plant in service, infrastructure and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Janesville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Janesville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Janesville's net position (approximately 8.5%) 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 \$1,064,872.

Net position decreased by \$1,376,489 (0.8%) for governmental activities and increased \$2,601,304 (2.2%) 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		
	2017	2016	2017	2016	2017	2016	
REVENUES							
Charges for Services	\$ 18,176,872	\$ 18,125,007	\$ 22,411,836	\$ 20,944,900	\$ 40,588,708	\$ 39,069,907	
Operating Grants & Contributions	4,414,390	4,976,353	2,057,853	2,076,668	6,472,243	7,053,021	
Capital Grants & Contributions	1,317,123	878,645	388,327	1,276,126	1,705,450	2,154,771	
General Revenues:							
Property Taxes	37,634,880	34,854,348	-	-	37,634,880	34,854,348	
Other Taxes	2,531,389	2,319,788	-	-	2,531,389	2,319,788	
Inter-Governmental Revenues Not							
Restricted to Specific Programs	5,628,245	5,446,331	-	-	5,628,245	5,446,331	
Investment Income	503,534	230,186	106,601	68,878	610,135	299,064	
Miscellaneous	<u>1,119,538</u>	<u>1,132,803</u>	<u>26,516</u>	<u>-</u>	<u>1,146,054</u>	<u>1,132,803</u>	
Total Revenues	<u>71,325,971</u>	<u>67,963,461</u>	<u>24,991,133</u>	<u>24,366,572</u>	<u>96,317,104</u>	<u>92,330,033</u>	
EXPENSES							
General Government	\$4,959,538	\$ 4,993,527	\$ -	\$ -	\$ 4,959,538	\$ 4,993,527	
Public Safety	30,184,659	27,177,668	-	-	30,184,659	27,177,668	
Public Works	18,612,387	19,462,880	-	-	18,612,387	19,462,880	
Recreation & Parks	5,100,992	5,064,956	-	-	5,100,992	5,064,956	
Community/Economic Dev.	8,282,763	8,912,887	-	-	8,282,763	8,912,887	
Library	4,661,471	4,426,420	-	-	4,661,471	4,426,420	
Interest and Fiscal Charges	1,294,272	1,388,302	-	-	1,294,272	1,388,302	
Water Utility	-	-	5,416,823	5,491,647	5,416,823	5,491,647	
Wastewater Utility	-	-	9,202,044	9,395,932	9,202,044	9,395,932	
Stormwater Utility	-	-	3,165,055	2,785,314	3,165,055	2,785,314	
Transit	-	-	4,212,285	4,078,184	4,212,285	4,078,184	
Total Expenses	<u>73,096,082</u>	<u>71,426,640</u>	<u>21,996,207</u>	<u>21,751,077</u>	<u>95,092,289</u>	<u>93,177,717</u>	
Increase in Net Position Before Transfers	(1,770,111)	(3,463,179)	2,994,926	2,615,495	1,224,815	(847,684)	
Transfers	<u>393,622</u>	<u>587,658</u>	<u>(393,622)</u>	<u>(587,658)</u>	<u>-</u>	<u>-</u>	
Increase in Net Position	(1,376,489)	(2,875,521)	2,601,304	2,027,837	1,224,815	(847,684)	
Net Position, beginning 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>	
Net Position, end of year	<u>\$ 174,374,984</u>	<u>\$ 175,751,473</u>	<u>\$ 120,261,680</u>	<u>\$ 117,660,376</u>	<u>\$ 294,636,664</u>	<u>\$ 293,411,849</u>	

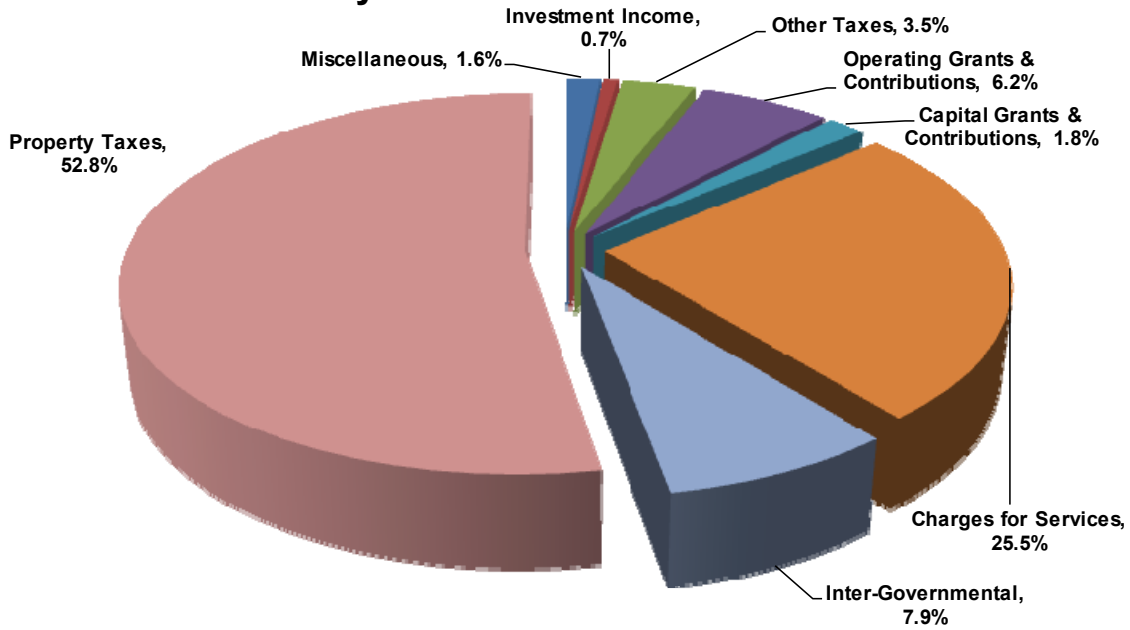
The total revenues have increased by \$3,987,071, or 4.3%. This is primarily due to increases in Property Taxes (\$2,780,532) for the TIF levy and Charges for Services (\$1,518,801) water, wastewater, and stormwater rate increases.

The total expenses on the statement of activities increased by \$1,914,572, or 2.1%, in 2017 driven by increases in Public Safety spending (\$3,006,991) offset by \$850,493 less spent in Public Works compared to 2016.

Governmental Activities. The pie chart below shows a picture of how governmental activities were funded in 2017. Property taxes are the primary source of funding for governmental services providing just over half (52.8%) of the City's total governmental revenues. Charges for Services decreased to 25.5%. State

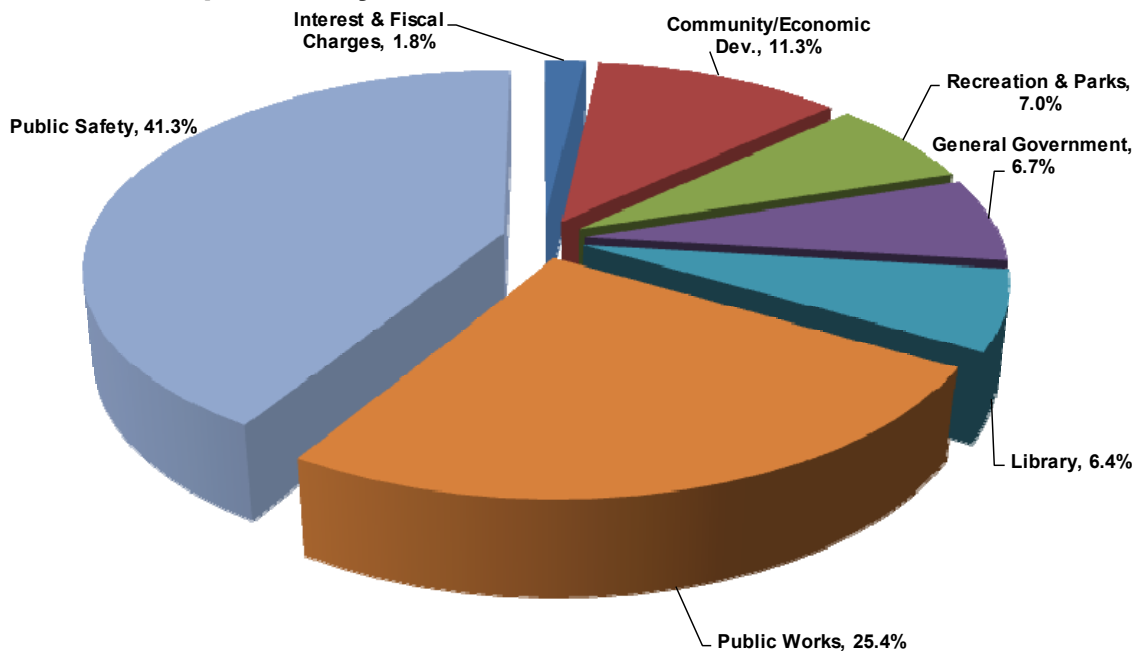
Aids (Inter-Governmental Revenues) decreased slightly to 7.9%. Operating Grants contributed 6.2%, and Capital Grants and Contributions 1.8%. Capital grants and contributions vary depending upon the specific capital projects.

Revenues by Source – Governmental Activities



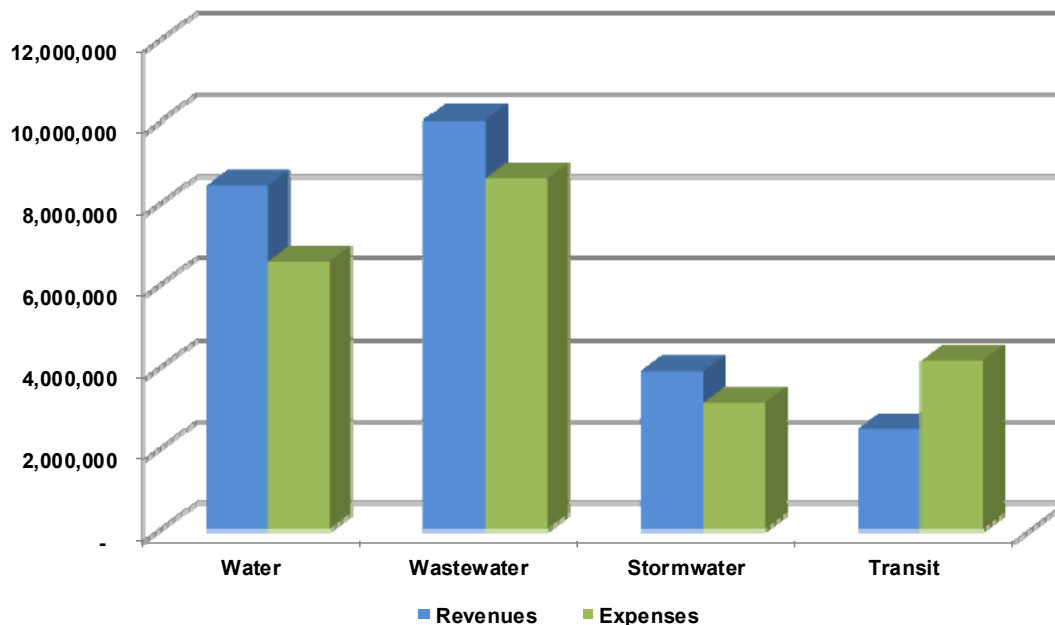
The pie chart below categorizes expenses by governmental functions. Public Safety was the largest category of expense at 41.3% of the total. Public Works was the next largest expense category with 25.4% of the total governmental activities.

Expenses by Function – 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 2017. The Transit fund requires annual transfers from the General Fund.

Program Revenues and Expenses – Business-Type Activities



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 with new rates going to effect on August 7, 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 (\$1,473,530), which is included in transfers on the statement of activities.

The Water Utility generated operating revenue of \$8,147,310, which is \$182,790 (2.2%) less than budgeted in 2017 due to declining residential and commercial water usage. Water operating expenses and payment in lieu of property tax transfer of \$6,566,281 were \$165,727 (2.5%) over budget due to higher depreciation.

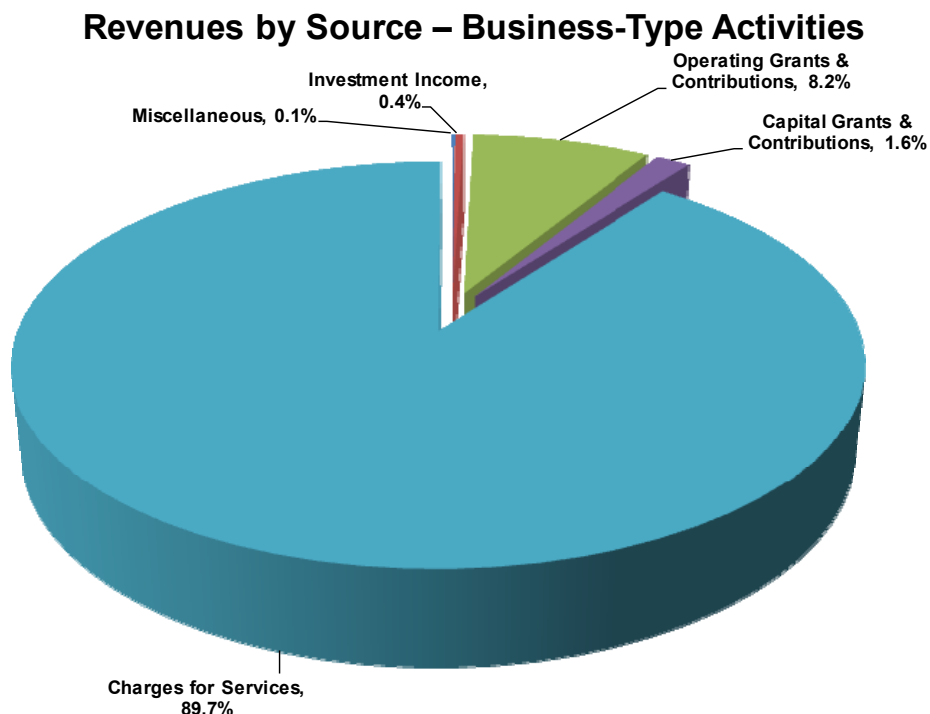
The Wastewater Utility produced a net operating income of \$1,322,219 in 2017 compared to \$658,772 in 2016. Operating revenue of \$9,941,257 was \$20,457 (0.2%) more than budgeted. Operating expenses of \$8,619,038 were \$197,474 (2.2%) less than budgeted. This was primarily due to less depreciation than budgeted (\$187,328).

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 \$747,992. This revenue is used to pay its debt service requirements, which were \$516,375 in 2017.

Transit received 55.5% of its operating budget from combined Federal and State operating grants. Historically, this funding has remained relatively constant near the maximum. Transit Fare revenue increased \$7,343 from the previous year, mostly due to increased ridership, and provided 13% of the revenue. Transit operations are funded in part by General Fund transfers, 30% in 2017. The 2017

General Fund Subsidy for operation of the Transit system was \$988,803, which was \$18,295 more than budgeted primarily due to increased fuel and part costs.

As shown in the pie chart below, revenues from the business-type activities come primarily from Charges for Services (89.7%), Operating Grants (8.2%), and Capital Grants and Contributions (1.6%) Operating grants and contributions are primarily State and Federal grants for the Transit System while Capital Contributions are special assessments in Water and Wastewater Utilities for system expansion.



Financial Analysis of the City’s Major Funds

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

Governmental Funds. The focus of the City of Janesville’s Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Janesville’s financing requirements. In particular, Unrestricted Fund Balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the City of Janesville’s Governmental Funds reported combined ending balances of \$25,616,752, an increase of \$666,148, or 2.7%, in comparison with the prior year. A portion of the funds balance is nonspendable for long-term receivables (\$1,256,614) which are unavailable for spending; and prepaid items and inventories (\$258,701) that has already been spent. The Restricted fund balance of \$14.5 million is restricted by creditors, grantors, or property tax levies to pay: (1) debt service (\$3,261,709); (2) capital projects activities (\$3,247,894); and (3) special revenue activities (\$8,000,557). Approximately \$9.5 million, or 37.4% of the fund balance, constitutes Committed, Assigned, and Unassigned Fund Balance. These balances include \$1,036,695 that has been committed to special revenue purposes by resolutions and ordinances, \$3,264,357 committed for Sanitation, \$537,395 assigned to fund the 2018 budget, \$2,012,378 assigned to future capital projects, and unassigned funds of \$2,740,452.

The *General Fund* is the chief operating fund of the City of Janesville. As of December 31, 2017, the total fund balance of the General Fund was \$8,272,908, of which \$7,016,294 was unrestricted (Assigned and Unassigned). This Unrestricted Fund Balance represents approximately 14.8% of total General Fund expenditures and transfers out for 2017, while the total fund balance represents approximately 17.5% of that same amount.

The City of Janesville's General Fund balance decreased \$988,760 vs. a budget to decrease \$1,486,757 in 2017. Revenues exceeded budget by \$187,149 while expenditures were under budget by \$255,613 and other financing sources (uses) were \$55,235 over budget when netted. Budget savings were the result of salary and benefit savings from vacant positions and less snow removal events in 2017.

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, 2017 was \$3,264,357, an increase of \$1,434,751 from 2016. Operating revenue was over realized by \$770,184 due to an increase in user fees and disposal fees as a result of higher tonnage received. The Sanitary Landfill received 181,750 tons of waste in 2017, which is the highest amount since 2011. Operating expenses were over budget by \$114,408 primarily because of increased DNR fees associated with increased tonnage.

The *Debt Service Fund* has a total fund balance of \$3,261,709, all of which is restricted for the payment of debt service. The fund balance increased by \$623,637.

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, 2017 was \$5,476,973, a decrease of \$1,730,963 from the previous year. The decrease is primarily due to the reallocation and spending of prior note proceeds for the street rehabilitation 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 increased by \$1,327,483 in 2017 primarily due to excess increment generated in TIF Districts 22, 32, and 33.

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 \$2.6 million to \$118.2 million as of December 31, 2017. Most of this increase is due to assets placed into service.

The net position of the City's Vehicle Operations & Maintenance and Insurance Internal Service Funds decreased by \$91,248 to \$2,493,961 due almost exclusively to the higher cost of health claims.

General Fund Budgetary Highlights

The Budgetary Comparison Schedule – General Fund indicates that the amended 2017 budget for expenditures and transfers out was \$47,627,175, funded by anticipated revenues and property taxes (\$46,140,418), 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 (\$536,757). The 2017 budget was amended to include \$950,000 to cover health insurance claim overages from 2016.

Actual revenues and transfers resulted in a favorable revenue variance of \$260,679 or 0.6% more than the amount budgeted for 2017. The average favorable revenue variance over the past five years has been 0.4%.

The major revenue budget to actual variances are as follows:

- General Fund Tax Levy – (\$189,251) lower than budget due primarily to refunds paid large commercial taxpayers
- Cable TV – (\$58,473) lower than budget and (\$75,322) less than peak revenue in 2015
- Court Fines – (\$58,003) lower than budget
- Investment Income – \$129,533 more than budget as interest rates continue to increase. This is the higher amount of Investment Income earned since 2011
- Community Development Permits – Overall revenue was \$67,796 more than budget and residential permit fee revenue was \$96,971 more than budget.
- Public Works Service Charges - \$88,186 more than budget due to increased construction activity (plan approval fees and right-of-way excavation)
- Fire Department Service Charges – \$87,674 more than budget 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 \$237,318, or 0.5% less than the amended budget. The average amount returned from unexpended budget allocations over the past five years has been 2.0%.

- Budget savings of \$287,745 were gained in wages, salaries, and benefits related to the vacant positions primarily in Public Works
- Snow removal was \$137,385 under budget due to less winter events in 2017 compared to most years
- Attorney Office was (\$90,682) over budget in outside legal fees primarily driven by excessive assessment claims and other litigation

Additional information on the General Fund budget performance can be found in the supplementary information schedules on pages 89 – 92.

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, 2017 of \$376 million.

City of Janesville						
Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$36,971,895	\$36,989,215	\$1,033,509	\$1,033,509	\$38,005,404	\$38,022,724
Construction in Progress	2,896,533	676,048	337,855	358,433	3,234,388	1,034,481
Land Improvements	9,903,905	9,903,905	977,853	997,512	10,881,758	10,901,417
Buildings	43,295,892	42,617,393	44,468,788	44,350,278	87,764,680	86,967,671
Furniture and Fixtures	9,700,695	9,816,535	4,805,680	4,818,315	14,506,375	14,634,850
Vehicles and Equipment	26,554,611	26,158,841	36,460,103	36,356,002	63,014,714	62,514,843
Plant in Service	-	-	144,026,673	138,418,112	144,026,673	138,418,112
Infrastructure	<u>201,756,573</u>	<u>194,929,944</u>	<u>-</u>	<u>-</u>	<u>201,756,573</u>	<u>194,929,944</u>
Total Capital Assets	\$331,080,104	\$321,091,881	\$232,110,461	\$226,332,161	\$563,190,565	\$547,424,042
Less Accumulated						
Depreciation	<u>(105,730,253)</u>	<u>(101,902,473)</u>	<u>(81,459,524)</u>	<u>(75,972,886)</u>	<u>(187,189,777)</u>	<u>(177,875,359)</u>
Capital Assets Net of						
Depreciation	<u>\$225,349,851</u>	<u>\$219,189,408</u>	<u>\$150,650,937</u>	<u>\$150,359,275</u>	<u>\$376,000,788</u>	<u>\$369,548,683</u>

In 2017, capital asset additions were \$22,852,357, and retirements were \$6,848,582. Significant capital asset additions include the following:

Wastewater Utility	Collection System Construction/Additions	\$1,315,105
Water Utility	Distribution System Construction/Additions	\$4,325,706
Stormwater Utility	Collection/Retention Infrastructure	\$249,311
Library	Collection	\$371,552
Infrastructure	Street Construction/ Reconstruction	\$2,969,558
	Landfill Improvements	\$2,804,541
	Sidewalks	\$1,001,899
Land and Building	City Hall- Elevator Modernization	\$661,436
Capital Equipment	2017 Bomag Compactor	\$750,210
	Fire Department - Rescue Pumper	\$524,338
	2018 Mack - Automated Collection Vehicle	\$259,136

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 \$114 million of long-term notes, bonds and capital leases outstanding, as summarized in the following table.

City of Janesville						
Notes and Bonds Outstanding						
	Governmental Activities		Business Type-Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds and Notes	\$65,329,000	\$62,258,000	\$26,566,000	\$25,787,000	\$91,895,000	\$88,045,000
Revenue Bonds	-	-	22,567,392	24,479,364	22,567,392	24,479,364
Total	<u>\$65,329,000</u>	<u>\$62,258,000</u>	<u>\$49,133,392</u>	<u>\$50,266,364</u>	<u>\$114,462,392</u>	<u>\$112,524,364</u>

The 2017 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 \$230,289,900, which significantly exceeds the City of Janesville's current outstanding General Obligation Debt of \$91,895,000. As of December 31, 2017, the City of Janesville's outstanding general obligation debt equaled 40% of the State authorized debt.

The City of Janesville issued General Obligation Promissory Notes to finance the annual capital improvement program (CIP). The issue closed on July 12, 2017. It includes funding street infrastructure improvements (\$5,537,000); water, wastewater, and stormwater infrastructure improvements (\$4,789,000); Sanitary Landfill improvements (\$3,327,000); and ARISE Town Square improvements (\$1,213,000).

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 annual unemployment rate for the City of Janesville was 3.6% for 2017, a decrease from 4.3% in 2016. This compares to the unemployment rate of 3.3% for the State of Wisconsin and a national unemployment rate of 4.4% in 2017.
- > The City's total equalized property value at January 1, 2017 was \$4,605,798,000. This compares to the previous year's total of \$4,165,074,300, a 10.6% increase.
- > The Janesville City Council adopted the 2018 general city budget (General Fund and Library) that included a 0.28% increase in non-property tax revenue and applied fund balance and a 3.70% increase in total expenditures funded by a 6.80% increase in the property tax levy. When combined with a 2.01% increase in assessed property valuation, the property tax rate increased by 4.70%.
- > 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, 2017

	Governmental Activities	Business- type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 27,428,047	\$ 1,992,226	\$ 29,420,273	\$ 69,464
Receivables (net)				
Taxes receivable	42,776,802	-	42,776,802	-
Accounts	4,242,646	7,549,448	11,792,094	6,484
Special assessments receivable	793,732	164,668	958,400	-
Other receivables	40,468	112,489	152,957	-
Prepaid items and inventories	636,394	592,921	1,229,315	-
Internal balances	(625,141)	625,141	-	-
Restricted assets				
Cash and investments	-	10,605,501	10,605,501	-
Deposit with risk pool	1,604,120	-	1,604,120	-
Loans receivable (net)	4,512,023	-	4,512,023	-
Capital Assets				
Land	36,971,895	1,033,509	38,005,404	-
Construction in progress	2,896,533	337,855	3,234,388	-
Other capital assets, net of depreciation	185,481,423	149,279,573	334,760,996	20,892
Total Assets	<u>306,758,942</u>	<u>172,293,331</u>	<u>479,052,273</u>	<u>96,840</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>16,691,703</u>	<u>1,783,368</u>	<u>18,475,071</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	8,250,645	1,377,655	9,628,300	17,800
Payable from restricted assets	-	320,240	320,240	-
Noncurrent liabilities				
Due within one year	14,448,026	6,357,623	20,805,649	-
Due in more than one year	77,598,800	45,020,907	122,619,707	-
Total Liabilities	<u>100,297,471</u>	<u>53,076,425</u>	<u>153,373,896</u>	<u>17,800</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	41,900,113	-	41,900,113	-
Pension-related amounts	<u>6,878,077</u>	<u>738,594</u>	<u>7,616,671</u>	<u>-</u>
Total Deferred Inflows	<u>48,778,190</u>	<u>738,594</u>	<u>49,516,784</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	167,011,926	102,001,949	268,567,875	20,892
Restricted for				
Equipment replacement	-	6,828,351	6,828,351	-
Debt service	3,392,130	2,420,638	5,812,768	-
Grants	5,843,283	-	5,843,283	-
Library	614,660	-	614,660	-
TIF districts	2,736,559	-	2,736,559	-
Landfill long-term care	3,168,296	-	3,168,296	-
Unrestricted (deficit)	<u>(8,391,870)</u>	<u>9,010,742</u>	<u>1,064,872</u>	<u>58,148</u>
TOTAL NET POSITION	<u>\$ 174,374,984</u>	<u>\$ 120,261,680</u>	<u>\$ 294,636,664</u>	<u>\$ 79,040</u>

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

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	\$ 4,959,538	\$ 661,384	\$ 1,744,798	\$ -	\$ (2,553,356)	\$ -	\$ (2,553,356)	
Public safety	30,184,659	3,961,556	283,302	20,196	(25,919,605)	-	(25,919,605)	
Public works	18,612,387	9,735,725	941,632	549,948	(7,385,082)	-	(7,385,082)	
Recreation and parks	5,100,992	2,262,955	-	-	(2,838,037)	-	(2,838,037)	
Community and economic development	8,282,763	695,989	1,064,515	746,979	(5,775,280)	-	(5,775,280)	
Library	4,661,471	859,263	380,143	-	(3,422,065)	-	(3,422,065)	
Interest and fiscal charges	1,294,272	-	-	-	(1,294,272)	-	(1,294,272)	
Total Governmental Activities	73,096,082	18,176,872	4,414,390	1,317,123	(49,187,697)	-	(49,187,697)	
Business-type Activities								
Water Utility	5,416,823	8,147,310	-	292,498	-	3,022,985	3,022,985	
Wastewater Utility	9,202,044	9,941,257	-	88,752	-	827,965	827,965	
Stormwater Utility	3,165,055	3,870,328	35,276	-	-	740,549	740,549	
Transit	4,212,285	452,941	2,022,577	7,077	-	(1,729,690)	(1,729,690)	
Total Business-type Activities	21,996,207	22,411,836	2,057,853	388,327	-	2,861,809	2,861,809	
Total Primary Government	\$ 95,092,289	\$ 40,588,708	\$ 6,472,243	\$ 1,705,450	(49,187,697)	2,861,809	(46,325,888)	
Component Unit- Community Development Authority	\$ 2,998,886	\$ 52,252	\$ 3,037,300	\$ -	-	-	-	\$ 90,666
General Revenues								
Taxes								
Property taxes, levied for general purposes					29,731,972	-	29,731,972	-
Property taxes, levied for the library					3,272,586	-	3,272,586	-
Property taxes, levied for TIF Districts					4,630,322	-	4,630,322	-
Other taxes					2,531,389	-	2,531,389	-
Intergovernmental revenues not restricted to specific programs					5,628,245	-	5,628,245	-
Investment income					503,534	106,601	610,135	75
Miscellaneous					1,119,538	26,516	1,146,054	-
Total General Revenues					47,417,586	133,117	47,550,703	75
Transfers					393,622	(393,622)	-	-
Change in Net Position					(1,376,489)	2,601,304	1,224,815	90,741
NET POSITION (DEFICIT) - Beginning of Year					175,751,473	117,660,376	293,411,849	(11,701)
NET POSITION - END OF YEAR					\$ 174,374,984	\$ 120,261,680	\$ 294,636,664	\$ 79,040

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, 2017

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 4,127,977	\$ 2,121,138	\$ 3,248,632	\$ 6,279,838	\$ 8,416,357	\$ 24,193,942
Receivables						
Taxes	32,651,081	312,110	298,942	-	9,514,669	42,776,802
Accounts	1,506,086	1,190,873	-	177,972	1,217,584	4,092,515
Special assessments	-	-	377,134	-	77,645	454,779
Delinquent special assessments	-	-	338,953	-	-	338,953
Accrued investment income	40,468	-	-	-	-	40,468
Due from other funds	5,146,135	-	-	393,797	-	5,539,932
Inventories	-	-	-	216,701	-	216,701
Prepaid items	3,220	-	-	-	42,000	45,220
Loans receivable (net)	-	-	-	-	4,512,023	4,512,023
TOTAL ASSETS	\$ 43,474,967	\$ 3,624,121	\$ 4,263,661	\$ 7,068,308	\$ 23,780,278	\$ 82,211,335

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 2,180,502	\$ 326,326	\$ -	\$ 1,192,830	\$ 564,104	\$ 4,263,762
Accrued liabilities	370,477	33,438	-	4,708	78,878	487,501
Due to other funds	-	-	393,797	-	3,672,605	4,066,402
Total Liabilities	<u>2,550,979</u>	<u>359,764</u>	<u>393,797</u>	<u>1,197,538</u>	<u>4,315,587</u>	<u>8,817,665</u>
Deferred Inflows of Resources						
Unearned revenues	32,368,895	-	-	-	9,531,218	41,900,113
Unavailable revenues	282,185	-	608,155	393,797	4,592,668	5,876,805
Total Deferred Inflows of Resources	<u>32,651,080</u>	<u>-</u>	<u>608,155</u>	<u>393,797</u>	<u>14,123,886</u>	<u>47,776,918</u>
Fund Balances						
Nonspendable	1,256,614	-	-	216,701	42,000	1,515,315
Restricted	-	-	3,261,709	3,247,894	8,000,557	14,510,160
Committed	-	3,264,357	-	-	1,036,695	4,301,052
Assigned	537,395	-	-	2,012,378	-	2,549,773
Unassigned (deficit)	6,478,899	-	-	-	(3,738,447)	2,740,452
Total Fund Balances	<u>8,272,908</u>	<u>3,264,357</u>	<u>3,261,709</u>	<u>5,476,973</u>	<u>5,340,805</u>	<u>25,616,752</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 43,474,967	\$ 3,624,121	\$ 4,263,661	\$ 7,068,308	\$ 23,780,278	

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.	225,349,851
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. See Note IV. B.	5,876,805
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.	(92,677,342)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	16,691,703
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	(6,878,077)
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>395,292</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 174,374,984

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, 2017**

	General Fund	Sanitation	Debt Service	Capital Projects	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 30,923,050	\$ -	\$ -	\$ -	\$ 9,173,307	\$ 40,096,357
Licenses and permits	1,707,474	-	-	-	-	1,707,474
Investment income, rents and fines	746,543	-	103,670	153,783	378,749	1,382,745
State and federal aids	7,754,312	225,608	-	-	1,667,995	9,647,915
Special assessments	-	-	378,168	446,221	-	824,389
Service charges and other	3,796,188	9,277,576	-	178,532	4,552,482	17,804,778
Miscellaneous	-	-	-	-	623,787	623,787
Total Revenues	44,927,567	9,503,184	481,838	778,536	16,396,320	72,087,445
EXPENDITURES						
Current						
General government	4,031,973	-	-	-	-	4,031,973
Public safety	24,856,922	-	-	-	1,166,010	26,022,932
Public works	3,769,156	6,851,008	-	-	262,883	10,883,047
Recreation and parks	2,878,191	-	-	-	1,502,694	4,380,885
Community and economic development	1,660,177	-	-	-	6,793,186	8,453,363
Library	-	-	-	-	3,957,472	3,957,472
Capital Outlay	-	-	-	14,940,813	1,360,647	16,301,460
Debt Service						
Principal retirement	-	-	10,665,000	-	-	10,665,000
Interest and fiscal charges	-	-	1,346,868	-	25,170	1,372,038
Total Expenditures	37,196,419	6,851,008	12,011,868	14,940,813	15,068,062	86,068,170
Excess (deficiency) of revenues over expenditures	<u>7,731,148</u>	<u>2,652,176</u>	<u>(11,530,030)</u>	<u>(14,162,277)</u>	<u>1,328,258</u>	<u>(13,980,725)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	11,549,000	2,187,000	13,736,000
Premium on long-term debt	-	-	523,573	-	-	523,573
Transfers in	1,473,530	250,000	11,630,094	1,035,000	285,175	14,673,799
Transfers out	(10,193,438)	(1,467,425)	-	(152,686)	(2,472,950)	(14,286,499)
Total Other Financing Sources (Uses)	(8,719,908)	(1,217,425)	12,153,667	12,431,314	(775)	14,646,873
Net Change in Fund Balance	(988,760)	1,434,751	623,637	(1,730,963)	1,327,483	666,148
FUND BALANCES - Beginning of Year	<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>
FUND BALANCES - END OF YEAR	\$ 8,272,908	\$ 3,264,357	\$ 3,261,709	\$ 5,476,973	\$ 5,340,805	\$ 25,616,752

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, 2017

Net change in fund balances - total governmental funds	\$ 666,148
<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	16,301,460
Certain capital outlay expenditures were not capitalized and are reported as functional expenditures in the government-wide statements	(3,398,625)
Some items are capitalized that are reported as functional expenses in the fund financial statements	241,504
Some assets were contributed by donors or developers	340,948
Depreciation expense is reported in the government-wide statements	(7,093,475)
Net book value of remaining assets retired	(231,368)
<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	(309,202)
Special assessments receivable	(197,106)
Grants and other receivables	72,914
<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	(13,736,000)
Principal paid	10,665,000
<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	(1,426,973)
Landfill liability	62,000
Compensated absences	(139,549)
Accrued interest on debt	(22,932)
Net pension liability and related deferred outflows and inflows of resources	(2,688,317)
<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	(523,573)
Amortization of premium	168,541
The net revenues (expenses) of internal service fund activity is reported on the statement of activities.	<u>(127,884)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,376,489)</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, 2017

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current Assets					
Cash and working funds	\$ -	\$ 1,535,487	\$ 456,739	\$ 1,992,226	\$ 3,234,105
Accounts receivable	1,699,035	2,041,639	1,095,230	4,835,904	150,130
Unbilled revenue	954,007	1,087,139	672,400	2,713,546	-
Other accounts receivable	51,248	61,241	-	112,489	-
Due from other funds	-	1,158,175	-	1,158,175	-
Inventories	343,147	-	246,774	589,921	364,473
Prepaid items	3,000	-	-	3,000	10,000
Special assessments receivable	70,467	94,201	-	164,668	-
Restricted Assets					
Revenue bond redemption account	238,377	2,264,863	-	2,503,240	-
Construction account	566,491	692,427	14,992	1,273,910	-
Replacement account	-	6,828,351	-	6,828,351	-
Total Restricted Assets	<u>804,868</u>	<u>9,785,641</u>	<u>14,992</u>	<u>10,605,501</u>	<u>-</u>
Total Current Assets	<u>3,925,772</u>	<u>15,763,523</u>	<u>2,486,135</u>	<u>22,175,430</u>	<u>3,758,708</u>
Noncurrent Assets					
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)	91,938,674	113,703,776	25,096,647	230,739,097	-
Construction work in progress	135,501	18,196	184,158	337,855	-
Accumulated depreciation	<u>(29,129,771)</u>	<u>(43,272,359)</u>	<u>(9,057,394)</u>	<u>(81,459,524)</u>	<u>-</u>
Net Plant	<u>63,249,882</u>	<u>70,467,613</u>	<u>16,933,442</u>	<u>150,650,937</u>	<u>-</u>
Total Noncurrent Assets	<u>63,249,882</u>	<u>70,467,613</u>	<u>16,933,442</u>	<u>150,650,937</u>	<u>1,604,120</u>
Total Assets	<u>67,175,654</u>	<u>86,231,136</u>	<u>19,419,577</u>	<u>172,826,367</u>	<u>5,362,828</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	<u>574,917</u>	<u>428,095</u>	<u>780,356</u>	<u>1,783,368</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>574,917</u>	<u>428,095</u>	<u>780,356</u>	<u>1,783,368</u>	<u>-</u>

See accompanying notes to financial statements.

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 162,369	\$ 196,488	\$ 187,062	\$ 545,919	\$ 171,618
Claims payable	-	-	-	-	2,616,709
Accrued salaries and wages	144,800	188,120	224,224	557,144	80,540
Accrued interest	181,984	70,478	22,130	274,592	-
Due to other funds	2,160,716	-	470,989	2,631,705	-
Current portion of long-term debt	2,696,000	1,347,000	436,000	4,479,000	-
Current Liabilities Payable from Restricted Assets					
Construction payables	168,694	66,429	2,515	237,638	-
Current maturities of revenue bonds	198,773	1,679,850	-	1,878,623	-
Interest accrued on revenue bonds	5,876	76,726	-	82,602	-
Total Current Liabilities	<u>5,719,212</u>	<u>3,625,091</u>	<u>1,342,920</u>	<u>10,687,223</u>	<u>2,868,867</u>
Noncurrent Liabilities					
General obligation long-term debt payable	15,119,377	5,828,453	1,691,038	22,638,868	-
Revenue bonds	1,210,884	19,477,885	-	20,688,769	-
Other post employment benefits	867,093	65,089	541,084	1,473,266	-
Net pension liability	70,298	54,758	94,948	220,004	-
Total Noncurrent Liabilities	<u>17,267,652</u>	<u>25,426,185</u>	<u>2,327,070</u>	<u>45,020,907</u>	<u>-</u>
Total Liabilities	<u>22,986,864</u>	<u>29,051,276</u>	<u>3,669,990</u>	<u>55,708,130</u>	<u>2,868,867</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	238,076	178,743	321,775	738,594	-
Total Deferred Inflows of Resources	<u>238,076</u>	<u>178,743</u>	<u>321,775</u>	<u>738,594</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	44,422,645	42,760,423	14,818,881	102,001,949	-
Restricted per bond ordinance for:					
Debt service	232,501	2,188,137	-	2,420,638	-
Equipment replacement	-	6,828,351	-	6,828,351	-
Unrestricted (deficit)	(129,515)	5,652,301	1,389,287	6,912,073	2,493,961
TOTAL NET POSITION	<u>\$ 44,525,631</u>	<u>\$ 57,429,212</u>	<u>\$ 16,208,168</u>	<u>118,163,011</u>	<u>\$ 2,493,961</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>2,098,669</u>	
Net Position of Business-type Activities				<u>\$ 120,261,680</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, 2017

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 8,147,310	\$ 9,941,257	\$ 4,323,269	\$ 22,411,836	\$ 14,972,141
Total Operating Revenues	<u>8,147,310</u>	<u>9,941,257</u>	<u>4,323,269</u>	<u>22,411,836</u>	<u>14,972,141</u>
OPERATING EXPENSES					
Operation and maintenance	3,270,685	5,296,966	6,494,314	15,061,965	15,069,711
Depreciation	<u>1,894,342</u>	<u>3,322,072</u>	<u>792,926</u>	<u>6,009,340</u>	<u>-</u>
Total Operating Expenses	<u>5,165,027</u>	<u>8,619,038</u>	<u>7,287,240</u>	<u>21,071,305</u>	<u>15,069,711</u>
Operating Income (Loss)	<u>2,982,283</u>	<u>1,322,219</u>	<u>(2,963,971)</u>	<u>1,340,531</u>	<u>(97,570)</u>
NONOPERATING REVENUES (EXPENSES)					
Federal operating grants	-	-	1,100,284	1,100,284	-
State operating grants	-	-	870,184	870,184	-
Local operating subsidy	-	-	87,385	87,385	-
Investment income	8,474	96,505	1,623	106,602	-
Debt issuance costs	(33,165)	(9,028)	-	(42,193)	-
Amortization premium	51,015	21,272	3,015	75,302	-
Interest expense	(349,713)	(599,680)	(45,257)	(994,650)	-
Miscellaneous revenues (expenses)	<u>13,455</u>	<u>13,063</u>	<u>-</u>	<u>26,518</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(309,934)</u>	<u>(477,868)</u>	<u>2,017,234</u>	<u>1,229,432</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,672,349	844,351	(946,737)	2,569,963	(97,570)
CAPITAL CONTRIBUTIONS	292,498	88,752	7,077	388,327	-
TRANSFERS IN	-	-	1,079,908	1,079,908	950,000
TRANSFERS OUT	<u>(1,473,530)</u>	<u>-</u>	<u>-</u>	<u>(1,473,530)</u>	<u>(943,678)</u>
Net Change in Net Position	1,491,317	933,103	140,248	2,564,668	(91,248)
NET POSITION - Beginning of Year	<u>43,034,314</u>	<u>56,496,109</u>	<u>16,067,920</u>	<u>2,585,209</u>	<u>2,585,209</u>
NET POSITION - END OF YEAR	<u>\$ 44,525,631</u>	<u>\$ 57,429,212</u>	<u>\$ 16,208,168</u>	<u>\$ 2,493,961</u>	<u>\$ 2,493,961</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.

36,636

Change in net position of business-type activities

\$ 2,601,304

See accompanying notes to financial statements.

CITY OF JANESVILLE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2017

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 8,231,555	\$ 9,506,370	\$ 3,798,748	\$ 21,536,673	\$ 14,987,416
Cash paid to suppliers for goods and services	(1,451,958)	(2,919,052)	(2,855,783)	(7,226,793)	(13,540,951)
Cash payments to employees for services	(1,929,374)	(2,273,619)	(3,443,188)	(7,646,181)	(1,069,771)
Net Cash Flows From Operating Activities	<u>4,850,223</u>	<u>4,313,699</u>	<u>(2,500,223)</u>	<u>6,663,699</u>	<u>376,694</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidies received - federal	-	-	1,065,008	1,065,008	-
Subsidies received - state	-	-	870,184	870,184	-
Subsidies received - local	-	-	87,385	87,385	-
Paid to municipality for tax equivalent	(1,468,579)	-	-	(1,468,579)	-
Negative cash balance implicitly financed by other utilities	-	-	222,968	222,968	-
Due to other funds	(121,613)	-	-	(121,613)	-
Transfers from (to) other funds	-	-	1,079,908	1,079,908	950,000
Transfer to debt service	-	-	-	-	(58,678)
Transfer to capital projects	-	-	-	-	(885,000)
Net Cash Flows From Noncapital Financing Activities	<u>(1,590,192)</u>	<u>-</u>	<u>3,325,453</u>	<u>1,735,261</u>	<u>6,322</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash used to retire debt	(2,452,896)	(3,257,076)	(462,000)	(6,171,972)	-
Interest paid	(319,826)	(606,746)	(48,350)	(974,922)	-
Acquisition and construction of capital assets	(4,388,985)	(1,308,614)	(439,477)	(6,137,076)	-
Proceeds from long term debt issued	3,985,000	1,054,000	-	5,039,000	-
Issuance costs and premium on new debt	118,730	31,147	-	149,877	-
Construction grant received	-	-	35,276	35,276	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,057,977)</u>	<u>(4,087,289)</u>	<u>(914,551)</u>	<u>(8,059,817)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>8,474</u>	<u>96,505</u>	<u>1,623</u>	<u>106,602</u>	<u>-</u>
Net Change in Cash Cash Equivalents	210,528	322,915	(87,698)	445,745	383,016
CASH AND CASH EQUIVALENTS -					
Beginning 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>
CASH AND CASH EQUIVALENTS -					
END OF YEAR	<u>\$ 804,868</u>	<u>\$ 11,321,128</u>	<u>\$ 471,731</u>	<u>\$ 12,597,727</u>	<u>\$ 3,234,105</u>

	Water Utility	Wastewater Utility	Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,982,283	\$ 1,322,219	\$ (2,963,971)	\$ 1,340,531	\$ (97,570)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income (expense)	13,457	(84)	-	13,373	-
Depreciation	1,894,342	3,322,072	792,926	6,009,340	-
Depreciation charged to other accounts	120,510	-	839	121,349	-
Change in Noncash Components of Working Capital					
Accounts receivable	(221,134)	(341,246)	(524,521)	(1,086,901)	15,275
Other accounts receivable	(5,136)	(15,124)	-	(20,260)	-
Due from other funds	54,876	(78,312)	-	(23,436)	-
Inventories	(71,117)	-	(17,621)	(88,738)	25,057
Prepaid items	-	-	-	-	-
Accounts payable	5,191	7,993	94,852	108,036	(78,423)
Other current liabilities	12,765	24,626	23,016	60,407	512,355
Pension related deferrals and liabilities	96,705	72,335	118,114	287,154	-
Other post employment benefits	(32,519)	(780)	(23,857)	(57,156)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 4,850,223</u>	<u>\$ 4,313,699</u>	<u>\$ (2,500,223)</u>	<u>\$ 6,663,699</u>	<u>\$ 376,694</u>
Cash and investments - statement of net position	\$ -	\$ 1,535,487	\$ 456,739	\$ 1,992,226	\$ 3,234,105
Revenue bond redemption account - statement of net position	238,377	2,264,863	-	2,503,240	-
Restricted cash and investments - statement of net position	566,491	7,520,778	14,992	8,102,261	-
CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	<u>\$ 804,868</u>	<u>\$ 11,321,128</u>	<u>\$ 471,731</u>	<u>\$ 12,597,727</u>	<u>\$ 3,234,105</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2017, \$292,498 and \$101,904 of capital additions were contributed to the water and wastewater utilities, respectively, by customers and Tax Incremental Financing (TIF). In addition, \$52,275, \$25,430, and \$6,025 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, 2017

	<u>Tax Collection</u>
ASSETS	
Cash and investments	\$ 24,457,386
Taxes receivable	<u>46,360,007</u>
TOTAL ASSETS	<u>\$ 70,817,393</u>
LIABILITIES	
Due to other taxing units	<u>\$ 70,817,393</u>
TOTAL LIABILITIES	<u>\$ 70,817,393</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, 2017

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, 2017. See Note IV.I. the CDA does not issue separate financial statements.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017. JII does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017

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-12	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	HWY 11/CTH G – 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, 2017

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, 2017

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, 2017

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, 2017, 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 – 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale – 2017 delinquent real estate taxes	October 2020

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 \$41,394.

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, 2017

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. \$83,730 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, 2017

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, 2018 and will not be paid with current financial resources. This vacation balance is not available for employees to use until January 1, 2018 and for most employee groups this vacation balance must be used by December 31, 2018. The balance is \$2,279,474 as of December 31, 2017.

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, 2017 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, 2017

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 \$10,000,000, 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, 2017

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	\$ 167,011,926	\$ 102,001,949	\$ (446,000)	\$ 268,567,875
Unrestricted (deficit)	(8,391,870)	9,010,742	446,000	1,064,872

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, 2017

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

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

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund between 16.7% and 25% of the budgeted general fund operating expenditures for the subsequent year. The city was in compliance with its policy with a working capital fund of 17.2% 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 utility rates authorized by the Public Service Commission of Wisconsin became effective August 7, 2017.

Wastewater Utility

Current wastewater utility rates approved by the City Council became effective on January 1, 2017.

Stormwater Utility

Current stormwater utility rates approved by the City Council became effective on January 1, 2017. New stormwater rates were approved by the City Council to become effective on January 1, 2018.

12. Pensions

For purposes of measuring the net pension liability, 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, 2017

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	\$ 65,329,000
Premium on debt	1,524,993
Post retirement benefits	20,132,477
Net pension liability	2,163,882
Landfill super fund care	617,000
Accrued vacation	2,279,474
Accrued interest	630,516
	<u>630,516</u>
Combined Adjustment for Long-Term Liabilities	<u><u>\$ 92,677,342</u></u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

B. EXCESS EXPENDITURES AND OTHER USES OVER APPROPRIATIONS

Budgeted expenditures and other financing uses (transfers) in the following funds (including amendments) were exceeded by actual expenditures and transfers. Capital projects is over budget due to timing differences.

Fund	Budgeted Expenditures	Actual Expenditures	Excess
Oakhill cemetery	\$ 231,504	\$ 250,956	\$ 19,452
Golf course	1,248,653	1,262,931	14,278
Industrial waste disposal	36,618	39,550	2,932
Capital projects	13,809,000	15,093,499	1,284,499
Innovation center	109,628	187,873	78,245

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, 2017

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, 2017, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 22	\$ 45,652	Unfunded costs
TIF No. 25	123,886	Unfunded costs
TIF No. 26	296,815	Unfunded costs
TIF No. 28	97,502	Unfunded costs
TIF No. 35	3,046,583	Unfunded costs
TIF No. 36	88,245	Unfunded costs
TIF No. 37	39,764	Unfunded costs

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	\$ 43,179,042	\$ 43,379,348	Custodial credit
Municipal Bonds	2,376,097	2,376,097	Custodial credit, interest rate, credit, concentration of credit
LGIP	12,861,023	12,861,023	Credit
U.S. agencies explicitly guaranteed	3,323,384	3,323,384	Custodial credit, interest rate
U.S. agencies implicitly guaranteed	775,238	775,238	Credit, custodial credit, concentration of credit,
Negotiable Certificates of Deposit	1,956,382	1,956,382	Custodial credit, interest rate, credit, concentration of credit
Petty cash	11,994	N/A	N/A
Total Cash and Investments	<u>\$ 64,483,160</u>	<u>\$ 64,671,472</u>	

Reconciliation to financial statements-primary government

Per statement of net position

Unrestricted cash and investments \$ 29,420,273

Restricted cash and investments 10,605,501

Per combining statement of assets

and liabilities - agency fund 24,457,386

Total Cash and Investments \$ 64,483,160

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, 2017, the banks had pledged various government securities in the amount of \$14,594,411 to secure the city's deposits. The City also has an irrevocable letter of credit from Federal Home Loan Bank of Chicago to insure deposits in the amount of \$23,000,000.

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, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

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

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

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

Credit Risk

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

The city holds the following investments that are subject to credit risk: municipal bonds, negotiable certificates of deposit, and Us agencies – implicitly guaranteed. All of the investments are rated the highest or second highest rating category by Standard and Poors or Moody's in accordance with the city's investment policy.

As of December 31, 2017, 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, 2017

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, 2017, the city did not have any investments subject to concentration of credit risk.

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

Interest Rate Risk

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

As of December 31, 2017, the city’s investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>		
		<u>Less than 60 Days</u>	<u>60 Days - 2 years</u>	<u>2 years - 40 years</u>
GNMA	\$ 3,323,384	\$ -	\$ 1,527	\$ 3,321,857
FNMA	417,132	-	2,741	414,391
FHLMC	358,106	-	1,268	356,838
Negotiable CDs	1,956,382	-	1,469,371	487,011
Municipal Bonds	<u>2,376,097</u>	<u>-</u>	<u>1,366,397</u>	<u>1,009,700</u>
Totals	<u>8,431,101</u>	<u>-</u>	<u>2,841,304</u>	<u>5,589,797</u>

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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>\$ 34,197,635</u>	<u>\$1,502,983</u>	<u>\$ 1,015,029</u>	<u>\$ 177,972</u>	<u>\$ 2,774,757</u>	<u>\$ 3,284,220</u>	<u>\$ 17,239,681</u>	<u>\$ 60,192,277</u>
Amounts not expected to be collected within one year	<u>\$ 282,185</u>	<u>\$ -</u>	<u>\$ 1,001,952</u>	<u>\$ -</u>	<u>\$ 70,467</u>	<u>\$ 94,201</u>	<u>\$ 4,589,668</u>	<u>\$ 6,038,473</u>

The city has recorded allowances for ambulance receivables, loans receivable, special assessments, and other miscellaneous receivables totaling \$5,910,667.

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	\$ -	\$ 41,876,017	\$ 41,876,017
Delinquent personal property taxes	282,185	-	282,185
Long-term loans receivable	4,512,023	-	4,512,023
Special assessments not yet due	1,079,597	-	1,079,597
Grants not available at year end	3,000	-	3,000
Miscellaneous	-	24,096	24,096
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 5,876,805</u>	<u>\$ 41,900,113</u>	<u>\$ 47,776,918</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017:

	Restricted Assets
Business-type Activities	
Construction account	\$ 1,273,910
Replacement account	6,828,351
Revenue bond redemption account	2,503,240
Total Business-type Activities	<u>\$ 10,605,501</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	1/1/2017 Ending Balance	Additions	Deletions	12/31/2017 Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 25,131,841	\$ 45,899	\$ (128,650)	\$ 25,049,090
Right of way	11,857,374	68,931	(3,500)	11,922,805
Construction in progress	676,048	4,913,554	(2,693,069)	2,896,533
Total Capital Assets Not Being Depreciated	37,665,263	5,028,384	(2,825,219)	39,868,428
Capital assets being depreciated				
Land improvements	9,903,905	-	-	9,903,905
Buildings	42,617,393	831,683	(153,184)	43,295,892
Furniture and fixtures	9,816,535	905,182	(1,021,022)	9,700,695
Vehicles and equipment	26,158,841	2,219,789	(1,824,019)	26,554,611
Landfill improvements	7,583,497	2,804,541	-	10,388,038
Storm sewer	31,879,975	219,918	-	32,099,893
Roads	104,721,344	2,969,558	(199,143)	107,491,759
Sidewalks	19,903,114	1,001,899	(105,899)	20,799,114
Street lights	4,100,137	87,252	-	4,187,389
Traffic signals	4,621,931	-	-	4,621,931
Bridges	14,001,349	21,909	-	14,023,258
Boat launches	286,199	-	-	286,199
Bike trails	6,160,465	88,241	(61,646)	6,187,060
Riverwall/retaining wall	1,340,003	-	-	1,340,003
Dams	331,930	-	-	331,930
Total Capital Assets Being Depreciated	283,426,618	11,149,972	(3,364,913)	291,211,676

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Ending Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (3,319,572)	\$ (371,224)	\$ -	\$ (3,690,796)
Buildings	(12,429,499)	(988,513)	104,656	(13,313,356)
Furniture and fixtures	(7,192,208)	(484,788)	1,021,022	(6,655,974)
Vehicles and equipment	(15,833,882)	(1,803,709)	1,773,329	(15,864,262)
Landfill improvements	(2,850,452)	(449,954)	-	(3,300,406)
Storm sewer	(10,560,215)	(427,548)	-	(10,987,763)
Roads	(34,526,775)	(1,715,827)	199,143	(36,043,459)
Sidewalks	(6,490,512)	(339,864)	105,899	(6,724,477)
Street lights	(1,431,408)	(82,876)	-	(1,514,284)
Traffic signals	(1,056,187)	(92,439)	-	(1,148,626)
Bridges	(4,148,397)	(186,363)	-	(4,334,760)
Boat launches	(280,873)	(14,310)	-	(295,183)
Bike trails	(1,414,379)	(102,622)	61,646	(1,455,355)
Riverwall/retaining wall	(331,600)	(26,800)	-	(358,400)
Dams	(36,514)	(6,638)	-	(43,152)
Total Accumulated Depreciation	(101,902,473)	(7,093,475)	3,265,695	(105,730,253)
Net Capital Assets Being Depreciated	181,524,145	4,056,497	(99,218)	185,481,423
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 219,189,408	\$ 9,084,881	\$ (2,924,437)	\$ 225,349,851

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 182,653
Public safety	1,126,894
Public works, which includes the depreciation of infrastructure	4,592,525
Recreation and parks	680,204
Community and economic development	96,522
Library	414,677
Total Governmental Activities Depreciation Expense	\$ 7,093,475

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	179,619	107,765	(151,883)	135,501
Total Capital Assets Not Being Depreciated	485,097	107,765	(151,883)	440,979
Capital assets being depreciated				
Source of supply	2,301,834	-	-	2,301,834
Pumping	8,636,714	132,228	(69,263)	8,699,679
Treatment	225,492	-	-	225,492
Transmission and distribution	71,711,445	4,325,707	(155,246)	75,881,906
Administrative and general assets	4,781,720	211,216	(163,173)	4,829,763
Total Capital Assets Being Depreciated	87,657,205	4,669,151	(387,682)	91,938,674
Total Capital Assets	88,142,302	4,776,916	(539,565)	92,379,653
Less: Accumulated depreciation for				
Source of supply	(1,114,831)	(66,753)	-	(1,181,584)
Pumping	(4,666,996)	(329,964)	69,263	(4,927,697)
Treatment	(225,493)	-	-	(225,493)
Transmission and distribution	(17,341,788)	(1,357,355)	155,246	(18,543,897)
Administrative and general assets	(4,139,094)	(275,179)	163,173	(4,251,100)
Total Accumulated Depreciation	(27,488,202)	(2,029,251)	387,682	(29,129,771)
Water Capital Assets, Net of Depreciation	\$ 60,654,100	\$ 2,747,665	\$ (151,883)	\$ 63,249,882

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	89,558	50,662	(122,024)	18,196
Total Capital Assets Not Being Depreciated	107,558	50,662	(122,024)	36,196
Capital assets being depreciated				
Collection system	56,412,302	1,315,105	-	57,727,407
Treatment and disposal	54,041,962	46,919	(50,600)	54,038,281
General assets	1,956,693	78,660	(97,265)	1,938,088
Total Capital Assets Being Depreciated	112,410,957	1,440,684	(147,865)	113,703,776
Total Capital Assets	112,518,515	1,491,346	(269,889)	113,739,972
Less: Accumulated depreciation for				
Collection system	(15,976,825)	(742,738)	-	(16,719,563)
Treatment and disposal	(22,357,231)	(2,432,527)	50,600	(24,739,158)
General assets	(1,764,096)	(146,807)	97,265	(1,813,638)
Total Accumulated Depreciation	(40,098,152)	(3,322,072)	147,865	(43,272,359)
Wastewater Capital Assets, Net of Depreciation	\$ 72,420,363	\$ (1,830,726)	\$ (122,024)	\$ 70,467,613

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	\$ 85,097	\$ 100,543	\$ (1,482)	\$ 184,158
Total Capital Assets Not Being Depreciated	85,097	100,543	(1,482)	184,158
Capital assets being depreciated				
Detention ponds	2,604,463	-	-	2,604,463
Greenbelt crossings	2,255,270	897	-	2,256,167
Stormwater mains	3,787,388	120,380	-	3,907,768
Dam Improvements	145,624	1,717	-	147,341
General assets	304,847	126,317	-	431,164
Total Capital Assets Being Depreciated	9,097,592	249,311	-	9,346,903
Total Capital Assets	9,182,689	349,854	(1,482)	9,531,061
Less: Accumulated depreciation for				
Detention ponds	(655,455)	(52,089)	-	(707,544)
Greenbelt crossings	(492,125)	(30,076)	-	(522,201)
Stormwater mains	(241,779)	(51,301)	-	(293,080)
Dam Improvements	(24,276)	(2,930)	-	(27,206)
General assets	(243,955)	(50,204)	-	(294,159)
Total Accumulated Depreciation	(1,657,590)	(186,600)	-	(1,844,190)
Stormwater Capital Assets, Net of Depreciation	\$ 7,525,099	\$ 163,254	\$ (1,482)	\$ 7,686,871

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
<i>Transit</i>				
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	8,596,095	8,302	(38,504)	8,565,893
Equipment	7,178,370	89,881	(84,400)	7,183,851
Total Capital Assets Being Depreciated	15,774,465	98,183	(122,904)	15,749,744
Total Capital Assets	16,484,496	98,183	(122,904)	16,459,775
Less: Accumulated depreciation for				
Building	(1,995,068)	(221,596)	38,504	(2,178,160)
Equipment	(4,733,874)	(385,570)	84,400	(5,035,044)
Total Accumulated Depreciation	(6,728,942)	(607,166)	122,904	(7,213,204)
Transit Capital Assets, Net of Depreciation	\$ 9,755,554	\$ (508,983)	\$ -	\$ 9,246,571
	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Capital Assets, Net of Depreciation	\$ 150,355,116	\$ 571,210	\$ (275,389)	\$ 150,650,937

Depreciation expense was charged to functions as follows:

Business-type Activities

Transit	\$ 606,326
Stormwater	186,600
Water	1,894,342
Wastewater	3,322,072
Total Business-type Activities	\$ 6,009,340

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, 2017

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	\$ 1,473,530	\$ -
General Fund	TIF 22	41,509	-
General Fund	TIF 25	123,886	-
General Fund	TIF 26	296,815	50,883
General Fund	TIF 28	97,502	97,502
General Fund	TIF 35	3,053,307	1,065,244
General Fund	TIF 36	19,822	-
General Fund	TIF 37	39,764	39,765
Capital Projects Fund	Debt Service Fund	393,797	-
Wastewater Utility	Transit System	470,989	-
Wastewater Utility	Water Utility	687,186	-
	Subtotal- Fund Financial Statements	6,698,107	1,253,394
	Less: Fund eliminations	(5,224,577)	(1,253,394)
	Less: Internal service fund elimination adjustment	(2,098,671)	-
	Total Government-wide Statement of Net Position	\$ (625,141)	\$ -

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,473,530
Business-type Activities	Governmental Activities	(2,098,671)
	Total Government-wide Statement of Net Position	\$ (625,141)

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, 2017

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	\$ 1,473,530	Tax equivalent	General Fund	\$ 8,149,635	Debt payments
Total General Fund	<u>1,473,530</u>		General Fund	75,000	Subsidy
Sanitation Fund	250,000	Subsidy	General Fund	988,803	Subsidy
Total Sanitation Fund	<u>250,000</u>		General Fund	30,000	Fire capital
Insurance Fund	950,000	Subsidy	General Fund	950,000	Health Insurance
Total Insurance Fund	<u>950,000</u>		Total General Fund	<u>10,193,438</u>	
Debt Service Fund	7,669,635	Debt payments	Sanitation Fund	1,212,250	Debt payments
Debt Service Fund	1,212,250	Debt payments	Sanitation Fund	255,175	Long-term care
Debt Service Fund	83,455	Debt payments	Total Sanitation Fund	<u>1,467,425</u>	
Debt Service Fund	60,966	Debt payments	Capital Projects Fund	91,105	Subsidy
Debt Service Fund	73,825	Debt payments	Capital Projects Fund	61,581	Debt payments
Debt Service Fund	1,343,404	Debt payments	Total Capital Projects Fund	<u>152,686</u>	
Debt Service Fund	111,150	Debt payments	Water Utility	1,473,530	Tax equivalent
Debt Service Fund	147,200	Debt payments	Total Water Utility	<u>1,473,530</u>	
Debt Service Fund	130,669	Debt payments	Library	83,455	Debt payments
Debt Service Fund	36,759	Debt payments	Golf	60,966	Debt payments
Debt Service Fund	335,522	Debt payments	TIF 17	73,825	Debt payments
Debt Service Fund	58,678	Debt payments	TIF 22	1,343,404	Debt payments
Debt Service Fund	366,581	Debt payments	TIF 23	111,150	Debt payments
Total Debt Service Fund	<u>11,630,094</u>		TIF 25	147,200	Debt payments
Capital Projects Fund	150,000	Library capital	TIF 26	130,669	Debt payments
Capital Projects Fund	885,000	VOM capital equipment	TIF 27	36,759	Debt payments
Total Capital Projects Fund	<u>1,035,000</u>		TIF 35	335,522	Debt payments
Special Accounts	226,000	Long-term care	Benefits Funding	58,678	Debt payments
Industrial Waste Disposal	29,175	Long-term care	Library	150,000	Capital project
Special Accounts	30,000	Fire capital	VOM	885,000	Capital equipment
Transit	988,803	Subsidy	Total Nonmajor Funds	<u>3,416,628</u>	
Transit	91,105	Subsidy			
Total Nonmajor Funds	<u>1,365,083</u>				
Sub-Total Fund Financial Statements	<u>\$ 16,703,707</u>			16,703,707	
Less: Fund Eliminations				(12,256,591)	
Less: Government-wide Eliminations				(4,053,494)	
Total Government Wide Statement of Activities				<u>\$ 393,622</u>	

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	\$ 1,473,530
Business-type Activities	Governmental Activities	(1,079,908)
		<u>\$ 393,622</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, 2017

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 62,258,000	\$ 13,736,000	\$ 10,665,000	\$ 65,329,000	\$ 12,126,000
Premium on debt	1,169,961	523,573	168,541	1,524,993	-
Total Notes Payable	63,427,961	14,259,573	10,833,541	66,853,993	12,126,000
Other Liabilities					
Other post employment benefits	18,705,504	3,043,821	1,616,848	20,132,477	-
Net pension liability - WRS	4,191,130	-	2,027,248	2,163,882	-
Landfill superfund care	679,000	-	62,000	617,000	42,552
Accrued vacation	2,139,925	2,279,474	2,139,925	2,279,474	2,279,474
Total Other Liabilities	25,715,559	5,323,295	5,846,021	25,192,833	2,322,026
Total Governmental Activities Long-Term Liabilities	\$ 89,143,520	\$ 19,582,868	\$ 16,679,562	\$ 92,046,826	\$ 14,448,026
Business-Type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 25,787,000	\$ 5,039,000	\$ 4,260,000	\$ 26,566,000	\$ 4,479,000
Other post employment benefits	1,530,358	102,986	160,078	1,473,266	-
Net pension liability - WRS	444,740	-	224,736	220,004	-
Premium on debt	435,099	192,071	75,302	551,868	-
Revenue bonds	24,479,364	-	1,911,972	22,567,392	1,878,623
Total Business-Type Activities Long-Term Liabilities	\$ 52,676,561	\$ 5,334,057	\$ 6,632,088	\$ 51,378,530	\$ 6,357,623

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, 2017

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, 2017 was \$230,289,900. Total general obligation debt outstanding at year-end was \$91,895,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2017
Governmental Activities					
General Obligation Debt					
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	\$ 6,145,000	\$ 1,080,000
General obligation notes	11/4/2010	2/1/2020	1.05 - 3.60%	1,055,000	350,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	7,595,000	3,175,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	1,285,000	100,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	9,740,000	4,924,000
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	2,190,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	8,035,000	5,655,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	12,085,000	8,930,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	9,477,000	7,380,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	12,916,000	11,489,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	5,775,000	3,300,000
General obligation notes	7/13/2016	2/1/2019	0.65% - 1.8%	1,865,000	1,625,000
General obligation notes	7/12/2017	2/1/2027	2.00 - 3.00%	<u>13,736,000</u>	<u>13,736,000</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 65,329,000</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/2016
Business-type Activities					
General Obligation Debt					
General obligation notes	11/4/2010	2/1/2020	2.00 - 2.85%	\$ 2,620,000	\$ 825,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	4,420,000	2,400,000
General obligation notes	11/14/2011	2/1/2021	2.00 - 3.00%	620,000	150,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	2,960,000	1,671,000
General obligation notes	11/15/2012	2/1/2022	1.00 - 2.00%	790,000	305,000
General obligation notes	6/3/2013	2/1/2025	0.50 - 2.85%	547,000	50,000
General obligation notes	10/30/2013	2/1/2023	2.00 - 3.00%	2,415,000	1,605,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	4,835,000	3,620,000
General obligation notes	9/3/2014	2/1/2024	1.00 - 3.00%	1,690,000	1,000,000
General obligation notes	7/8/2015	2/1/2025	2.00 - 4.00%	4,208,000	3,325,000
General obligation notes	7/13/2016	2/1/2026	1.5% - 3.00%	6,414,000	5,566,000
General obligation notes	7/13/2016	2/1/2019	1.5% - 3.00%	1,685,000	1,010,000
General obligation notes	7/12/2017	2/1/2027	2.00 - 3.00%	5,039,000	5,039,000
Total Business-type Activities General Obligation Debt					<u>\$ 26,566,000</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
2018	\$ 12,126,000	\$ 1,362,093	\$ 4,479,000	\$ 569,505
2019	11,253,000	1,105,772	4,067,000	473,367
2020	10,096,000	876,114	3,879,000	384,041
2021	8,973,000	658,524	3,602,000	293,838
2022	7,018,000	475,174	2,972,000	215,941
2023-2027	15,863,000	697,866	7,567,000	324,170
Totals	<u>\$ 65,329,000</u>	<u>\$ 5,175,543</u>	<u>\$ 26,566,000</u>	<u>\$ 2,260,862</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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 2000. 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 28% of net revenues. The total principal and interest remaining to be paid on the bonds is \$25.5 million. Principal and interest paid for the current year and total customer net revenues were \$2.4 million and \$8.5 million, respectively.

Revenue debt payable at December 31, 2017 consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12/31/2017</u>
<u>Water Utility</u>					
Safe Drinking Water loan	2003	2023	2.75%	\$ 1,336,937	\$ 498,623
Safe Drinking Water loan	2004	2024	2.37%	2,150,000	<u>911,034</u>
				Total Water Utility	<u>1,409,657</u>
<u>Wastewater Utility</u>					
Clean Water Fund loan	2000	2019	2.97%	284,140	38,164
Clean Water Fund loan	2001	2020	2.75%	1,100,828	282,521
Clean Water Fund loan	2004	2023	2.37%	2,032,973	749,348
Clean Water Fund loan	2010	2029	2.15%	27,212,000	19,349,720
Clean Water Fund loan	2011	2031	2.40%	983,325	<u>737,982</u>
				Total Wastewater Utility	<u>21,157,735</u>
Total Business-type Activities Revenue Debt					<u>\$ 22,567,392</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
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	1,955,874	301,245
2023-2027	9,067,607	892,522
2028-2031	<u>3,813,818</u>	<u>88,838</u>
Totals	<u>\$ 22,567,392</u>	<u>\$ 2,923,214</u>

Other Debt Information

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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017 include the following:

Net investment in capital assets	
Land	\$ 36,971,895
Construction in progress	2,896,533
Other capital assets, net of accumulated depreciation	185,481,423
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(58,337,925)</u>
Total net investment in capital assets	<u>167,011,926</u>
Restricted	
Debt service	3,392,130
Grants	5,843,283
Library	614,660
TIF districts	2,736,559
Landfill long-term care	<u>3,168,296</u>
Total restricted	<u>15,754,928</u>
Unrestricted (deficit)	<u>(8,391,870)</u>
Total Governmental Activities Net Position	<u>\$ 174,374,984</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017 include the following:

Nonspendable	
Major Funds	
General fund	
Prepaid items	\$ 3,220
Noncurrent interfund balances	1,253,394
Total General Fund	<u>\$ 1,256,614</u>
Capital projects fund	
Inventories	<u>\$ 216,701</u>
Total Capital Projects Fund	<u>\$ 216,701</u>
Nonmajor funds	
Prepaid items	<u>\$ 42,000</u>
Restricted	
Major Funds	
Debt service fund-debt service	\$ 3,261,709
Capital projects fund - unspent bond proceeds	3,247,894
Total Major Funds	<u>\$ 6,509,603</u>
Nonmajor Funds	
Special Revenue Funds	
Library	\$ 614,660
Special Accounts	3,320,751
TIF 17	30,762
TIF 21	152,782
TIF 23	44,571
TIF 27	102,384
TIF 29	211,297
TIF 32	1,814,507
TIF 33	434,112
Other Housing Grants	525,801
Community Development Block Grant	748,930
Total Nonmajor Funds	<u>\$ 8,000,557</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

H. NET POSITION/FUND BALANCES (cont.)

Committed

Major Funds

Sanitation Fund	\$ 3,264,357
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Total Major Funds	<u>\$ 3,264,357</u>
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Nonmajor Funds

Special Revenue Funds

JATV-12	\$ 398,656
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Oakhill Cemetery	161,314
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Golf Courses	2,909
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Innovation Center	4,624
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Special Accounts	<u>469,192</u>
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Total Nonmajor Special Revenue Funds	<u>1,036,695</u>
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Total Nonmajor Funds	<u>\$ 1,036,695</u>
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Assigned

Major Funds

General fund - applied to 2018 budget	\$ 537,395
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Capital Projects	<u>2,012,378</u>
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Total Major Funds	<u>\$ 2,549,773</u>
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Unassigned (deficit)

Major Funds

General fund	<u>\$ 6,478,899</u>
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Total Major Funds	<u>\$ 6,478,899</u>
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Nonmajor Funds

Special Revenue Funds

TIF 22	\$ (45,652)
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TIF 25	(123,886)
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TIF 26	(296,815)
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TIF 28	(97,502)
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TIF 35	(3,046,583)
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TIF 36	(88,245)
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TIF 37	<u>(39,764)</u>
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Total Nonmajor Special Revenue Funds (Deficit)	<u>\$ (3,738,447)</u>
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CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017 include the following:

Net Investments in Capital Assets

Plant in service	\$ 231,772,606
Accumulated depreciation	(81,459,524)
Construction work in progress	337,855
Sub-Total	<u>150,650,937</u>
Current portion of general obligation debt	(4,479,000)
Current portion of revenue bonds	(1,878,623)
General obligation debt	(22,638,868)
Revenue bonds	(20,688,769)
Construction payables	(237,638)
Sub-Total	<u>(49,922,898)</u>
Construction Funds (unspent debt)	<u>1,273,910</u>
Sub-Total	<u>1,273,910</u>
Total Net Investment in Capital Assets	<u>\$ 102,001,949</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	<u>\$69,464</u>	<u>\$69,464</u>	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, 2017

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	\$ -	\$ (3,551)	\$ 93,818	4-20
Less: accumulated depreciation	(73,239)	(3,238)	3,551	(72,926)	
Totals	\$ 24,130	\$ (3,238)	\$ -	\$ 20,892	

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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, 2017

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
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
2016	0.5	(5)

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$2,762,677, in contributions from the city.

Contribution rates as of December 31, 2017 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2017 the city reported a liability of \$2,383,886 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the city's proportion was 0.28922280%, which was an increase of 0.0038206% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the city recognized pension expense of \$6,106,658.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

At December 31, 2017, 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	\$ 908,976	\$ 7,497,116
Changes in actuarial assumptions	2,492,446	-
Net differences between projected and actual earnings on pension plan investments	11,866,232	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	74,370	119,555
Employer contributions subsequent to the measurement date	3,133,047	-
Totals	\$ 18,475,071	\$ 7,616,671

\$3,133,047 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, 2017. 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
2018	\$ 5,585,943	\$ 2,425,224
2019	5,585,943	2,425,224
2020	4,562,267	2,425,224
2021	(396,273)	339,928
2022	4,144	1,071

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	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 3.78%. 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, 2017

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)	\$(31,361,554)	\$(2,383,886)	\$19,930,230

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, 2017, the city reported a payable to the pension plan of \$657,328, 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, 2017

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 3.65% for auto liability and 8.54% 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 2017 was calculated at \$562,938 or 3.907%. 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, 2017

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 \$156,436. For liability claims, the city's uninsured risk of loss is \$100,000 per incident with a \$5,000,000 limit per occurrence. \$300,000 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 in 2017.

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	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 729,000	\$ 628,000
Current year claims and changes in estimates	11,222,513	10,904,963
Claim payments	<u>(11,323,513)</u>	<u>(10,703,963)</u>
Unpaid Claims – End of Year	<u>\$ 628,000</u>	<u>\$ 829,000</u>

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	\$ 1,432,476	\$ 1,141,467
Current year claims and changes in estimates	134,014	787,014
Claim payments	<u>(425,023)</u>	<u>(297,208)</u>
Unpaid Claims – End of Year	<u>\$ 1,141,467</u>	<u>\$ 1,631,273</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. Incentive payments in the amount of \$573,831 occurred in 2017.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

During 2017, the city borrowed \$18,775,000 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 \$1,883,399 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 nine 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, 2017, there were \$2,211,278 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	\$ 1,078,827
Wastewater	<u>1,132,451</u>
Total	<u>\$ 2,211,278</u>

D. OTHER POSTEMPLOYMENT BENEFITS

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

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the union. The city makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The city contributes 89.8% 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 2017, the city contributed \$8,666,248 to the plan. Plan members receiving benefits contribute 10.2% and 11.3% of their premium costs for a family plan and a single plan, respectively. For fiscal year 2017, total member contributions were \$997,506, or approximately 10.3% of the total premiums, through their required contributions.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	607,076
Adjustment to annual required contribution	<u>(694,765)</u>
Annual OPEB cost	3,454,334
Contributions made	<u>(2,084,453)</u>
Increase in Net OPEB Obligation	1,369,881
Net OPEB Obligation – Beginning of Year	<u>20,235,862</u>
Net OPEB Obligation – End of Year	<u><u>\$ 21,605,743</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2017	\$ 3,454,334	60.3%	\$ 21,605,743
12/31/2016	3,459,663	64.5%	20,235,862
12/31/2015	3,023,165	51.4%	19,006,238

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)	\$ 28,873,288
UAAL as a percentage of covered payroll	143.6%

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 2017 actuarial valuation, the entry-age normal actuarial method was used. The actuarial assumptions include a 3.0% 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 2.5% 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, 2017

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
GOEX	\$835,736 Total Package including rail and transportation improvements	Construction of New 161,875 sq ft building, Guarantee Value of \$5,517,250 and incremental revenues of \$143,776 from 2015 and ending in 2022, within 1 year of occupancy create, retain and maintain 130 FTEs for 7 years	\$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 6,000 sq ft 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 incentive	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 per year for 9 years.	\$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 expansion	80,000 sq ft expansion of the building and increase in real property taxes by \$30,327.50; create and maintain 25 new jobs by June 2015, however, debt forgiveness is only on the increment created.	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 17,750 sq ft 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	\$425,000 incentive for building rehabilitation	Rehabilitate the 23,600 sq ft 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
Shine	\$1.53M in land, \$3M forgivable loan for development incentive, \$578,000 stormwater assessment forgivable loan, \$345,000 for utilities extended by the City	Construct a 30,000 sq ft new building valued at \$50M, guaranteed annual tax equivalent payment of \$1,166,564, guarantee 125 jobs within 5 years of initiating production	Only the storm water assessment forgivable loan and the extension of utilities has been fully executed the remaining portions of the agreement have not.	Guaranteed annual tax equivalent payment of \$1,166,564
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

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. TAX ABATEMENTS (cont.)

Agreement Description	Calculation Method	Developer Commitment	Payment Arrangement	Recapture Provisions, if any
Capital Circle 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
AM Castle Building	\$1,968,841 forgivable loan in land and building value	Build 208,000 sq ft facility, guarantee \$10,450,000 in value	One time payment of \$1,968,841 in land and cash incentive	Guarantee Increment of \$250,725 annually for ten years
Capital Circle 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 12,000 sq ft facility 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
Playstar	\$410,000 forgivable loan for building construction	Build 58,300 sq ft facility, guaranteed value increment \$1,779,899 (total \$2,216,299), tax increment of \$46,380.84 (total \$54,424.77) for 10 years, and retain 13 FTE LWL and create 10 FT LWL.	One time payment cash incentive of \$410,000	Guaranteed annual increment of \$46,380.84 (Total tax equivalency payment = \$54,424.77)
Key Real Estate Solutions, LLC	\$37,000 forgivable loan for building rehabilitation	Rehabilitate 8,448 sq ft, guarantee tax increment of \$3,700 for 10 years.	One time cash incentive payment of \$37,000	Guaranteed annual increment of \$3,700. (Total tax equivalency payment = \$11,073.95)
Gallina	\$253,992 forgivable loan for building expansion	Build 40,000 sq ft expansion, tax increment guarantee of \$26,968 for 10 years, maintain 13 FTEs	One time cash incentive payment of \$253,992	Guaranteed annual increment of \$26,968 (Total tax equivalency payment = \$65,780.41)
Janesville Hotel group LLC	\$1,055,000 in land costs and incentive for the building	Build 33,064 sq ft facility, tax increment guarantee of \$86,643.51 for 10 years	\$1,055,000 in cash incentive and land	Guaranteed annual tax equivalent payment of \$86,643.51
TFJ Development Inc.	\$2,865,774.73 reimbursement for building rehabilitation	Rehabilitate 78,000 sq ft facility, guaranteed value of \$9,160,000 (\$6,096,300 incremental value)	Annual reimbursement payments vary over 14 years with max total payments \$2,865,774.73	None
MGD Fund III	\$130,500 for new building construction, \$55,000 for parking construction	Build 8,000 sq ft facility with guaranteed value of \$900,000, guarantee annual property tax payment ranging from \$16,051 to \$17,804 for 11 years, purchase 1/2 parking lot for \$18,000,	One time cash incentive of \$130,500	Annual property tax payment ranging from \$16,051 to \$17,804. In 2015, MGD Fund III declared bankruptcy. At that time they had a remaining balance of \$75,564.

CITY OF JANESVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

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

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

- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > 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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Taxes	\$ 31,084,529	\$ 31,084,529	\$ 30,923,050	\$ (161,479)
Licenses and permits	1,699,654	1,699,654	1,707,474	7,820
Investment income, rents and fines	678,000	678,000	746,543	68,543
State and federal aids	7,607,435	7,607,435	7,754,312	146,877
Service charges and other	<u>3,670,800</u>	<u>3,670,800</u>	<u>3,796,188</u>	<u>125,388</u>
Total Revenues	<u>44,740,418</u>	<u>44,740,418</u>	<u>44,927,567</u>	<u>187,149</u>
EXPENDITURES				
General government	4,057,757	4,087,757	4,031,973	55,784
Public safety	24,788,246	24,898,246	24,856,922	41,324
Public works	4,131,570	3,926,570	3,769,156	157,414
Recreation and parks	2,842,975	2,877,975	2,878,191	(216)
Community and economic development	<u>1,661,484</u>	<u>1,661,484</u>	<u>1,660,177</u>	<u>1,307</u>
Total Expenditures	<u>37,482,032</u>	<u>37,452,032</u>	<u>37,196,419</u>	<u>255,613</u>
Excess of revenues over expenditures	<u>7,258,386</u>	<u>7,288,386</u>	<u>7,731,148</u>	<u>442,762</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,400,000	1,400,000	1,473,530	73,530
Transfers out	<u>(9,195,143)</u>	<u>(10,175,143)</u>	<u>(10,193,438)</u>	<u>(18,295)</u>
Total Other Financing Sources (Uses)	<u>(7,795,143)</u>	<u>(8,775,143)</u>	<u>(8,719,908)</u>	<u>55,235</u>
Net change in fund balance	(536,757)	(1,486,757)	(988,760)	497,997
FUND BALANCES - Beginning of Year	<u>9,261,668</u>	<u>9,261,668</u>	<u>9,261,668</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,724,911</u>	<u>\$ 7,774,911</u>	<u>\$ 8,272,908</u>	<u>\$ 497,997</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
State and federal aids	\$ 225,000	\$ 225,000	\$ 225,608	\$ 608
Service charges and other	8,508,000	8,508,000	9,277,576	769,576
Total Revenues	<u>8,733,000</u>	<u>8,733,000</u>	<u>9,503,184</u>	<u>770,184</u>
EXPENDITURES				
Current				
Public works	6,736,600	6,736,600	6,851,008	(114,408)
Total Expenditures	<u>6,736,600</u>	<u>6,736,600</u>	<u>6,851,008</u>	<u>(114,408)</u>
Excess of revenues over expenditures	<u>1,996,400</u>	<u>1,996,400</u>	<u>2,652,176</u>	<u>655,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	250,000	250,000
Transfers out	(1,344,499)	(1,344,499)	(1,467,425)	(122,926)
Total Other Financing Sources (Uses)	<u>(1,344,499)</u>	<u>(1,344,499)</u>	<u>(1,217,425)</u>	<u>127,074</u>
Net change in fund balance	651,901	651,901	1,434,751	782,850
FUND BALANCES - Beginning of Year	<u>1,829,606</u>	<u>1,829,606</u>	<u>1,829,606</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,481,507</u>	<u>\$ 2,481,507</u>	<u>\$ 3,264,357</u>	<u>\$ 782,850</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, 2017

Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%
12/31/17	0.28922280%	\$ 2,383,886	\$ 31,418,359	7.59%	99.12%

Note: This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2017

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 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%
12/31/17	\$ 3,133,047	\$ 3,133,047	\$ -	\$ 31,899,493	9.82%

Note: This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

CITY OF JANESVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS
 December 31, 2017

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)
12/31/2009	-	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%	28,264,984	121.4%
12/31/2016	-	41,473,664	41,473,664	0.00%	27,829,819	149.0%
12/31/2017	-	41,473,664	41,473,664	0.00%	28,873,288	143.6%

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, 2017

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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
TAXES				
General property tax	\$ 30,308,174	\$ 30,308,174	\$ 30,118,923	\$ (189,251)
Penalties and interest on taxes	175,000	175,000	200,700	25,700
Mobile home taxes	75,000	75,000	82,207	7,207
Hotel/motel tax	419,355	419,355	419,355	-
Wheel tax	107,000	107,000	101,865	(5,135)
Totals	<u>31,084,529</u>	<u>31,084,529</u>	<u>30,923,050</u>	<u>(161,479)</u>
LICENSES				
Alcoholic beverage licenses	75,000	75,000	73,253	(1,747)
Publication fees	3,500	3,500	3,675	175
Food and cigarettes	15,000	15,000	16,968	1,968
Weights and measures	23,000	23,000	23,848	848
Dog licenses	70,000	70,000	73,910	3,910
Bartender licenses	60,000	60,000	55,665	(4,335)
Amusement center licenses	18,000	18,000	17,560	(440)
Cable TV	750,000	750,000	691,527	(58,473)
Other regulatory licenses and permits	36,105	36,105	34,223	(1,882)
Totals	<u>1,050,605</u>	<u>1,050,605</u>	<u>990,629</u>	<u>(59,976)</u>
COMMUNITY DEVELOPMENT PERMITS				
Application fees	57,690	57,690	74,355	16,665
Resident permit fees	170,174	170,174	267,145	96,971
Commercial permit fees	421,185	421,185	375,345	(45,840)
Totals	<u>649,049</u>	<u>649,049</u>	<u>716,845</u>	<u>67,796</u>
INVESTMENT INCOME, RENTS AND FINES				
Investment income	153,000	153,000	282,533	129,533
Rents - city owned property	125,000	125,000	136,582	11,582
Municipal court fines	325,000	325,000	266,997	(58,003)
Sale of city property	25,000	25,000	10,431	(14,569)
Rental - city services center	50,000	50,000	50,000	-
Totals	<u>678,000</u>	<u>678,000</u>	<u>746,543</u>	<u>68,543</u>
STATE AND FEDERAL AIDS				
Shared taxes from state	5,203,571	5,203,571	5,189,709	(13,862)
Local road allotment	1,690,287	1,690,287	1,744,799	54,512
State payment - municipal services	100,000	100,000	132,013	32,013
Connecting street maintenance	332,754	332,754	333,765	1,011
Computer value reimbursement	125,823	125,823	177,927	52,104
State aid - fire insurance	155,000	155,000	176,099	21,099
Totals	<u>7,607,435</u>	<u>7,607,435</u>	<u>7,754,312</u>	<u>146,877</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF REVENUES AND OTHER SOURCES (cont.) For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SERVICE CHARGES AND OTHER				
Parking	\$ 42,700	\$ 42,700	\$ 34,019	\$ (8,681)
Public works	211,200	211,200	299,386	88,186
Police department	48,300	48,300	56,940	8,640
Fire department	2,509,600	2,509,600	2,597,274	87,674
Leisure services	809,000	809,000	760,672	(48,328)
Wastewater service charge	50,000	50,000	47,897	(2,103)
Totals	<u>3,670,800</u>	<u>3,670,800</u>	<u>3,796,188</u>	<u>125,388</u>
TRANSFERS IN				
Water utility taxes	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,473,530</u>	<u>73,530</u>
Totals	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,473,530</u>	<u>73,530</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 46,140,418</u>	<u>\$ 46,140,418</u>	<u>\$ 46,401,097</u>	<u>\$ 260,679</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 6,045	\$ 6,045	\$ 6,097	\$ (52)
City Manager	404,938	404,938	400,899	4,039
Community Information	89,995	89,995	56,081	33,914
City Assessor	487,884	487,884	429,302	58,582
City Attorney	444,834	444,834	538,153	(93,319)
Elections	72,583	72,583	63,160	9,423
City Clerk - Treasurer	492,806	492,806	493,172	(366)
Finance	410,505	410,505	421,720	(11,215)
Human Resources	239,192	239,192	234,100	5,092
Information Systems	772,038	772,038	717,440	54,598
Insurance	92,475	92,475	97,330	(4,855)
Economic Adjustments	108,750	108,750	108,682	68
Unclassified and Sundry	435,712	465,712	465,837	(125)
Totals	<u>4,057,757</u>	<u>4,087,757</u>	<u>4,031,973</u>	<u>55,784</u>
PUBLIC SAFETY				
Police department	13,547,905	13,572,905	13,582,024	(9,119)
Fire department	11,240,341	11,325,341	11,274,898	50,443
Totals	<u>24,788,246</u>	<u>24,898,246</u>	<u>24,856,922</u>	<u>41,324</u>
PUBLIC WORKS				
Administration				
Engineering	627,182	627,182	603,472	23,710
Sub-Totals	<u>627,182</u>	<u>627,182</u>	<u>603,472</u>	<u>23,710</u>
Street Maintenance and Repair				
Paved Streets	527,975	527,975	499,712	28,263
Snow Removal	1,303,880	1,098,880	961,495	137,385
Weed Cutting	42,226	42,226	32,632	9,594
Sub-Totals	<u>1,874,081</u>	<u>1,669,081</u>	<u>1,493,839</u>	<u>175,242</u>
Public Buildings and Parking				
Public Buildings	625,969	625,969	602,735	23,234
Parking Facilities	112,826	112,826	79,518	33,308
Sub-Totals	<u>738,795</u>	<u>738,795</u>	<u>682,253</u>	<u>56,542</u>

CITY OF JANESVILLE

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES (cont.) For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS (cont.)				
Traffic Control				
Traffic Signs	\$ 158,470	\$ 158,470	\$ 144,248	\$ 14,222
Traffic Signals	177,181	177,181	264,349	(87,168)
Street Painting	89,168	89,168	82,246	6,922
Street Lighting	466,693	466,693	498,749	(32,056)
Sub-Totals	891,512	891,512	989,592	(98,080)
Total Public Works	4,131,570	3,926,570	3,769,156	157,414
RECREATION AND PARKS				
Recreation Administration	46,196	46,196	49,666	(3,470)
Senior Citizens Center	265,866	265,866	258,525	7,341
Park Management	1,480,705	1,515,705	1,526,522	(10,817)
Recreation Programs	467,561	467,561	459,848	7,713
Ice Skating Center	321,371	321,371	354,955	(33,584)
Aquatics	261,276	261,276	228,675	32,601
Totals	2,842,975	2,877,975	2,878,191	(216)
COMMUNITY AND ECONOMIC DEVELOPMENT				
Economic Development	166,384	166,384	151,439	14,945
Community Development	1,172,237	1,172,237	1,204,248	(32,011)
Housing Services-Property Maintenance	322,863	322,863	304,490	18,373
Totals	1,661,484	1,661,484	1,660,177	1,307
GENERAL FUND TRANSFERS				
Transit System	970,508	970,508	988,803	(18,295)
Insurance	-	950,000	950,000	-
Debt Service	8,149,635	8,149,635	8,149,635	-
Capital Projects				
Special Assessments	75,000	75,000	75,000	-
Special Revenue				
Fire Vehicle Replacement	-	30,000	30,000	-
Totals	9,195,143	10,175,143	10,193,438	(18,295)
TOTAL EXPENDITURES AND OTHER USES				
	\$ 46,677,175	\$ 47,627,175	\$ 47,389,857	\$ 237,318

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 commercial and industrial development projects in the area near HWY 11 and CTH G.

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

Tax Incremental Financing (TIF) District #37 – To account for the financing and construction of City improvements and stimulate commercial development or redevelopment 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, 2017

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
ASSETS				
Current Assets				
Cash and investments	\$ 753,964	\$ 357,225	\$ 163,064	\$ 3,496,353
Taxes receivable	3,333,015	-	-	-
Accounts receivable	465	45,064	1,425	489,073
Special assessments receivable	-	-	-	-
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 4,087,444</u>	<u>\$ 402,289</u>	<u>\$ 164,489</u>	<u>\$ 3,985,426</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ 71,719	\$ 194	\$ 1,196	\$ 182,555
Accrued liabilities	68,050	3,439	1,979	5,268
Due to other funds	-	-	-	-
Total Liabilities	<u>139,769</u>	<u>3,633</u>	<u>3,175</u>	<u>187,823</u>
Deferred Inflows of Resources				
Unearned revenues	3,333,015	-	-	4,660
Unavailable revenues	-	-	-	3,000
Total Deferred Inflows of Resources	<u>3,333,015</u>	<u>-</u>	<u>-</u>	<u>7,660</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	614,660	-	-	3,320,751
Committed	-	398,656	161,314	469,192
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>614,660</u>	<u>398,656</u>	<u>161,314</u>	<u>3,789,943</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,087,444</u>	<u>\$ 402,289</u>	<u>\$ 164,489</u>	<u>\$ 3,985,426</u>

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South Main St 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
\$ 30,762	\$ 152,782	\$ -	\$ 29,140	\$ -	\$ -	\$ 102,129	\$ -
40,026	240,843	1,274,022	65,583	198,392	241,903	9,592	-
-	-	-	15,431	-	-	255	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,654	-
<u>\$ 70,788</u>	<u>\$ 393,625</u>	<u>\$ 1,274,022</u>	<u>\$ 110,154</u>	<u>\$ 198,392</u>	<u>\$ 241,903</u>	<u>\$ 113,630</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,143	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	41,509	-	123,886	296,815	-	97,502
-	-	45,652	-	123,886	296,815	-	97,502
40,026	240,843	1,274,022	65,583	198,392	241,903	9,592	-
-	-	-	-	-	-	1,654	-
<u>40,026</u>	<u>240,843</u>	<u>1,274,022</u>	<u>65,583</u>	<u>198,392</u>	<u>241,903</u>	<u>11,246</u>	<u>-</u>
-	-	-	-	-	-	-	-
30,762	152,782	-	44,571	-	-	102,384	-
-	-	-	-	-	-	-	-
-	-	(45,652)	-	(123,886)	(296,815)	-	(97,502)
<u>30,762</u>	<u>152,782</u>	<u>(45,652)</u>	<u>44,571</u>	<u>(123,886)</u>	<u>(296,815)</u>	<u>102,384</u>	<u>(97,502)</u>
<u>\$ 70,788</u>	<u>\$ 393,625</u>	<u>\$ 1,274,022</u>	<u>\$ 110,154</u>	<u>\$ 198,392</u>	<u>\$ 241,903</u>	<u>\$ 113,630</u>	<u>\$ -</u>

CITY OF JANESVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (cont.)
As of December 31, 2017

	Milton Ave at Mt Zion TIF No. 29	Racine St TIF No. 32	Mineral Pt TIF No. 33	HWY 11/CTH G TIF No. 35
ASSETS				
Current Assets				
Cash and investments	\$ 211,297	\$ 1,715,184	\$ 295,999	\$ -
Taxes receivable	46,111	1,539,382	361,926	1,985,832
Accounts receivable	-	99,323	189,745	15,450
Special assessments receivable	-	77,645	-	-
Prepaid items	-	-	-	-
Loans receivable	-	93,753	3,519	-
TOTAL ASSETS	\$ 257,408	\$ 3,525,287	\$ 851,189	\$ 2,001,282
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ -	\$ -	\$ 51,632	\$ 8,726
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	3,053,307
Total Liabilities	-	-	51,632	3,062,033
Deferred Inflows of Resources				
Unearned revenues	46,111	1,539,382	361,926	1,985,832
Unavailable revenues	-	171,398	3,519	-
Total Deferred Inflows of Resources	46,111	1,710,780	365,445	1,985,832
Fund Balances				
Nonspendable	-	-	-	-
Restricted	211,297	1,814,507	434,112	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	(3,046,583)
Total Fund Balances	211,297	1,814,507	434,112	(3,046,583)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 257,408	\$ 3,525,287	\$ 851,189	\$ 2,001,282

<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>
\$ -	\$ -	\$ 2,550	\$ 529,908	\$ 535,754	\$ 13,042	\$ 27,204	\$ 8,416,357
178,042	-	-	-	-	-	-	9,514,669
-	-	359	111,842	234,823	-	14,329	1,217,584
-	-	-	-	-	-	-	77,645
-	-	42,000	-	-	-	-	42,000
-	-	-	2,704,841	1,708,256	-	-	4,512,023
<u>\$ 178,042</u>	<u>\$ -</u>	<u>\$ 44,909</u>	<u>\$ 3,346,591</u>	<u>\$ 2,478,833</u>	<u>\$ 13,042</u>	<u>\$ 41,533</u>	<u>\$ 23,780,278</u>
\$ 68,423	\$ -	\$ -	\$ 115,949	\$ 21,647	\$ 12,980	\$ 24,940	\$ 564,104
-	-	-	-	-	62	80	78,878
19,822	39,764	-	-	-	-	-	3,672,605
<u>88,245</u>	<u>39,764</u>	<u>-</u>	<u>115,949</u>	<u>21,647</u>	<u>13,042</u>	<u>25,020</u>	<u>4,315,587</u>
178,042	-	-	-	-	-	11,889	9,531,218
-	-	-	2,704,841	1,708,256	-	-	4,592,668
<u>178,042</u>	<u>-</u>	<u>-</u>	<u>2,704,841</u>	<u>1,708,256</u>	<u>-</u>	<u>11,889</u>	<u>14,123,886</u>
-	-	42,000	-	-	-	-	42,000
-	-	-	525,801	748,930	-	-	8,000,557
-	-	2,909	-	-	-	4,624	1,036,695
(88,245)	(39,764)	-	-	-	-	-	(3,738,447)
<u>(88,245)</u>	<u>(39,764)</u>	<u>44,909</u>	<u>525,801</u>	<u>748,930</u>	<u>-</u>	<u>4,624</u>	<u>5,340,805</u>
<u>\$ 178,042</u>	<u>\$ -</u>	<u>\$ 44,909</u>	<u>\$ 3,346,591</u>	<u>\$ 2,478,833</u>	<u>\$ 13,042</u>	<u>\$ 41,533</u>	<u>\$ 23,780,278</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, 2017

	<u>Library</u>	<u>JATV-12</u>	<u>Oak Hill Cemetery</u>	<u>Special Accounts</u>
REVENUES				
Taxes	\$ 3,272,586	\$ -	\$ -	\$ 1,657,349
Investment income	-	-	81,451	203
State and federal aids	19,770	-	-	586,526
Service charges and other	686,036	173,808	150,310	1,469,647
Miscellaneous	-	-	-	-
Total Revenues	<u>3,978,392</u>	<u>173,808</u>	<u>231,761</u>	<u>3,713,725</u>
EXPENDITURES				
Current				
Public safety	-	-	-	1,166,010
Public works	-	-	-	223,333
Recreation and parks	-	-	250,956	49,773
Community and economic development	-	-	-	867,291
Library	3,420,764	152,250	-	384,458
Capital Outlay	358,566	26,688	-	963,000
Debt Service				
Interest charges	-	-	-	-
Total Expenditures	<u>3,779,330</u>	<u>178,938</u>	<u>250,956</u>	<u>3,653,865</u>
Excess (deficiency) of revenues over expenditures	<u>199,062</u>	<u>(5,130)</u>	<u>(19,195)</u>	<u>59,860</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Transfer in	-	-	-	256,000
Transfer out	(233,455)	-	-	-
Total Other Financing Sources (Uses)	<u>(233,455)</u>	<u>-</u>	<u>-</u>	<u>256,000</u>
Net change in fund balance	(34,393)	(5,130)	(19,195)	315,860
FUND BALANCES (DEFICIT) -				
Beginning of Year	<u>649,053</u>	<u>403,786</u>	<u>180,509</u>	<u>3,474,083</u>
FUND BALANCES (DEFICIT) -				
END OF YEAR	<u>\$ 614,660</u>	<u>\$ 398,656</u>	<u>\$ 161,314</u>	<u>\$ 3,789,943</u>

Continued on
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South Main St 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
\$ 42,306	\$ 141,815	\$ 2,002,104	\$ 69,231	\$ 205,592	\$ 242,218	\$ 9,597
237	1,670	4,388	14,684	75,771	871	1,057
31	1,086	437	2,079	8,366	4,028	2,376
-	-	-	74,862	8,330	1,170	5,996
-	-	-	-	-	-	-
<u>42,574</u>	<u>144,571</u>	<u>2,006,929</u>	<u>160,856</u>	<u>298,059</u>	<u>248,287</u>	<u>19,026</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,006	829	317,190	4,506	2,317	413,192	38,213
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	183	-	870	1,333	-
<u>1,006</u>	<u>829</u>	<u>317,373</u>	<u>4,506</u>	<u>3,187</u>	<u>414,525</u>	<u>38,213</u>
<u>41,568</u>	<u>143,742</u>	<u>1,689,556</u>	<u>156,350</u>	<u>294,872</u>	<u>(166,238)</u>	<u>(19,187)</u>
-	-	317,000	-	-	-	-
-	-	-	-	-	-	-
-	(73,825)	(1,343,404)	(111,150)	(147,200)	(130,669)	(36,759)
-	(73,825)	(1,026,404)	(111,150)	(147,200)	(130,669)	(36,759)
41,568	69,917	663,152	45,200	147,672	(296,907)	(55,946)
(10,806)	82,865	(708,804)	(629)	(271,558)	92	158,330
<u>\$ 30,762</u>	<u>\$ 152,782</u>	<u>\$ (45,652)</u>	<u>\$ 44,571</u>	<u>\$ (123,886)</u>	<u>\$ (296,815)</u>	<u>\$ 102,384</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, 2017

	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	\$ -	\$ 33,942	\$ 1,030,166	\$ 341,286
Investment income	-	1,613	35,436	1,390
State and federal aids	-	2,934	84,800	458
Service charges and other	-	-	93,632	18,132
Guaranteed payment	1,918	-	-	621,869
Total Revenues	<u>1,918</u>	<u>38,489</u>	<u>1,244,034</u>	<u>983,135</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation and parks	-	-	-	-
Community and economic development	239	10,607	367,201	663,826
Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Interest charges	816	-	-	-
Total Expenditures	<u>1,055</u>	<u>10,607</u>	<u>367,201</u>	<u>663,826</u>
Excess (deficiency) of revenues over expenditures	<u>863</u>	<u>27,882</u>	<u>876,833</u>	<u>319,309</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	863	27,882	876,833	319,309
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(98,365)</u>	<u>183,415</u>	<u>937,674</u>	<u>114,803</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (97,502)</u>	<u>\$ 211,297</u>	<u>\$ 1,814,507</u>	<u>\$ 434,112</u>

HWY 11/CTH G 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
\$ 125,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,173,307
29,855	4,256	-	-	2,850	500	-	122,517	378,749
127,341	-	-	-	396,953	430,810	-	-	1,667,995
-	-	-	1,252,346	223,699	302,652	-	91,862	4,552,482
-	-	-	-	-	-	-	-	623,787
<u>282,311</u>	<u>4,256</u>	<u>-</u>	<u>1,252,346</u>	<u>623,502</u>	<u>733,962</u>	<u>-</u>	<u>214,379</u>	<u>16,396,320</u>
-	-	-	-	-	-	-	-	1,166,010
-	-	-	-	-	-	39,550	-	262,883
-	-	-	1,201,965	-	-	-	-	1,502,694
854,821	1,941,874	15,593	-	446,667	672,334	-	175,480	6,793,186
-	-	-	-	-	-	-	-	3,957,472
-	-	-	-	-	-	-	12,393	1,360,647
<u>21,666</u>	<u>71</u>	<u>231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,170</u>
<u>876,487</u>	<u>1,941,945</u>	<u>15,824</u>	<u>1,201,965</u>	<u>446,667</u>	<u>672,334</u>	<u>39,550</u>	<u>187,873</u>	<u>15,068,062</u>
<u>(594,176)</u>	<u>(1,937,689)</u>	<u>(15,824)</u>	<u>50,381</u>	<u>176,835</u>	<u>61,628</u>	<u>(39,550)</u>	<u>26,506</u>	<u>1,328,258</u>
-	1,870,000	-	-	-	-	-	-	2,187,000
-	-	-	-	-	-	29,175	-	285,175
<u>(335,522)</u>	<u>-</u>	<u>-</u>	<u>(60,966)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,472,950)</u>
<u>(335,522)</u>	<u>1,870,000</u>	<u>-</u>	<u>(60,966)</u>	<u>-</u>	<u>-</u>	<u>29,175</u>	<u>-</u>	<u>(775)</u>
(929,698)	(67,689)	(15,824)	(10,585)	176,835	61,628	(10,375)	26,506	1,327,483
<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>
<u>\$ (3,046,583)</u>	<u>\$ (88,245)</u>	<u>\$ (39,764)</u>	<u>\$ 44,909</u>	<u>\$ 525,801</u>	<u>\$ 748,930</u>	<u>\$ -</u>	<u>\$ 4,624</u>	<u>\$ 5,340,805</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,272,586	\$ 3,272,586	\$ 3,272,586	\$ -
State and federal aids	15,000	15,000	19,770	4,770
Service charges and other	733,119	733,119	686,036	(47,083)
Total Revenues	<u>4,020,705</u>	<u>4,020,705</u>	<u>3,978,392</u>	<u>(42,313)</u>
EXPENDITURES				
Current				
Library	3,545,337	3,545,337	3,420,764	124,573
Capital Outlay	391,913	391,913	358,566	33,347
Total Expenditures	<u>3,937,250</u>	<u>3,937,250</u>	<u>3,779,330</u>	<u>157,920</u>
Excess of revenues over expenditures	<u>83,455</u>	<u>83,455</u>	<u>199,062</u>	<u>115,607</u>
OTHER FINANCING USES				
Transfer out	(83,455)	(83,455)	(233,455)	(150,000)
Total Other Financing Uses	<u>(83,455)</u>	<u>(83,455)</u>	<u>(233,455)</u>	<u>(150,000)</u>
Net change in fund balance	-	-	(34,393)	(34,393)
FUND BALANCES - Beginning of Year	<u>649,053</u>	<u>649,053</u>	<u>649,053</u>	-
FUND BALANCES - END OF YEAR	<u>\$ 649,053</u>	<u>\$ 649,053</u>	<u>\$ 614,660</u>	<u>\$ (34,393)</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - JATV-12 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	\$ 190,460	\$ 190,460	\$ 173,808	\$ (16,652)
EXPENDITURES				
Current				
Library	171,772	171,772	152,250	19,522
Capital Outlay	24,700	24,700	26,688	(1,988)
Total Expenditures	196,472	196,472	178,938	17,534
Net change in fund balance	(6,012)	(6,012)	(5,130)	882
FUND BALANCES - Beginning of Year	403,786	403,786	403,786	-
FUND BALANCES - END OF YEAR	\$ 397,774	\$ 397,774	\$ 398,656	\$ 882

CITY OF JANESVILLE

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 81,451	\$ 76,451
Service charges and other	<u>185,050</u>	<u>185,050</u>	<u>150,310</u>	<u>(34,740)</u>
Total Revenues	<u>190,050</u>	<u>190,050</u>	<u>231,761</u>	<u>41,711</u>
EXPENDITURES				
Current				
Recreation and parks	<u>231,504</u>	<u>231,504</u>	<u>250,956</u>	<u>(19,452)</u>
Total Expenditures	<u>231,504</u>	<u>231,504</u>	<u>250,956</u>	<u>(19,452)</u>
Net change in fund balance	(41,454)	(41,454)	(19,195)	22,259
FUND BALANCES - Beginning of Year	<u>180,509</u>	<u>180,509</u>	<u>180,509</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 139,055</u>	<u>\$ 139,055</u>	<u>\$ 161,314</u>	<u>\$ 22,259</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GOLF COURSES
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Service charges and other	1,245,689	1,245,689	1,252,346	6,657
Total Revenues	<u>1,245,689</u>	<u>1,245,689</u>	<u>1,252,346</u>	<u>6,657</u>
EXPENDITURES				
Current				
Recreation and parks	1,248,653	1,192,903	1,201,965	(9,062)
Total Expenditures	<u>1,248,653</u>	<u>1,192,903</u>	<u>1,201,965</u>	<u>(9,062)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,964)</u>	<u>52,786</u>	<u>50,381</u>	<u>(2,405)</u>
OTHER FINANCING USES				
Transfers out	-	(55,750)	(60,966)	(5,216)
Total Other Financing Uses	<u>-</u>	<u>(55,750)</u>	<u>(60,966)</u>	<u>(5,216)</u>
Net change in fund balance	(2,964)	(2,964)	(10,585)	(7,621)
FUND BALANCES - Beginning of Year	<u>55,494</u>	<u>55,494</u>	<u>55,494</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 52,530</u>	<u>\$ 52,530</u>	<u>\$ 44,909</u>	<u>\$ (7,621)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 2,850	\$ 2,850
State and federal aids	734,348	734,348	396,953	(337,395)
Service charges and other	139,000	139,000	223,699	84,699
Total Revenues	<u>873,348</u>	<u>873,348</u>	<u>623,502</u>	<u>(249,846)</u>
EXPENDITURES				
Current				
Community and economic development	882,748	882,748	446,667	436,081
Total Expenditures	<u>882,748</u>	<u>882,748</u>	<u>446,667</u>	<u>436,081</u>
Net change in fund balance	(9,400)	(9,400)	176,835	186,235
FUND BALANCES - Beginning of Year	<u>348,966</u>	<u>348,966</u>	<u>348,966</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 339,566</u>	<u>\$ 339,566</u>	<u>\$ 525,801</u>	<u>\$ 186,235</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 500	\$ 500
State and federal aids	559,018	559,018	430,810	(128,208)
Service charges and other	<u>96,000</u>	<u>96,000</u>	<u>302,652</u>	<u>206,652</u>
Total Revenues	<u>655,018</u>	<u>655,018</u>	<u>733,962</u>	<u>78,944</u>
EXPENDITURES				
Current				
Community and economic development	<u>1,044,513</u>	<u>1,044,513</u>	<u>672,334</u>	<u>372,179</u>
Total Expenditures	<u>1,044,513</u>	<u>1,044,513</u>	<u>672,334</u>	<u>372,179</u>
Net change in fund balance	(389,495)	(389,495)	61,628	451,123
FUND BALANCES - Beginning of Year	<u>687,302</u>	<u>687,302</u>	<u>687,302</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 297,807</u>	<u>\$ 297,807</u>	<u>\$ 748,930</u>	<u>\$ 451,123</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Service charges and other	\$ 36,618	\$ 36,618	\$ -	\$ (36,618)
EXPENDITURES				
Current				
Public works	36,618	36,618	39,550	(2,932)
Excess (deficiency) of revenues over expenditures	-	-	(39,550)	(33,686)
OTHER FINANCING SOURCES				
Transfers in	-	-	29,175	29,175
Net change in fund balance	-	-	(10,375)	(10,375)
FUND BALANCES - Beginning of Year	10,375	10,375	10,375	-
FUND BALANCES - END OF YEAR	\$ 10,375	\$ 10,375	\$ -	\$ (10,375)

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) -
 BUDGET AND ACTUAL - INNOVATION CENTER
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income and rents	\$ 125,522	\$ 125,522	\$ 122,517	\$ (3,005)
Service charges and other	-	-	91,862	91,862
Total Revenues	<u>125,522</u>	<u>125,522</u>	<u>214,379</u>	<u>88,857</u>
EXPENDITURES				
Current				
Community and economic development	109,628	109,628	175,480	(65,852)
Capital Outlay	-	-	12,393	(12,393)
Total Expenditures	<u>109,628</u>	<u>109,628</u>	<u>187,873</u>	<u>(78,245)</u>
Net change in fund balance	15,894	15,894	26,506	10,612
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(21,882)</u>	<u>(21,882)</u>	<u>(21,882)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (5,988)</u>	<u>\$ (5,988)</u>	<u>\$ 4,624</u>	<u>\$ 10,612</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 30,000	\$ 30,000	\$ 103,670	\$ 73,670
Special assessments	425,000	425,000	378,168	(46,832)
Total Revenues	<u>455,000</u>	<u>455,000</u>	<u>481,838</u>	<u>26,838</u>
EXPENDITURES				
Debt Service				
Principal retirement	10,666,928	10,666,928	10,665,000	1,928
Interest and fiscal charges	1,375,814	1,375,814	1,346,868	28,946
Total Expenditures	<u>12,042,742</u>	<u>12,042,742</u>	<u>12,011,868</u>	<u>30,874</u>
Excess (deficiency) of revenues over expenditures	<u>(11,587,742)</u>	<u>(11,587,742)</u>	<u>(11,530,030)</u>	<u>57,712</u>
OTHER FINANCING SOURCES				
Premium on long-term debt	530,614	530,614	523,573	(7,041)
Transfers in	11,512,128	11,512,128	11,630,094	117,966
Total Other Financing Sources	<u>12,042,742</u>	<u>12,042,742</u>	<u>12,153,667</u>	<u>110,925</u>
Net change in fund balance	455,000	455,000	623,637	168,637
FUND BALANCES - Beginning of Year	<u>2,638,072</u>	<u>2,638,072</u>	<u>2,638,072</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,093,072</u>	<u>\$ 3,093,072</u>	<u>\$ 3,261,709</u>	<u>\$ 168,637</u>

CITY OF JANESVILLE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - CAPITAL PROJECTS
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 153,783	\$ 153,783
Special assessments	-	-	446,221	446,221
Service charges and other	-	-	178,532	178,532
Total Revenues	-	-	778,536	778,536
EXPENDITURES				
Capital Outlay	13,809,000	13,809,000	14,940,813	(1,131,813)
Total Expenditures	13,809,000	13,809,000	14,940,813	(1,131,813)
Excess (deficiency) of revenues over expenditures	(13,809,000)	(13,809,000)	(14,162,277)	(353,277)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	12,629,000	12,629,000	11,549,000	(1,080,000)
Transfers in	1,080,000	1,080,000	1,035,000	(45,000)
Transfers out	-	-	(152,686)	(152,686)
Total Other Financing Sources (Uses)	13,709,000	13,709,000	12,431,314	(1,277,686)
Net change in fund balance	(100,000)	(100,000)	(1,730,963)	(1,630,963)
FUND BALANCES - Beginning of Year	7,207,936	7,207,936	7,207,936	-
FUND BALANCES - END OF YEAR	\$ 7,107,936	\$ 7,107,936	\$ 5,476,973	\$ (1,630,963)

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, 2017

	Stormwater Utility	Transit System	Totals
ASSETS			
Current Assets			
Cash	\$ 456,739	\$ -	\$ 456,739
Accounts receivable	496,038	599,192	1,095,230
Unbilled revenue	672,400	-	672,400
Inventories	-	246,774	246,774
Restricted Assets			
Construction account	14,992	-	14,992
Total Current Assets	<u>1,640,169</u>	<u>845,966</u>	<u>2,486,135</u>
Noncurrent Assets			
Utility Plant			
Land	-	710,031	710,031
Utility plant in service (at cost)	9,346,903	15,749,744	25,096,647
Construction work in progress	184,158	-	184,158
Accumulated depreciation	<u>(1,844,190)</u>	<u>(7,213,204)</u>	<u>(9,057,394)</u>
Net Plant	<u>7,686,871</u>	<u>9,246,571</u>	<u>16,933,442</u>
Total Noncurrent Assets	<u>7,686,871</u>	<u>9,246,571</u>	<u>16,933,442</u>
Total Assets	<u>9,327,040</u>	<u>10,092,537</u>	<u>19,419,577</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	780,356	780,356
Total Deferred Outflows of Resources	<u>-</u>	<u>780,356</u>	<u>780,356</u>

	Stormwater Utility	Transit System	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 44,635	\$ 142,427	\$ 187,062
Accrued salaries and wages	82,674	141,550	224,224
Accrued interest	22,130	-	22,130
Due to other funds	-	470,989	470,989
Current portion of long-term G.O. debt	436,000	-	436,000
Construction payables	2,515	-	2,515
Total Current Liabilities	<u>587,954</u>	<u>754,966</u>	<u>1,342,920</u>
Noncurrent Liabilities			
General obligation long-term debt payable	1,691,038	-	1,691,038
Other post employment benefits	-	541,084	541,084
Net pension liability	-	94,948	94,948
Total Noncurrent Liabilities	<u>1,691,038</u>	<u>636,032</u>	<u>2,327,070</u>
Total Liabilities	<u>2,278,992</u>	<u>1,390,998</u>	<u>3,669,990</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	321,775	321,775
Total Deferred Inflows of Resources	<u>-</u>	<u>321,775</u>	<u>321,775</u>
NET POSITION			
Net Investment in capital assets	5,572,310	9,246,571	14,818,881
Unrestricted (deficit)	1,475,738	(86,451)	1,389,287
TOTAL NET POSITION	<u>\$ 7,048,048</u>	<u>\$ 9,160,120</u>	<u>\$ 16,208,168</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Stormwater Utility	Transit System	Totals
OPERATING REVENUES			
Charges for services	\$ 3,870,328	\$ 452,941	\$ 4,323,269
Total Operating Revenues	<u>3,870,328</u>	<u>452,941</u>	<u>4,323,269</u>
OPERATING EXPENSES			
Operation and maintenance	2,935,736	3,558,578	6,494,314
Depreciation	186,600	606,326	792,926
Total Operating Expenses	<u>3,122,336</u>	<u>4,164,904</u>	<u>7,287,240</u>
Operating Income (Loss)	<u>747,992</u>	<u>(3,711,963)</u>	<u>(2,963,971)</u>
NONOPERATING REVENUES (EXPENSES)			
Federal operating grants	35,276	1,065,008	1,100,284
State operating grants	-	870,184	870,184
Local operating subsidy	-	87,385	87,385
Investment income	1,623	-	1,623
Amortization Premium	3,015	-	3,015
Interest expense	<u>(45,257)</u>	<u>-</u>	<u>(45,257)</u>
Total Nonoperating Revenues (Expenses)	<u>(5,343)</u>	<u>2,022,577</u>	<u>2,017,234</u>
Income (Loss) Before Contributions and Transfers	742,649	(1,689,386)	(946,737)
CAPITAL CONTRIBUTIONS	-	7,077	7,077
TRANSFERS IN	<u>-</u>	<u>1,079,908</u>	<u>1,079,908</u>
Net Change in Net Position	742,649	(602,401)	140,248
NET POSITION - Beginning of Year	<u>6,305,399</u>	<u>9,762,521</u>	<u>16,067,920</u>
NET POSITION - END OF YEAR	<u>\$ 7,048,048</u>	<u>\$ 9,160,120</u>	<u>\$ 16,208,168</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Stormwater Utility	Transit System	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,635,803	\$ 162,945	\$ 3,798,748
Cash paid to suppliers for goods and services	(1,932,392)	(923,391)	(2,855,783)
Cash payments to employees for services	(969,286)	(2,473,902)	(3,443,188)
Net Cash Flows From Operating Activities	<u>734,125</u>	<u>(3,234,348)</u>	<u>(2,500,223)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidies received - federal	-	1,065,008	1,065,008
Subsidies received - state	-	870,184	870,184
Subsidies received - local	-	87,385	87,385
Negative cash balance implicitly financed for other utilities	-	222,968	222,968
Transfers from other funds	-	1,079,908	1,079,908
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>3,325,453</u>	<u>3,325,453</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash used to retire debt	(462,000)	-	(462,000)
Interest paid	(48,350)	-	(48,350)
Acquisition and construction of capital assets	(348,372)	(91,105)	(439,477)
Construction grant received	35,276	-	35,276
Net Cash Flows From Capital and Related Financing Activities	<u>(823,446)</u>	<u>(91,105)</u>	<u>(914,551)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>1,623</u>	<u>-</u>	<u>1,623</u>
Net Change in Cash and Cash Equivalents	(87,698)	-	(87,698)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>559,429</u>	<u>-</u>	<u>559,429</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 471,731</u>	<u>\$ -</u>	<u>\$ 471,731</u>

	Stormwater Utility	Transit System	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 747,992	\$ (3,711,963)	\$ (2,963,971)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Income (Loss)			
Depreciation	186,600	606,326	792,926
Depreciation charged to other accounts	-	839	839
Change in Noncash Components of Working Capital			
Accounts receivable	(234,525)	(289,996)	(524,521)
Inventories	-	(17,621)	(17,621)
Accounts payable	31,558	63,294	94,852
Other current liabilities	2,500	20,516	23,016
Pension related deferrals	-	118,114	118,114
Other post employment benefits	-	(23,857)	(23,857)
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 734,125</u>	 <u>\$ (3,234,348)</u>	 <u>\$ (2,500,223)</u>
 Cash and investments - statement of net position	 \$ 456,739	 \$ -	 \$ 456,739
Restricted cash and investments - statement of net position	<u>14,992</u>	<u>-</u>	<u>14,992</u>
 CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	 <u>\$ 471,731</u>	 <u>\$ -</u>	 <u>\$ 471,731</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During 2017, \$6,025 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, 2017

	Balance 1-1-17	2017 Additions	Retirements	Balance 12-31-17
SOURCE OF SUPPLY				
Land and land rights	\$ 203,417	\$ -	\$ -	\$ 203,417
Wells and springs	<u>2,301,834</u>	<u>-</u>	<u>-</u>	<u>2,301,834</u>
Total Source of Supply	<u>2,505,251</u>	<u>-</u>	<u>-</u>	<u>2,505,251</u>
PUMPING				
Land and land rights	11,565	-	-	11,565
Structures and improvements	4,260,499	121,010	69,263	4,312,246
Electric pumping equipment	<u>4,376,215</u>	<u>11,218</u>	<u>-</u>	<u>4,387,433</u>
Total Pumping	<u>8,648,279</u>	<u>132,228</u>	<u>69,263</u>	<u>8,711,244</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	52,391,278	1,959,221	37,006	54,313,493
Services	8,293,064	1,730,573	4,643	10,018,994
Meters	4,277,884	379,250	99,970	4,557,164
Hydrants	<u>3,325,848</u>	<u>256,662</u>	<u>13,626</u>	<u>3,568,884</u>
Total Transmission and Distribution	<u>71,801,942</u>	<u>4,325,706</u>	<u>155,245</u>	<u>75,972,403</u>
GENERAL				
Structures and improvements	997,341	30,387	-	1,027,728
Office furniture and equipment	36,307	-	1,405	34,902
Transportation equipment	827,356	85,707	46,559	866,504
Stores equipment	14,438	-	-	14,438
Tools, shop and garage equipment	165,960	-	636	165,324
Power operated equipment	655,779	-	-	655,779
Communication equipment	1,052,209	-	-	1,052,209
Computer equipment	<u>1,032,329</u>	<u>95,122</u>	<u>114,573</u>	<u>1,012,878</u>
Total General	<u>4,781,719</u>	<u>211,216</u>	<u>163,173</u>	<u>4,829,762</u>
TOTAL PLANT IN SERVICE	<u>\$ 87,962,683</u>	<u>\$ 4,669,150</u>	<u>\$ 387,681</u>	<u>\$ 92,244,152</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2017 and 2016

OPERATING REVENUES	<u>2017</u>	<u>2016</u>
Sales of Water		
Metered Sales		
Residential	\$ 3,613,463	\$ 3,425,172
Residential Multi-Family	308,491	298,243
Commercial	1,032,962	1,033,989
Industrial	1,530,473	1,579,639
Public authorities	229,136	205,833
Private fire protection	54,462	54,505
Public fire protection	<u>1,192,561</u>	<u>1,150,252</u>
Total Sales of Water	<u>7,961,548</u>	<u>7,747,633</u>
Other Operating Revenues		
Forfeited discounts	66,420	34,164
Water department rentals	30,377	21,236
Other water revenues	<u>88,965</u>	<u>101,647</u>
Total Other Operating Revenues	<u>185,762</u>	<u>157,047</u>
Total Operating Revenues	<u>8,147,310</u>	<u>7,904,680</u>
 OPERATING EXPENSES		
Operation and Maintenance		
Source of Supply		
Maintenance of wells	<u>102,160</u>	<u>118,581</u>
Total Source of Supply	<u>102,160</u>	<u>118,581</u>
Pumping		
Fuel or power purchased for pumping	512,295	500,326
Pumping labor	94,402	97,794
Maintenance of buildings and grounds	75,243	80,775
Maintenance of structures and improvements	9,354	5,410
Maintenance of pumping equipment	<u>94,177</u>	<u>106,083</u>
Total Pumping	<u>785,471</u>	<u>790,388</u>
Water Treatment		
Chemicals	24,720	23,702
Operation labor	<u>36,401</u>	<u>36,949</u>
Total Water Treatment	<u>61,121</u>	<u>60,651</u>
Transmission and Distribution		
Transmission and distribution line expenses	206,700	204,967
Meter expenses	1,069	68,047
Maintenance of distribution reservoirs	5,747	811
Maintenance of mains	408,712	334,002
Maintenance of services	189,149	168,589
Maintenance of meters	7,043	21,377
Maintenance of hydrants	<u>71,218</u>	<u>115,934</u>
Total Transmission and Distribution	<u>889,638</u>	<u>913,727</u>

JANESVILLE WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Customer Accounts		
Supervision	\$ 38,177	\$ 41,718
Meter reading expense	17,683	22,664
Customer records and collection	128,958	139,843
Customer service and information	87,628	84,600
Total Customer Accounts	272,446	288,825
Administrative and General		
Administrative and general salaries	378,863	393,248
Office supplies	19,491	24,863
Outside services employed	5,695	4,980
Property insurance	8,236	8,476
Injuries and damages	47,784	43,598
Employees pensions and benefits	582,271	578,558
Regulatory commission	6,848	145
Rents	19,680	17,234
Maintenance of general plant	18,705	20,038
Total Administrative and General	1,087,573	1,091,140
Total Operation and Maintenance	3,198,409	3,263,312
Depreciation	1,894,342	1,823,580
Taxes	1,545,806	1,548,721
Total Operating Expenses	6,638,557	6,635,613
Taxes reported as transfers out	1,473,530	1,468,579
OPERATING INCOME	\$ 2,982,283	\$ 2,737,646

*

Amount includes the payment in lieu of tax (PILOT) of \$1,473,530 which is shown as a transfer out on statement of revenues, expenses, and changes in net position.

JANESVILLE WATER UTILITY

RATE OF RETURN - REGULATORY BASIS December 31, 2017 and 2016

	2017	2016
Utility Plant in Service		
Beginning of year	\$ 59,714,878	\$ 54,367,754
End of year	63,865,263	59,714,878
Average	61,790,070	57,041,315
Accumulated Depreciation		
Beginning of year	(19,531,370)	(18,283,929)
End of year	(20,749,729)	(19,531,370)
Average	(20,140,550)	(18,907,650)
Materials and Supplies		
Beginning of year	272,030	290,846
End of year	343,147	272,030
Average	307,589	281,438
Average Balance - Regulatory Liability	1,078,124	1,221,874
AVERAGE NET RATE BASE	\$ 40,878,985	\$ 37,193,229
OPERATING INCOME	\$ 2,038,413	\$ 1,690,923
RATE OF RETURN (PERCENT)	4.99	4.55

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, 2017

	Balance 1-1-17	Additions	Retirements	Balance 12-31-17
COLLECTION SYSTEM				
Collecting mains	\$ 55,187,374	\$ 1,315,105	\$ -	\$ 56,502,479
Collection system equipment	1,224,928	-	-	1,224,928
Total Collection System	<u>56,412,302</u>	<u>1,315,105</u>	<u>-</u>	<u>57,727,407</u>
TREATMENT AND DISPOSAL				
Land	18,000	-	-	18,000
Buildings and structures	21,176,547	46,919	-	21,223,466
Preliminary treatment equipment	2,972,751	-	34,443	2,938,308
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	-	8,207	8,006,084
Plant sitework and piping	8,113,184	-	-	8,113,184
Metering, sampling and testing equipment	151,628	-	7,950	143,678
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>46,919</u>	<u>50,600</u>	<u>54,121,892</u>
GENERAL				
Leasehold improvements	86,017	-	-	86,017
Transportation equipment	214,430	-	2,098	212,332
Office equipment	65,646	-	-	65,646
Miscellaneous equipment	307,554	-	5,016	302,538
Computer equipment	1,217,435	78,660	90,151	1,205,944
Total General	<u>1,891,082</u>	<u>78,660</u>	<u>97,265</u>	<u>1,872,477</u>
TOTAL UTILITY PLANT	<u>\$ 112,428,957</u>	<u>\$ 1,440,684</u>	<u>\$ 147,865</u>	<u>\$ 113,721,776</u>

JANESVILLE WASTEWATER UTILITY

OPERATING REVENUES AND EXPENSES Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Wastewater Revenues		
Residential	\$ 6,690,878	\$ 6,403,332
Commercial	1,682,940	1,551,428
Industrial	613,981	549,792
Public authority	248,975	232,985
Industrial pollution charge	247,844	210,551
Pretreatment program	38,807	35,184
Total Wastewater Revenues	9,523,425	8,983,272
Other Operating Revenues		
Forfeited discounts	98,679	52,274
Miscellaneous revenues	319,153	318,078
Total Other Operating Revenues	417,832	370,352
Total Operating Revenues	9,941,257	9,353,624
OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Treatment plant	1,255,880	1,271,843
Laboratory	235,406	233,143
Pretreatment	78,907	79,975
Sludge disposal	432,638	404,278
Utilities	78,400	82,738
Total Operation	2,081,231	2,071,977
Maintenance		
Collecting sewers	1,169,252	1,398,751
Treatment plant	398,520	382,961
Wastewater lift stations	8,640	11,902
Meters	417,093	383,416
Total Maintenance	1,993,505	2,177,030
Administrative		
General administration	861,775	852,615
Customer accounts	312,558	223,014
City service charges	47,897	51,338
Total Administrative	1,222,230	1,126,967
Total Operation and Maintenance	5,296,966	5,375,974
Depreciation	3,322,072	3,318,878
Total Operating Expenses	8,619,038	8,694,852
OPERATING INCOME	\$ 1,322,219	\$ 658,772

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, 2017**

	Vehicle Operation & Maintenance	Insurance	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 156,281	\$ 3,077,824	\$ 3,234,105
Accounts receivable	19,518	130,612	150,130
Inventories	364,473	-	364,473
Prepaid items	-	10,000	10,000
Total Current Assets	<u>540,272</u>	<u>3,218,436</u>	<u>3,758,708</u>
Noncurrent Assets			
Restricted Assets			
Deposits with risk pool	-	1,604,120	1,604,120
Total Assets	<u>540,272</u>	<u>4,822,556</u>	<u>5,362,828</u>
LIABILITIES			
Current Liabilities			
Accounts payable	100,641	70,977	171,618
Claims payable	-	2,616,709	2,616,709
Accrued salaries and wages	71,050	9,490	80,540
Total Liabilities	<u>171,691</u>	<u>2,697,176</u>	<u>2,868,867</u>
NET POSITION			
Unrestricted	<u>368,581</u>	<u>2,125,380</u>	<u>2,493,961</u>
TOTAL NET POSITION	<u>\$ 368,581</u>	<u>\$ 2,125,380</u>	<u>\$ 2,493,961</u>

CITY OF JANESVILLE

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
OPERATING REVENUES				
Charges for services	\$ 3,787,869	\$ 11,125,594	\$ 58,678	\$ 14,972,141
OPERATING EXPENSES				
Operation and maintenance	2,903,429	12,166,282	-	15,069,711
Operating Income (Loss)	884,440	(1,040,688)	58,678	(97,570)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	950,000	-	950,000
Transfers out	(885,000)	-	(58,678)	(943,678)
Total Other Financing Sources (Uses)	(885,000)	950,000	(58,678)	6,322
Net Change in Net Position	(560)	(90,688)	-	(91,248)
NET POSITION - Beginning of Year	369,141	2,216,068	-	2,585,209
NET POSITION - END OF YEAR	\$ 368,581	\$ 2,125,380	\$ -	\$ 2,493,961

CITY OF JANESVILLE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Vehicle Operation & Maintenance	Insurance	Benefits Funding	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from other funds for services	\$ 3,787,039	\$ 11,141,699	\$ 58,678	\$ 14,987,416
Cash paid to suppliers for goods and services	(2,019,550)	(11,521,401)	-	(13,540,951)
Cash payments to employees for services	<u>(957,400)</u>	<u>(112,371)</u>	-	<u>(1,069,771)</u>
Net Cash Flows From Operating Activities	<u>810,089</u>	<u>(492,073)</u>	<u>58,678</u>	<u>376,694</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	<u>(885,000)</u>	950,000	<u>(58,678)</u>	6,322
Net Cash Flows From Noncapital Financing Activities	<u>(885,000)</u>	950,000	<u>(58,678)</u>	6,322
Net Change in Cash and Cash Equivalents	(74,911)	457,927	-	383,016
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>231,192</u>	<u>2,619,897</u>	-	<u>2,851,089</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 156,281</u>	<u>\$ 3,077,824</u>	<u>\$ -</u>	<u>\$ 3,234,105</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 884,440	\$ (1,040,688)	\$ 58,678	\$ (97,570)
Change in Assets and Liabilities				
Accounts receivable	(830)	16,105	-	15,275
Inventories	25,057	-	-	25,057
Accounts payable	(97,482)	19,059	-	(78,423)
Accrued liabilities	<u>(1,096)</u>	<u>513,451</u>	-	<u>512,355</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 810,089</u>	<u>\$ (492,073)</u>	<u>\$ 58,678</u>	<u>\$ 376,694</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, 2017

<u>Agency</u>	<u>Balance 1-1-17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-17</u>
TAX COLLECTION				
Assets				
Investments and taxes receivable	<u>\$ 69,874,667</u>	<u>\$ 70,817,393</u>	<u>\$ 69,874,667</u>	<u>\$ 70,817,393</u>
Liabilities				
Due to other government units and other units	<u>\$ 69,874,667</u>	<u>\$ 70,817,393</u>	<u>\$ 69,874,667</u>	<u>\$ 70,817,393</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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and granting agencies	\$ 2,851,875
Cash paid to suppliers for goods and services	(2,718,858)
Cash payments to employees for services	<u>(277,146)</u>
Net Cash Flows From Operating Activities	<u>(144,129)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>75</u>
Net Change in Cash and Cash Equivalents	(144,054)

CASH AND CASH EQUIVALENTS - Beginning of Year 213,518

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 69,464

RECONCILIATION OF OPERATING INCOME TO NET

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 90,678
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Income	
Depreciation	3,238
Change in Assets and Liabilities	
Accounts receivable	(6,483)
Other current liabilities	<u>(231,562)</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ (144,129)

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)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	Fiscal Year <u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 167,011,926
Restricted	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	15,754,928
Unrestricted (deficit)	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)	(8,391,870)
Total governmental activities net position	\$ 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	\$ 174,374,984
Business-type activities										
Net investment in capital assets	\$ 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	\$ 102,001,949
Restricted	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	9,248,989
Unrestricted	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	9,010,742
Total business-type activities net position	\$ 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	\$ 120,261,680
Primary Government										
Net investment in capital assets	\$ 219,794,007	\$ 230,357,041	\$ 240,221,347	\$ 248,580,858	\$ 252,638,733	\$ 253,172,358	259,755,873	265,371,260	266,213,904	268,567,875
Restricted	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	25,003,917
Unrestricted (deficit)	18,820,722	12,377,636	8,240,144	1,978,306	(3,224,840)	(2,317,642)	(5,820,006)	27,765	4,976,689	1,064,872
Total primary government net position	\$ 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	\$ 294,636,664

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 4,959,538
Public Safety	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	30,184,659
Public Works	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	18,612,387
Recreation and Parks	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	5,100,992
Community/Economic Development	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	8,282,763
Library	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	4,661,471
Interest and Fiscal Charges	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	1,294,272
Total governmental activities expenses	<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>	<u>73,096,082</u>
Business-type activities:										
Water Utility	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	5,416,823
Wastewater Utility	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	9,202,044
Stormwater Utility	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	3,165,055
Transit	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	4,212,285
Total business-type activities	<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>	<u>21,996,207</u>
Total primary government expenses	<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>	<u>\$ 95,092,289</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	242,573	279,735	280,076	392,965	408,798	457,224	363,891	528,918	730,285	661,384
Public Safety	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	3,961,556
Public Works	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	9,735,725
Recreation and Parks	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	2,262,955
Community/Economic Development	729,978	477,580	604,735	1,299,796	2,565,475	960,053	815,156	1,345,080	1,579,793	695,989
Library	1,083,977	1,039,302	1,006,020	995,230	957,961	876,648	938,732	906,286	850,676	859,263
Operating grants and contributions	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	4,414,390
Capital grants and contributions	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	1,317,123
Total governmental activities program revenues	<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>	<u>23,908,385</u>
Business-type activities:										
Charges for services:										
Water Utility	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	8,147,310
Wastewater Utility	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	9,941,257
Stormwater Utility	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	3,870,328
Transit	398,439	367,294	408,176	439,180	465,647	547,846	573,394	547,033	460,284	452,941
Operating grants and contributions	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	2,057,853
Capital grants and contributions	1,573,924	836,969	975,820	395,169	584,516	446,217	7,918,959	7,937	1,276,126	388,327
Total business-type activities program revenues	<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>	<u>24,858,016</u>
Total primary government program revenues	<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>	<u>\$ 48,766,401</u>

CITY OF JANESVILLE, WISCONSIN

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

	Fiscal Year									
	<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>	<u>2017</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (49,187,697)
Business-type activities	<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>	<u>2,861,809</u>
Total primary government net expenses	<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>	<u>\$ (46,325,888)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 37,634,880
Other taxes	1,147,714	883,300	947,001	914,183	1,370,092	1,524,835	1,817,507	1,477,297	2,319,788	2,531,389
Intergovernmental revenues	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	5,628,245
Investment income	1,625,934	920,423	692,506	538,926	340,085	273,606	202,932	319,377	230,186	503,534
Miscellaneous	881,154	757,869	678,983	1,490,349	77,830	565,401	745,445	980,888	1,132,803	1,119,538
Transfers	<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>587,657</u>	<u>393,622</u>
Total governmental activities	<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>44,571,113</u>	<u>47,811,208</u>
Business-type activities:										
Investment earnings	542,738	201,160	92,331	58,663	48,028	80,554	15,630	16,937	69,045	106,601
Miscellaneous	11,488	2,845	16,039	-	20,891	5,189	8,993	118,306	(123)	26,516
Transfers	<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>	<u>(393,622)</u>
Total business-type activities	<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>(518,736)</u>	<u>(260,505)</u>
Total primary government	<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>\$ 44,052,377</u>	<u>\$ 47,550,703</u>
Change in Net Position										
Governmental activities	\$ 1,904,992	\$ 1,805,755	\$ 590,722	\$ 1,624,950	\$ (510,164)	\$ 236,674	\$ (6,512,742)	\$ 4,586,637	\$ (2,875,522)	\$ (1,376,489)
Business-type activities	<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>2,027,881</u>	<u>2,601,304</u>
Total primary government	<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>\$ (847,641)</u>	<u>\$ 1,224,815</u>

CITY OF JANESVILLE, WISCONSIN

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

	<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>	<u>2017</u>
General Fund:										
Nonspendable:										
Long-term receivables/ advances	\$ 858,212	\$ 686,067	\$ 472,502	\$ 477,324	\$ 484,749	\$ 897,474	\$ 665,851	\$ 1,983,082	\$ 1,544,731	\$ 1,256,614
Inventories and prepaid items	6,271	4,500	41,267	22,539	3,998	3,924	5,324	-	-	-
Assigned	1,231,000	850,000	890,000	825,000	926,435	675,000	635,649	564,250	536,757	537,395
Unassigned	<u>5,678,760</u>	<u>5,689,704</u>	<u>6,091,178</u>	<u>7,747,001</u>	<u>7,622,953</u>	<u>7,977,243</u>	<u>8,051,182</u>	<u>7,372,013</u>	<u>7,180,180</u>	<u>6,478,899</u>
Total General Fund	\$ 7,774,243	\$ 7,230,271	\$ 7,494,947	\$ 9,071,864	\$ 9,038,135	\$ 9,553,641	\$ 9,358,006	\$ 9,919,345	\$ 9,261,668	\$ 8,272,908
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	\$ 258,701
Restricted reported in:										
Debt service fund				1,277,855	594,456	628,760	996,012	2,682,108	2,949,448	3,261,709
Capital projects fund				9,575,388	7,138,340	5,593,500	7,730,977	3,057,045	3,660,835	3,247,894
Special revenue funds				4,426,799	5,027,057	6,609,164	7,485,418	6,496,619	6,230,468	8,000,557
Committed reported in:										
Sanitation Fund				2,103,725	1,199,147	285,043	(259,812)	-	1,829,606	3,264,357
Special revenue funds				832,191	956,123	868,257	903,922	1,000,817	1,014,279	1,036,695
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	2,012,378
Unassigned reported in:										
Special revenue funds				<u>(1,383,868)</u>	<u>(3,731,165)</u>	<u>(1,292,048)</u>	<u>(1,745,254)</u>	<u>(3,253,023)</u>	<u>(3,273,425)</u>	<u>(3,738,447)</u>
Total All Other Governmental Funds				\$ 19,050,942	\$ 15,103,108	\$ 17,342,116	\$ 18,534,274	\$ 12,784,590	\$ 16,000,312	\$ 17,343,844
All Other Governmental Funds (Before GASB 54 Reclassification)										
Reserved:										
Debt service	\$ 6,576,009	\$ 9,003,777	\$ 2,976,816							
Encumbrance	1,013,779	1,369,138	40,580							
Inventories and prepaid items	446,834	346,088	266,891							
Long-term receivables										
Unreserved reported in:										
Capital projects fund	4,859,680	4,828,004	5,389,278							
Special revenue funds	<u>7,906,814</u>	<u>11,429,728</u>	<u>10,311,458</u>							
Total All Other Governmental Funds	\$ 20,803,116	\$ 26,976,735	\$ 18,985,023							

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

- (1) The General Fund balances reflect fund balance classification in accordance with GASB 54.
- (2) 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>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>	<u>2017</u>
Revenue										
Taxes	\$ 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	\$ 40,096,357
Licenses and permits	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	1,707,474
Investment income, rents and fines	2,242,210	1,479,479	1,253,668	1,156,004	1,078,636	1,204,362	974,095	1,148,232	1,153,965	1,382,745
State and federal aid	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	9,647,915
Special assessments	4,801,611	1,717,558	917,104	1,141,772	975,738	911,669	1,106,737	1,680,746	460,644	824,389
Service charges and other	12,069,815	11,817,521	12,165,836	15,411,002	13,231,319	12,790,362	13,165,018	14,675,767	16,923,512	17,804,778
Miscellaneous	104,407	99,507	102,190	74,047	36,029	22,842	35,566	15,062	80,838	623,787
Total revenues	<u>61,897,980</u>	<u>61,145,525</u>	<u>59,562,844</u>	<u>63,800,039</u>	<u>61,077,870</u>	<u>63,938,308</u>	<u>65,621,626</u>	<u>65,835,629</u>	<u>67,677,726</u>	<u>72,087,445</u>
Expenditures										
General government	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	4,031,973
Public safety	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	26,022,932
Public works	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	10,883,047
Recreation and parks	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	4,380,885
Community and economic devel.	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	8,453,363
Library	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	3,957,472
Capital Outlay	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	16,301,460
Debt Service										
Principal	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	10,665,000
Interest	2,002,895	2,064,838	1,794,361	1,669,146	1,518,157	1,451,190	1,320,429	1,426,693	1,555,651	1,372,038
Total expenditures	<u>68,358,572</u>	<u>72,285,804</u>	<u>70,330,058</u>	<u>73,660,904</u>	<u>78,437,255</u>	<u>78,092,343</u>	<u>80,187,044</u>	<u>82,899,841</u>	<u>87,780,552</u>	<u>86,068,170</u>
Excess of revenues over (under) expenditures	<u>(6,460,592)</u>	<u>(11,140,279)</u>	<u>(10,767,214)</u>	<u>(9,860,865)</u>	<u>(17,359,385)</u>	<u>(14,154,035)</u>	<u>(14,565,418)</u>	<u>(17,064,212)</u>	<u>(20,102,826)</u>	<u>(13,980,725)</u>
Other financing sources (uses)										
Long-term debt issued	10,285,000	11,450,000	5,200,000	8,880,000	11,500,000	14,333,000	13,400,000	9,497,000	16,517,237	13,736,000
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	523,573
Sale of City property	-	-	-	638,477	-	-	-	-	-	-
Transfers in	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	14,673,799
Transfers out	(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)	(14,286,499)
Total other financing sources (uses)	<u>11,470,739</u>	<u>16,769,926</u>	<u>3,040,178</u>	<u>11,503,701</u>	<u>13,377,822</u>	<u>16,908,549</u>	<u>15,561,941</u>	<u>11,875,689</u>	<u>22,660,876</u>	<u>14,646,873</u>
Special Item										
Retirement of prior service										
Net change in fund balances	<u>\$ 5,010,147</u>	<u>\$ 5,629,647</u>	<u>\$ (7,727,036)</u>	<u>\$ 1,642,836</u>	<u>\$ (3,981,563)</u>	<u>\$ 2,754,514</u>	<u>\$ 996,523</u>	<u>\$ (5,188,523)</u>	<u>\$ 2,558,050</u>	<u>\$ 666,148</u>
Debt Service as a percentage of noncapital expenditures	16.2%	17.1%	17.4%	17.7%	18.0%	19.2%	16.2%	16.8%	25.6%	17.3%

CITY OF JANESVILLE, WISCONSIN

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

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Manufacturing Property</u>	<u>Agricultural⁽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>
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%
2017	2018	2,612,827,400	1,146,538,400	146,930,200	1,620,800	158,450,500	4,066,367,300	9.2365	4,605,798,000	88.23%

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>
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
2017	2018	8.3691	0.8674	9.2365	9.8467	1.3632	7.2342	-	27.6806	1.7640	25.9166

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>
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
2017	2018	8.3691	0.8674	9.2365	9.5514	1.3632	7.2342	-	27.3853	1.7640	25.6213

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
2017 and Nine Years Prior

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Dollar General	\$ 69,838,170	1	1.72%			
Mercy Health System Corp	59,528,690	2	1.46%	14,698,450	10	0.42%
Janesville Mall	34,156,200	3	0.84%	33,094,940	1	0.95%
Dean/St Marys/Riverview	33,495,950	4	0.82%	18,750,610	6	0.54%
Wal-Mart and Sam's Club	33,357,710	5	0.82%	16,332,590	8	0.47%
GHC Specialty Brands (Lab Safety)	28,569,490	6	0.70%	22,361,690	4	0.64%
Blain Supply Inc.	25,347,860	7	0.62%	25,120,110	3	0.72%
Woodmans Food Market	23,572,140	8	0.58%			
Stag Janesville LLC	19,428,400	9	0.48%			
Hendricks Commercial Properties	19,208,510	10	0.47%			
General Motors				32,394,460	2	0.93%
Helgesen Family Partnership				19,279,700	5	0.55%
Inland Pine Tree LLC				17,025,900	7	0.49%
Lemans				16,160,200	9	0.46%
Total	\$ 346,503,120		8.52%	\$ 215,218,650		6.18%

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 12/31/2017</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
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%	30,727,505	100.00%	
2009	2010	30,679,585	30,552,174	99.58%	30,679,585	100.00%	
2010	2011	31,493,963	31,416,545	99.75%	31,493,963	100.00%	
2011	2012	32,799,590	32,729,830	99.79%	32,764,005	99.89%	35,585
2012	2013	32,388,284	32,326,387	99.81%	32,346,230	99.87%	42,054
2013	2014	33,539,003	33,479,841	99.82%	33,487,374	99.85%	51,630
2014	2015	34,731,875	34,670,099	99.82%	34,671,987	99.83%	59,888
2015	2016	35,201,846	35,161,704	99.89%	35,162,638	99.89%	40,142
2016	2017	38,261,082	38,207,010	99.86%	38,207,010	99.86%	54,072

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>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>	<u>2017</u>
Debt Limit	\$ 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	\$ 230,289,900
Total net debt applicable to limit	<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>	<u>91,895,000</u>
Legal Debt Margin	<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>	<u>\$ 138,394,900</u>
Total net debt applicable to limit as a percentage of debt limit	37.77%	41.15%	38.54%	37.97%	38.09%	39.62%	40.15%	41.24%	42.28%	39.90%

<u>Legal Debt Margin Calculation for Fiscal Year 2017</u>	
Equalized Value of Taxable Property	\$ 4,605,798,000
Legal Debt limit (5% of total equalized value)	230,289,900
Less : General Obligation Debt	<u>91,895,000</u>
Legal debt margin	<u>\$ 138,394,900</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			
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	24,479,363	114,129,423	N/A	1,798
2017	66,853,993	-	27,117,868	22,567,392	116,539,253	N/A	1,844

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⁾
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	(2,638,072)	87,011,988	2.09%	1,371
2017	66,853,993	27,117,868	93,971,861	(3,261,709)	90,710,152	1.97%	1,428

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, 2017

<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	\$ 91,895,000 (1)	100.00%	\$ 91,895,000
Rock County	46,915,000	42.41%	19,896,652
School Districts			
Janesville	72,855,000	90.31%	65,795,351
Milton	500,000	33.38%	166,900
Blackhawk Technical College	48,875,000	35.32%	17,262,650
	<u>169,145,000</u>		<u>103,121,553</u>
	Total Direct and Overlapping Debt <u>\$ 261,040,000</u>		<u>\$ 195,016,553</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		
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	3,263,308	4,659,453	189,140	41,720	20.2	9,403,645	5,375,926	4,027,719	1,714,808	511,368	1.8
2017	8,169,239	3,270,685	4,898,554	193,896	36,884	21.2	10,167,825	5,296,966	4,870,859	1,718,076	473,091	2.2

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

⁽¹⁾ Excludes Depreciation Expense and Tax Equivalent

CITY OF JANESVILLE, WISCONSIN

Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	<u>Population</u>⁽¹⁾	<u>Personal Income</u>	<u>Per Capita Income</u>⁽²⁾	<u>School System Enrollment</u>⁽³⁾	<u>Unemployment Rate</u>⁽⁴⁾
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	2,569,075,190	40,477	10,273	4.5%
2017	63,215	N/A	N/A	10,182	3.6%

(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
2017 and Nine Years Prior

Employer	2017			2008		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Mercy Health System	2,892	1	8.83%	3,731	1	10.99%
Janesville School District	1,401	2	4.28%	1,523	2	4.49%
GHC Specialty Brands (Lab Safety Supply Inc / Grainger)	1,353	3	4.13%	890	4	2.62%
Rock County	1,190	4	3.63%	1,183	3	3.48%
SSI Technologies / Bornes	1,000	5	3.05%			
Data Dimensions	940	6	2.87%			
Dean Health System/St. Mary's	840	7	2.56%	388	10	1.14%
Blain's Supply (Farm & Fleet)	585	8	1.79%			
Prent Corporation	552	9	1.68%			
J.P. Cullen & Sons, Inc.	550	10	1.68%	500	6	
City of Janesville				498	7	1.47%
Wal-Mart Supercenter / Sam's Club				520	5	1.53%
Lemans Corp				415	9	1.22%
Seneca				415	8	1.22%
General Motors						
Lear Corporation						
Total	11,303		34.49%	10,063		29.64%
Total City Employment	32,768			33,953		

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>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>	<u>2017</u>
General Government										
City Manager	2.15	2.34	2.34	2.34	2.34	2.84	2.97	4.79	4.74	4.69
Assessor	8.34	7.34	6.94	6.50	6.00	6.00	6.00	6.00	5.99	5.99
Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerk Treasurer	10.56	7.67	9.36	7.00	10.00	7.90	8.20	7.26	6.67	7.13
Administrative Services & Accounting	6.72	6.49	6.34	6.22	5.37	5.63	5.82	5.43	5.76	5.68
Human Resources	2.05	2.05	2.05	2.05	2.05	2.05	2.55	2.05	2.05	2.05
Information Technology	<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>	<u>2.45</u>
Total General Government	<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>	<u>31.99</u>
Public Safety										
Police	118.50	118.50	119.50	118.50	117.50	120.42	120.36	120.69	120.67	120.77
Fire	<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>	<u>94.36</u>
Total Public Safety	<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>	<u>215.13</u>
Public Works										
Engineering	20.47	18.75	18.40	18.35	18.34	18.53	14.71	11.19	12.84	14.35
DPW/Technical Services	26.77	25.53	26.68	27.18	26.49	27.03	26.61	26.03	27.16	26.09
Sanitation/Landfill	<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>	<u>22.49</u>
Total Public Works	<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>	<u>62.93</u>
Recreation & Parks										
Leisure Services	23.31	25.08	21.55	21.37	20.26	22.33	21.51	21.45	22.12	21.59
Parks	<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>	<u>16.38</u>
Total Recreation & Parks	<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>	<u>37.97</u>
Community & Economic Development										
Community Development	17.25	17.23	15.14	15.32	14.73	15.12	16.29	16.92	16.82	16.82
Neighborhood Services	<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>	<u>6.78</u>
Total Community & Economic Development	<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>	<u>23.60</u>
Library	50.75	51.20	51.45	49.53	49.01	51.33	50.65	53.72	55.40	56.40
Water Utility	20.47	20.49	20.40	19.67	19.59	25.98	25.96	25.79	24.56	23.04
Wastewater Utility	26.43	25.88	25.99	26.22	26.17	28.99	28.57	26.89	28.06	28.33
Stormwater Utility	10.49	10.92	11.22	11.27	11.19	10.65	10.59	11.05	11.57	12.90
Transit	<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>	<u>32.22</u>
Total Employment	<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>	<u>524.51</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Assessor										
Real Estate and Mobile Home Assessments	24,050	24,100	24,120	24,535	24,407	24,488	24,513	24,602	24,770	24,723
New Construction, Permits, Sale Reviews	2,590	4,000	2,160	2,005	2,514	2,548	2,604	2,415	2,514	2,606
Attorney										
Case Litigated	9,987	8,447	10,509	8,540	8,450	10,272	10,120	9,867	8,950	10,062
Public Safety										
Police										
Traffic Citations (#)	5,235	5,237	9,320	10,848	10,147	8,550	9,310	6,290	7,548	6,948
Violent Crime Incidents (#)	172	153	170	169	182	168	169	155	145	170
Property Crime Incidents (#)	2,813	2,254	2,423	2,412	2,474	1,962	2,088	1,898	1,770	1,952
Parking Tickets Processed (#)	3,644	2,745	3,313	2,823	2,555	2,484	1,949	1,537	1,419	903
Fire										
Fire and EMS Emergency Responses (#)	6,734	6,404	6,708	7,306	7,426	8,194	9,213	9,550	9,839	10,219
Inspections (#)	6,265	6,325	6,460	5,728	5,297	4,030	4,422	4,432	5,075	5,125
Public Works										
Street Maintenance										
Crack Sealing (feet)	20,000	21,000	18,000	65,472	29,251	18,480	-	17,819	20,695	65,155
Street Resurfacing (miles)	10.9	13.5	8.0	6.4	5.2	5.3	6.6	8.5	12.6	14.0
Street Cleaning - Leaf Collection (miles)	222	228	226	218	209	227	224	204	227	227
Traffic Management										
Traffic Signs Installed/Repaired (#)	1,122	1,200	1,739	1,150	1,546	943	1,120	1,769	1,586	2,361
Line Striping (feet)	314,484	248,633	144,899	283,462	269,216	302,685	271,389	407,756	416,437	382,855
Sanitation										
Sanitary Landfill (tons)	274,213	220,849	228,758	185,065	156,804	128,192	90,178	114,300	161,578	181,750
Trash Collection(stops/week)	24,347	23,700	23,700	23,449	23,473	23,732	23,878	23,950	24,087	23,759
VOM - Vehicles Repaired (#)	3,268	2,902	2,879	2,699	2,561	2,806	2,606	2,614	2,467	2,230
Recreation and Parks										
Recreation Program Participants (#)	246,967	230,142	278,198	271,739	267,490	252,906	249,728	268,480	259,469	272,225
Special Events	80	104	105	109	114	100	146	133	126	117
Parks (acres)	2,580	2,590	2,590	2,595	2,595	2,595	2,595	2,595	2,595	2,595
Parks Mowing (acres)	664	666	666	666	666	666	666	666	666	666
Golf Course Rounds Played (#)	58,142	59,734	56,270	53,606	56,368	53,400	53,186	56,833	53,557	53,411
Community/Economic Development										
Permits Issued (#)	3,543	2,866	3,201	2,872	3,068	3,454	3,393	3,498	4,034	3,791
Inspections (#)	7,694	6,687	6,791	6,374	6,000	6,592	6,347	6,719	7,066	7,124
TIF Development Activity										
New Construction (square feet)	20,000	28,125	532,445	21,000	22,000	17,000	42,925	1,434,720	477,320	265,785
Value of Projects (dollars)	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	10,385,600
Neighborhood Services										
Complaints Received (#)	1,419	1,778	1,648	1,992	1,586	2,045	1,767	1,826	1,886	1,757
Housing/Nuisance Inspections (#)	3,951	4,632	6,061	7,159	5,356	4,812	4,696	5,627	4,099	3,867
Housing Rehab./Homeownership Loans (#)	64	101	82	70	87	49	53	69	52	48
Library										
Circulation (#)	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	870,086
Registered Patrons (#)	61,812	64,245	66,544	69,542	72,394	64,841	67,556	70,041	72,325	74,698
Water Utility										
Water Pumped (billions of gallons)	4.28	3.88	3.54	3.55	3.52	3.41	3.48	3.18	3.17	3.25
Water Tests (#)	4,797	4,844	4,922	4,611	4,525	4,650	4,525	4,525	4,525	4,525
Water Main Repairs (#)	92	88	87	108	82	114	143	80	66	80
Wastewater Utility										
Sewage Treatment (millions of gallons)	6,728	5,882	5,637	5,083	4,375	4,849	4,723	4,279	4,743	5,175
Laboratory Tests (#)	25,461	24,996	24,665	23,749	22,542	19,944	19,255	19,688	19,878	19,239
Stormwater Utility										
Street Sweeping (miles)	6,688	7,003	7,767	5,887	5,846	5,248	6,256	6,358	6,750	8,785
Storm Sewer Maintenance										
Storm Sewer Cleaning (feet)	614	600	600	600	600	600	1,208	2,075	14,876	9,096
Catch Basin Cleaning (#)	173	181	212	200	589	319	122	307	468	207
Transit										
Total Route Miles	477,266	471,711	471,711	471,682	501,025	553,104	531,643	509,829	452,897	452,329
Ridership (#)	396,773	352,144	338,739	364,696	393,347	432,739	447,632	430,741	391,385	392,535

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>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>	<u>2017</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	36	37	39	37	37	18	19	19	19	20
Police Squads						23	23	23	23	24
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	11	11	11	11	12	16
EMS Vehicles (Ambulances)	6	6	6	6	6	6	6	6	8	7
Support Vehicles	11	11	11	11	12	12	12	13	15	16
Public Works:										
Streets (miles)	350	350	350	350	350	350	350	350	350	350
Street Lights (city owned)	2185	2215	2278	2267	2286	2265	2,317	2,322	2445	2460
Traffic Signals (intersections)	76	71	71	71	71	72	73	64	64	64
Parks and Recreation:										
Number of Parks	64	64	64	64	64	64	64	64	64	64
Acreage of Parkland	2580	2590	2590	2595	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	7	7	7	7	7	7	7	7	7	7
Miles of Water Main	366	367	367	368	368	369	370	370	370	372
Number of Hydrants	2552	2553	2561	2561	2561	2581	2,606	2,606	2708	2749
Storage Capacity (million gallons)	15.84	15.84	15.84	15.84	15.84	15.84	16	16	16	16
Production Capacity (million gallons/day)	32	32	35	35	35	35	35	35	35	35
Wastewater Utility:										
Miles of Sanitary Sewer	320	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	179	179	180	180	180	180	180	180	180	180
Transit										
Number of Buses	21	21	20	20	17	17	17	17	17	17